"English translation for information purposes only. In case of discrepancies between the Spanish original and the English translation, the Spanish version shall prevail".

APPENDIX I

Model and statistics of the Annual Report on Compensation of Directors of Circular 4/2013, of the Spanish National Securities Market Commission

MODEL ANNEX I ANNUAL REPORT ON COMPENSATION OF DIRECTORS OF LISTED CORPORATIONS.

THE ISSUER'S IDENTIFYING DATA

END DATE OF FISCAL YEAR OF REFERENCE 12/31/2019

TAX IDENTIFICATION NO. A28297059

Corporate Name PROMOTORA DE INFORMACIONES, S.A.

Registered Office: GRAN VÍA 32 - 28013 Madrid

ANNUAL REPORT ON COMPENSATION OF DIRECTORS OF LISTED CORPORATIONS.

A. THE COMPANY'S COMPENSATION POLICY FOR THE CURRENT YEAR (2020)

A.1 Explain the directors' compensation policy in force in the current fiscal year. To the extent that it is relevant, certain information may be included by reference to the compensation policy approved by the General Shareholders' Meeting, provided the inclusion thereof is clear, specific and exact.

A description should be given of the specific determinations, for the current fiscal year, of the compensation of the directors in their capacity as such for the performance of executive functions, made by the Board of Directors both in accordance with the provisions of the contracts signed with the executive directors and with the compensation policy approved by the General Shareholders' Meeting.

In any case, at least the following aspects shall be reported:

- *Description of the company's procedures and bodies involved in the determination and approval of the remuneration policy and its terms and conditions.*
- *Indicate and, as appropriate, explain whether comparable companies have been taken into account to establish the company's remuneration policy.*
- *Information on whether any external advisor has participated and, if so, the identity thereof.*

A.1.1. Directors' compensation policy in force in the current fiscal year.

A.1.1.1. <u>Change in the chairmanship of the Board of Directors effective as of January 1, 2019 and current structure of the Board of Directors</u>.

<u>Change in non-executive Chairman</u>:

At the meeting of the Board of Directors of PROMOTORA DE INFORMACIONES, S.A. ("PRISA" or the "Company") held in December 2018, the Board accepted the resignation of Mr. Manuel Polanco Moreno as non-executive Chairman, with effects from January 1, 2019, and resolved to appoint Mr. Javier Monzón de Cáceres, at that time non-executive Vice Chairman and Coordinating Director, as non-executive Chairman of the Board of PRISA, also with effects from January 1, 2019.

<u>Current structure of the Board of Directors</u>:

At the date of approval of this annual report on the compensation of the directors relating to fiscal year 2019 (the "Report" or the "Annual Report"), the Board of PRISA is composed by 13 Board members: 1 executive director, Mr. Manuel Mirat Santiago (Chief Executive Officer, "CEO"), 7 independent non-executive directors, which include the non-executive Chairman, Mr. Javier Monzón de Cáceres ("Chairman"), and 5 proprietary non-executive directors.

A.1.1.2 Amendment to the compensation policy for fiscal year 2019 and Compensation Policy in force.

The compensation policy for the directors of PRISA, which was approved, at the proposal of the Company's Board of Directors, by the General Shareholders' Meeting held on April 25, 2018 with a favorable vote of 99.99%, is applicable for fiscal years 2018, 2019 and 2020 ("Compensation Policy" or the "Policy").

However, as a consequence of the appointment of the new non-executive Chairman, effective as of January 1, 2019, the General Shareholders' Meeting held on June 3, 2019 modified the Compensation Policy, in order to establish a new compensation system applicable to anyone who at any moment performs the functions of the non-executive chairman of the Board of Directors, given that the Policy previously defined the compensation of the Chairman of the Board specifically referred to the person that held the position until December 31, 2018 (Mr. Manuel Polanco Moreno).

With the modification of the Policy, the same compensation scheme was maintained for the board members. The modifications made to the Policy were the following:

i) Elimination of the reference to the specific compensation received by the previous chairman of the Board of Directors, Mr. Manuel Polanco Moreno, and the elimination of the compensation in kind he received (such as life and accident insurance, private health insurance and a car with chauffer).

ii) Inclusion of a compensation system for the position of non-executive chairman, as the Compensation Policy establishes a range of between 300,000 and 500,000 euros per year. The specific fixed amount payable to the non-executive Chairman of the Company shall be established by the Board of Directors, at the proposal of the Appointments, Compensation and Corporate Governance Commission, (ACCGC) within that range, , taking into account the responsibility and dedication required for the position and the circumstances at all times, as well as the characteristics of the person assuming the position, considering market practices;

iii) Inclusion of a total maximum amount of compensation of the board members, both for their executive and non-executive functions; and

iv) Other purely technical adjustments and improvements.

The modification of the Compensation Policy approved by the Board of Directors of the Company by the General Shareholders' Meeting held on June 3, 2019 received a favorable vote of 99.99%.

A.1.1.3. General principles of the Compensation Policy:

The general principle of the PRISA Compensation Policy is for the compensation to be what is needed to attract, retain and motivate distinguished directors with appropriate professional profiles who contribute to reaching the strategic objectives of the group headed by PRISA (the "Group" or "PRISA Group"). Specifically, PRISA Compensation Policy is based on the following principles:

a) Moderation and adaptation to the best market practices: The aim is for the compensation of directors to be moderate and consistent with market trends and references in relation to compensation in the Company's sector of business or at companies that are comparable in terms of size, activity or their structure, so that they are in-keeping with the best market practices.

b) Proportionality: The compensation of non-executive directors must reflect the effective dedication, qualification and responsibility required by the post, but must not be so high as to compromise the director's independence of mind.

c) In addition, the compensation of the directors who perform executive functions is based on the following principles:

- To motivate their permanence and guide their management with exigency and special focus on the long term, and is reasonably linked to the performance of the stock market price in that time period.

- To reflect the Company's current situation, perspectives and aims of sustainable growth. The compensation system established is aimed at promoting profitability and sustainability at the Company on the long term.

- To include fixed and variable components, with an annual or multi-year scope, as appropriate, in cash and in kind, and in elements indexed to share value, determined according to the following criteria, in order for the weighting of the different compensation components to be in line with market practices:

    i) The fixed compensation must be kept at moderate levels and is not modified during the term of the Policy, unless specific circumstances arise which making revising the Policy advisable.

    ii) Variable compensation must represent an important part of total compensation.

    iii) Medium-term compensation must have a significant weight.

iv) The share-based compensation must also be significant, but without being the only criterion to define the variable compensation.

v) The total variable compensation must be partially deferred over time.

- To include in their contracts a clause that enables the Company to claim back any variable compensation paid, in the event it is subsequently verified, on an objective basis, that said compensation was determined based on incorrect or inaccurate data.

d) Restrictions on the transfer of the shares that the directors may receive as part of their compensation package: The Policy establishes that non-executive directors may receive shares in payment for their fixed compensation and, in that case, they have the obligation to maintain the ownership of those shares until their relationship as director is terminated. Moreover, the executive directors who receive Company shares in payment for their compensation shall have the obligation to maintain the ownership of those shares in an amount equal to two times their fixed annual compensation, for at least three years since the allocation of those shares. These restrictions will not apply to any shares that the director must dispose of to defray the costs and taxes related to their acquisition.

Specifically, compensation for board members established in the Compensation Policy will remain reasonably proportionate to the relevance of the Company, its current economic and financial situation and to the market standards of comparable businesses. Additionally, the compensation system will be oriented to promote long-term profitability and sustainability of the Company, including the necessary precautions to avoid assuming excessive risks and to prevent compensating unfavorable result.

The Compensation Policy to be applied in fiscal year 2020 will therefore be approved by the General Shareholders' Meeting of 2018 and modified by the General Shareholders Meeting of 2019, which includes the principles and bases of prudence, moderation and transparency described before.

A.1.1.4. <u>Crisis caused by the Covid-19 pandemic</u>:

The public health crisis caused by the COVID-19 coronavirus ("COVID-19 crisis") has led to an unprecedented situation, in which both Spain and the vast majority of countries are immersed, with social and economic extraordinary impacts.

On March 11, 2020, the World Health Organization raised the public health emergency situation caused by COVID-19 to an international pandemic. To face this serious and exceptional situation, on March 14, 2020, by virtue of Royal Decree 463/2020, a state of alarm was declared in Spain. Likewise, the Spanish government has issued a series of urgent and extraordinary measures of a legal and enormous magnitude, to face the economic and social impact of COVID-19.

From the date on which the crisis started, PRISA, as business group focused on two essential sectors such as the education and media, has given the highest priority to continue with its activities, taking the measures required to protect the health and safety of its employees, suppliers and clients; and, at the same time, reaffirming its social commitment by offering access to wide and accurate information, quality entertainment and educational.

Likewise, and as it was already announced through the inside information communication that PRISA sent to the CNMV on March 31, 2020 (registration no. 132), in order to mitigate the negative impact of the current situation which has an special effect on the main sources of income generation of all kind of media, the Board of Directors in its meeting held on said date resolved to put in place a contingency plan to adequate the cost structures of the businesses to the foreseeable circumstances of the following months, starting with a reduction, from the date thereof, of 20% in the directors remuneration and around 35% in the annual remuneration of the Chief Executive Officer and the Senior Management.

Such actions are aligned with the principles set forth in the Company's Remuneration Policy, by virtue of which the remuneration of the directors must be consistent with the best market practices and reflect the current situation, prospects and aims of sustainable growth of the Company, keeping a reasonable proportion with its economic and financial situation. Likewise, the Remuneration Policy provides that the fixed compensation of the directors must be kept at moderate levels and not being modified during the term of the Policy, unless specific circumstances arise.

Consequently, the specific reductions that have been practiced in the compensation of the non-executive directors of PRISA, the non-Executive Chairman and the Chief Executive Officer, for the financial year 2020, as a consequence of this extraordinary situation, will be explained throughout this Report.

A.1.2. Specific determinations of the compensation of the directors both in their capacity as such and for the performance of executive functions

A.1.2.1. Setting the specific compensation of the directors:

In relation to the specific determinations for the fiscal year in course, the compensation of the directors both in their capacity as such and for the performance of executive functions, the ACCGC and the Board of Directors are going to apply in 2020 the Compensation Policy strictly on strictly on its terms which means that:

a) The non-executive directors will be paid a fixed annual allowance in cash for belonging to the Board of Directors and, as appropriate, an additional fixed amount of compensation for belonging to or presiding over the committees of the Board of Directors (the "Committees").

b) The compensation of the directors in their capacity as such (not as executives) will be compatible with any which they may receive for participating on the Boards of Directors of other Group companies, pursuant to their respective bylaws.

c) The directors of PRISA will not receive per diems for participating on the Boards of Directors and Committees or other fixed compensation as directors.

d) The expenses associated to travel, meals and accommodation to attend the meetings of the Board of Directors and Committees will be reimbursed by the Company, where they have been previously notified to the Company and accepted by it, and where they are duly justified.

e) The compensation of non-executive Chairman of the Board, will consist of a specific fixed compensation for all concepts ranging between 300,000 and 500,000 euros per year. The specific fixed amount that at all times corresponds to the non-Executive Chairman of the Company is established by the Board of Directors, as proposed by the ACCGC, within this range, taking into consideration the levels of responsibility and dedication required to be Chairman of the Board of Directors and of the Delegated Commission, as well as the specific circumstances in the functions performed by the non-executive Chairman, taking into account the specific characteristics of the individual, his or her expertise, career and experience, as well as, in general ,the professional suitability for the position. The compensation will be paid in cash and will be prorated monthly. It will be incompatible with receiving the compensation established in points a) and b) above.

f) According to the Policy and the detail of his contract, the compensation of the sole executive director of the Company (Mr. Manuel Mirat Santiago) includes the following compensation components: (i) fixed compensation, (ii) short-term variable compensation, (iii) medium- or long-term variable compensation, (iv) compensation in kind, (v) insurance policies, and (vi) payments for severance, exclusivity, post-contractual non-competition undertakings or permanence agreements. The CEO will not receive the compensation established for the non- executive directors indicated in the previous letters of this heading.

A.1.2.2. Maximum compensation of the directors:

The Compensation Policy established that the maximum amount of compensation that the Company may pay yearly to the directors is that resulting from totaling:

a) The maximum annual amount of 2,000,000 euros, on top of which amounts to be paid to the directors for the functions detailed in sections a), b) and e) of section A.1.2.1 may be added (i.e., the fixed compensation for participating on the Board of Directors and the commissions of the Board of the non-executive directors as well as the annual fixed compensation of the non-executive Chairman).

   The aforementioned amount has, in any case, the nature of maximum, and it falls to the Board of Directors to propose how that amount will be distributed amongst the different compensation components and amongst the directors, in the form, date and proportion freely determined by the Board in light of the functions and responsibilities attributed to each one, their membership and duties on the Board Committees and other objective circumstances as may be deemed relevant.

b) The amount established in the non-competition agreement by the previous Chairman of the Board of Directors mentioned in section B.10 ahead, which, having been paid already in fiscal year 2019 (and accrued in fiscal year 2108) will not apply going forward.

c) The amounts for the following concepts corresponding to the CEO for his execution functions: fixed compensation, variable compensations and compensation in kind.

d) In the event of termination of the CEO, the amount to which he is entitled, according to the conditions of his contract, under the terms of sections A.1.14 and A.1.15 ahead, shall under no circumstance exceed the established amount equivalent to two years of total annual compensation.

A.1.3. Description of the procedures and bodies at the Company involved in the determination and approval of the compensation policy and its terms and conditions

The bodies in charge of designing the Compensation Policy are the Board of Directors and the ACCGC, while the General Shareholders' Meeting is the one that has the authority, according to article 9 of PRISA's bylaws ("Bylaws"), to approve the Directors' Compensation Policy, pursuant to applicable legislation.

As established in the Corporate Bylaws and in the PRISA Board of Directors Regulations ("Board Regulations"), according to articles 249, 249 bis and 529 of consolidated text the Capital Companies Law, approved by Royal Legislative Decree 1/2010 of July 2 ("LSC"), the Board of Directors shall be in charge of:

a) Decisions regarding directors' compensation, within the framework of the Bylaws and, where appropriate, the compensation policy approved at the General Shareholders' Meeting.

b) Approving the terms and conditions of the contracts of the directors that have been attributed executive functions.

c) Setting the compensation of the directors for performing executive functions.

The Board Regulations attribute to the ACCGC not only the functions determined by the LSC but also the following powers in relation to the compensation of the directors:

a) Propose to the Board of Directors the compensation policy of directors and senior managers, and the individual compensation and other contractual conditions of the executive directors.

b) Ensure that the policy is observed and that the compensation policy for directors and senior managers, including share-based compensation systems and their application, are periodically reviewed, and ensure that their individual compensation is proportionate to their responsibility and dedication and to that of the other directors and senior managers at the Company.

c) Inform the Board of Directors of proposals relating to the terms of the variable compensation of the executive directors and senior managers at the Company, and of the other incentive plans addressed to them and, as the case may be, verify the degree of achievement of the objectives established for them.

d) Verify the information on the compensation of directors and senior managers set out in the different corporate documents and, in particular, prepare the annual report on directors' compensation for approval by the Board of Directors.

The ACCGC shall be formed by a minimum of three and a maximum of five non-executive directors, the majority of whom shall be independent directors. The designation of the Committee members shall seek to ensure that they have the appropriate knowledge, skills and experience for the functions which they will perform. The appointment and removal of Committee members shall be done by the Board of Directors at the proposal of the ACCGC itself.

At the date of preparation of this Report, the composition of the ACCGC is as follows:

a) Ms. Sonia Dulá, independent external director, as Chairman.

b) Mr. Joseph Oughourlian, proprietary non-executive director, as a member.

c) Mr. Javier Gómez-Navarro, independent non-executive director, as a member.

d) Ms. Beatrice de Clermont-Tonnere, external independent director, as a member.

Note that in accordance with the Board Regulations of the Company, which establishes that the Board will ensure that selection processes for its members favor gender diversity, women on the ACCGC has increased 50% over last fiscal year.

In 2019, the ACCGC met 13 times.

In 2020, the ACCGC and the Board of Directors took the corresponding decisions relating to the objectives of the short-term variable compensation of the CEO and the Senior Management for 2019 (see section B.7 of this Report).

A.1.4. Comparable companies used to establish the company's compensation policy

The aim of the PRISA Compensation Policy is for directors' compensation to be reduced and to comply with market trends and references in relation to compensation in the Company's sector of business or at companies that are comparable in size, activity or structure, so that they are in-keeping with the best market practices.

As indicated in last year's Compensation Report, PRISA participated in a compensation study prepared by the firm Korn Ferry, which analyzed the amounts and trends in compensation paid to directors and members of senior management at a set of companies that are comparable to PRISA in terms of stock market capitalization and annual income (the "Study"). Specifically, in that Study, the Company was included in a comparison group along with thirteen other companies, based on the following segmentation criterion: companies with an annual volume of revenues and/or stock market capitalization in excess of 1.3 billion euros, whether or not their business activities and transactions have international exposure.

According to the Study, the CEO's fixed compensation and short-term annual variable compensation target was below the median of the comparison group. Moreover, the items making up the CEO's compensation package were in line with those of the peer group.

The Study indicated that the fixed compensation received by PRISA's directors in respect of their positions as Board members (non-executive) was below the median for directors on the boards of the IBEX 35 companies.

A.1.5. Information on whether any external advisor has participated and, if so, identity thereof

Whenever the ACCGC understands it appropriate, it receives the external advice necessary to carry out its analysis and preparatory work.

Garrigues Human Capital Services provided external advisory to amend the Compensation Policy (which was approved with broad support by the shareholders in the General Shareholders' Meeting in June 2019).

Additionally, the ACCGC received advice from Spencer Stuart, Korn Ferry and Russell Reynolds in the remuneration proposal for the non-executive Chairman.

Furthermore, KMPG has advised the Company on the review and update of the targets established in the medium-term deferred compensation plan, which is referenced in later sections in this Report.

Gómez Acebo & Pombo has provided external advisory services to the Company in relation to the preparation of this Annual Report on Directors' Compensation for fiscal year 2019.

- *Relative importance of variable vs. fixed remuneration items (compensation mix) and what criteria and objectives have been taken into account in their determination and to ensure an appropriate balance between fixed and variable components of compensation. In particular, specify the actions taken by the company in relation to the compensation system to reduce exposure to excessive risks and adapt it to the company's long-term objectives, values and interests, which should include a reference to any measures established to ensure that the compensation policy is based on the company's long-term results, the measures adopted in relation to the categories of personnel whose professional activities have a material impact on the entity's risk profile and measures established to prevent conflicts of interest, as the case may be.*

  Additionally, specify whether the Company has established any accrual or vesting period for certain variable compensation items in cash, shares or other financial instruments; a deferral period for the payment of amounts or the delivery of financial instruments already accrued and vested; or whether any clause has been agreed for the reduction of the deferred compensation or which requires the director to reimburse the compensation received, if that compensation has been based on data which has subsequently been shown to be clearly inaccurate.

A.1.6. Relative importance of variable vs. fixed compensation items (compensation mix)

As established in the Compensation Policy, only the executive directors will participate in the variable compensation system. Thus, the Policy complies with Recommendation 57 of the CNMV, according to which variable compensation should be confined to executive directors.

The variable remuneration system for the Chief Executive Officer described below is as provided in the Remuneration Policy and in his contract with the Company, without prejudice to the extraordinary measures that have been agreed in relation to his annual variable remuneration corresponding to the years 2019 and 2020, which is reported throughout this Report.

The aim of the theoretical variable compensation received by the CEO is to foment his commitment to the Company and incentivize the best performance of his functions, and it represents an important portion of his total compensation, being linked to the achievement of objectives established by the Board of Directors in advance, which are mostly specific and quantifiable, so that it does not derive simply from general performance of the market, the Company's business sector or other similar circumstances. The criteria to award the variable compensation are both financial and non-financial as recommended by international good governance practices in relation to the compensation of the Directors.

The aim of the Company, in relation to the Group's executives, is to design competitive compensation packages that permit attracting and retaining top-tier professionals while establishing a link between their compensation and the results and objectives of the Company and the Group.

Every year the parameters of a variable compensation system are defined which complies with formal procedures for determining the amounts to be paid to the CEO. The objectives are set down in writing in advance, and their achievement is determined according to the CEO's results and approved by the Board of Directors, at the proposal of the ACCGC.

The variable components of compensation have sufficient flexibility to permit adjusting them to the point of being able to eliminate them altogether. There is no right to obtain a guaranteed variable compensation. The ACCGC's participation facilitates taking into account the risks associated to compensation in discussions and in their proposal to the Board of Directors, both when determining and when assessing the annual and multi-year incentives.

The determination of the variable compensation for the CEO takes into account mainly quantitative business-related objectives, which include the Group's operational and financial objectives, value creation objectives, and, in a small proportion, qualitative objectives relating to the attitudes and conduct which are required of a top-tier executive of such characteristics.

In accordance with the foregoing, the variable compensation system of the CEO currently includes two variable components: (i) a short-term annual variable component, and (ii) a medium-term deferred variable component.
To determine the relative importance of the variable vs. fixed compensation items ("Compensation Mix"), the following is taken into account:

- A fixed compensation of 500,000 euros for 2019,

- a short-term annual variable compensation of 300,000 euros for a 100% level of achievement of the objectives, with the possibility of increasing that amount to a maximum of 130% when the degree of achievement of the objectives exceeds 100%, meaning that the maximum amount is 390,000 euros, and

- a medium-term deferred variable compensation of 2,200,000 shares, which can be raised up to 2,800,000 shares, that will correspond to the CEO, as the case may be, for his participation in the medium-term deferred compensation plan for the period from 2018 through 2020, which was approved by the Shareholders' Meeting held on April 25, 2018 ("Deferred Compensation").

The medium-term Deferred Compensation for the period 2018-2020 is calculated taking into account (i) that this compensation relates to a three-year period with accrual for accounting purposes during its term of validity, and (ii) that the Deferred Compensation is linked to the performance of the market price of the PRISA share and to the achievement of certain objectives, consequently the accounting expense is determined by:

- The estimated fair value of the "theoretical shares" granted, linked to the performance of the market price of the PRISA share, which is determined through generally accepted statistical models used in the accounting practice, entailing an approximate imputed value of 2.5 euros for the PRISA share on the plan's settlement date.

- The estimated fair value of the "theoretical shares" granted, linked to the achievement of certain quantitative objectives, which is determined by the market price of the PRISA share on the measurement date. Moreover, the degree of achievement of those quantitative objectives is considered during the term of validity of the medium-term Deferred Compensation.

At the date of this Report, it is not possible to determine the value which the PRISA share will have at the end and settlement date of the Deferred Compensation, given that these are estimates made for the purpose of their accounting recognition.

The number of "theoretical shares" assigned to the CEO is 2,200,000 shares, which may increase to 25% depending on the achievement of the quantitative objectives and on the performance of the market value of the PRISA share, which has been taken into account to estimate the aforementioned fair value.

A.1.7. Actions taken by the company in relation to the compensation system to reduce exposure to excessive risk and adjust it to the company's long-term objectives, values and interests, period of accrual and of payment deferral

The principles regulating the Company's Directors' Compensation Policy take into account the shareholders' interests and prudent risk management. For that purpose, the compensation system seeks to promote the Company's long-term profitability and sustainability and includes the necessary safeguards to prevent excessive risk-taking and the rewarding of poor results. The Company works so that the financial-economic return is such that it protects and optimizes the value of the Company, to appropriately remunerate shareholders for the risk they assume with the investment of their capital. Compensation linked to the Company's earnings takes into account any qualifications stated in the external auditor's report that reduce those earnings.

As stated in the Compensation Policy, the measures that the Company has established for determining an appropriate risk management and promoting sustainability of results are:

<u>Short-term annual variable compensation</u>

- There is no right to obtain a guaranteed short-term variable compensation.

- Every year the parameters of a variable compensation system are defined which complies with formal procedures for determining the amounts to be paid to the CEO. The objectives are set down in writing in advance, and their achievement is determined according to the Company' results and approved by the Board of Directors, at the proposal of the CNCGC.

- The system for establishing metrics for the quantitative objectives takes into consideration the variables that have been identified within the Company's risk map.

- This compensation accrues annually and the payment thereof is made after the end of the fiscal year, within the first half of the calendar year following the year of generation.

- For the short-term annual variable compensation, the CEO's contract contains a clawback clause that requires the CEO to reimburse the excess variable compensation received if, in the year following its payment, there is any fact or circumstance that results in the alteration or modification of the accounts, results or economic data that might have an impact on the quantitative portion taken into account for the grant thereof, regardless of whether or not the CEO has any kind of liability for such circumstance.

- There are maximum amounts established for all variable compensation payable.

- Note that the ACCGC has the adequate knowledge, skills and experience with regard to the compensation policies of the Company, as well as for incentives and risks that could arise therefrom, including the knowledge, skills and experience regarding mechanisms to adjust the compensation structure according to the company risks profile and financial performance.

- The internal auditing function is to carry out an independent analysis of the definition, application and compliance of the Company's compensation policy in its risk map, managed in accordance with the principles established in the Policy and guidelines of the Board of Directors.

Medium-term deferred variable remuneration

- The CEO's contract and the General Conditions approved by the Board of Directors of PRISA, which define the characteristics of the medium-term Deferred Compensation, contain a clawback clause that requires the CEO to reimburse the excess variable compensation received if, in the three years following payment thereof, have arisen the circumstances established by the Board at any given time.

- In accordance with Recommendation 62 of the Code of Good Governance of the CNMV, there is a limit on the transfer of the shares delivered which, in the CEO's case, is a number of shares equal to two times his fixed annual compensation, until at least three years have elapsed since their delivery; that limit does not apply to the shares which he must transfer to meet the taxes and expenses related to the acquisition of the shares.

The clawback clause and the clause on the maintenance of a portion of the shares after they are delivered will also apply to the categories of personnel whose professional activities have a material impact on the Company's risk profile. Under no circumstance an ex post adjustment to an explicit risk will increase in the initially awarded variable compensation.

- *Amount and nature of the fixed components which are expected to accrue in the fiscal year in favor of the directors in their capacity as such*

A.1.8. Amount and nature of the fixed components which will accrue to the non-executive directors in the fiscal year

Of the maximum annual amount established in section A.1.2.2, the breakdown of the fixed compensation per position and responsibilities of the members of the Board, as determined by the Board of Directors, is as detailed below, without prejudice to the fact that as it has already been stated in section A.1.1.4. of this Report and considering the extraordinary circumstances of the COVID-19 crisis, a 20% reduction will be applied to said remuneration on a pro rata basis for the period between April and December 2020:

i. Chairman of the Board of Directors: The Board of Directors has set a fixed compensation of 400,000 euros per year for the non-executive Chairman of the Board (Mr. Javier Monzón de Cáceres), which after the indicated extraordinary reduction will amount 340,000 euros in 2020.

ii. Compensation for belonging to the Board of Directors, excluding the Chairman and the CEO: 70,000 euros per year, which after the indicated extraordinary reduction will amount 59.505 euros in 2020.

iii. Additional compensation for belonging to the different Committees:

   - Members of the Delegated Committee: 30,000 euros per year per member, which after the indicated extraordinary reduction will amount 25.500 € euros in 2020.

- Compensation for participating in the Audit, Risks and Compliance Committee and in the ACCGC: 20,000 euros per annum per director, being two times this amount for their respective chairmen (i.e. 40,000 euros). These remunerations, once the extraordinary reduction indicated has been made will amount 17,000 euros and 34,000 euros, respectively, in 2020.

For the fiscal year in course, the Policy does not establish the payment of per diems for participating in the Board of Directors and Committees.

- *Amount and nature of the fixed components which will accrue to the executive directors in the fiscal year for the performance of senior management functions*

A.1.9. Amount and nature of the fixed components which will accrue to the executive directors in the fiscal year for the performance of senior management functions

For the performance of executive functions at the Company, the fixed annual compensation in cash of the CEO amounts to 500,000 euros. However, and as has already been stated in section A.1.1.4 of this Report, taking into account the extraordinary circumstances of the COVID-19 crisis, a 10% reduction will be applied to this remuneration on a pro rata basis for the period between April and December 2020, being reduced to 462,500 in the 2020 financial year.

- *Amount and nature of any compensation component in kind that will accrue in the fiscal year, including but not being limited to insurance premiums paid to the director*

A.1.10. Amount and nature of any compensation component in kind that will accrue in the fiscal year, including but not being limited to insurance premiums paid to the director

A.1.10.1. Compensation in kind for the CEO:

The Compensation Policy envisages for the CEO certain compensation in kind, consisting of the following items:

i) A life and accident insurance policy:

PRISA has signed a policy with an insurance company that covers the contingencies of death by any cause, absolute invalidity and total permanent disability caused by an accident, with a capital equal to the annual beneficiary's total compensation (compensation received in the preceding year).

There is an age limit of 75 years of age for the main risk of death, and of 65 years of age for the supplemental benefits.

The policy envisages supplemental benefits in case of accidental death or absolute invalidity due to accident, and supplemental benefits in case of death by traffic accident.

On the Board of Directors, the CEO is the sole exclusive beneficiary of this policy.

For the CEO, the insured capital is the annual compensation associated to his position.

For 2020, the insured capital of the CEO's life insurance policy amounts to 851,900 euros, which has been calculated taking as a base the fixed salary plus the annual variable compensation actually received in 2019, corresponding to the amount accrued with charge to the year 2018, resulting from applying the degree of compliance achieved to the objectives established for that year.

The insurance premiums are reviewed annually in light of the claims reported on PRISA's Group policies, and they vary according to the age of the insureds. The amount of premiums is determined during the first quarter of the fiscal year, so the specific amount of premiums relating to the CEO for fiscal year 2020 is not known until the date of preparation of this Report, although the amount thereof is expected to be similar to that of fiscal year 2019. Said amount is specified in section B.14 of this Report.

ii) A private health insurance policy:

PRISA's policy for all its executives includes private health insurance in the form of expense reimbursement.

The CEO and his immediate family are beneficiaries of that insurance, observing the age limits that appear in the relevant insurance policy. The private health insurance premiums are adjusted annually in light of the losses under PRISA's Group policies and the evolution of the Consumer Price Index in the health sector, according to the broker's proposal. In the last quarter of each year, the premium for the following year is established.

For 2020, the premium for the health insurance of the CEO is 4,914 euros.

iii) Use of a company car:

The CEO will be entitled to the use of a vehicle according to the terms of PRISA Group's vehicle fleet policy.

A.1.10.2. Others:

i) The directors shall be entitled to the reimbursement of any expenses related to trips, meals and accommodation incurred to attend the meetings of the Board of Directors and Committees, provided they are duly justified.

ii) The Chairman will also have the necessary means to adequately perform his office and functions, according to the Company's practices and policies.

iii) Moreover, PRISA has contracted a civil liability insurance policy for all its directors, including the CEO, pursuant to the habitual market conditions for this type of insurance.

- *Amount and nature of variable components, making a distinction between those established on a short- and long-term basis. Financial and non-financial parameters, including in the latter social, environmental and climate change parameters, selected to determine the variable compensation in the fiscal year in course, explanation of to what extent those parameters are related to the compensation of both the director and of the entity and with its risk profile, and the methodology, necessary period and techniques established to be able to determine, at the end of the fiscal year, the degree of achievement of the parameters used in the design of the variable compensation. Indicate the range in monetary terms of the different variable components according to the degree of achievement of the objectives and parameters established, and whether there is any maximum monetary amount in absolute terms.*

A.1.11. Amount and nature of variable components, making a distinction between those established on the short and long term.

As stated previously, the variable compensation system of the CEO currently includes two short and medium-term variable components. The specific criteria and objectives set for 2020, taken into account to determine the variable compensation, are:

<u>Short-term annual variable compensation</u>

The annual variable compensation of the CEO is that regulated in his contract with the Company, according to which, he will receive variable compensation, which does not vest, in cash, according to the degree of compliance of the objectives assigned to him for each of the annual periods covered by his contract, and which shall be set each year by the Board of Directors at the proposal of the ACCGC.

The Policy establishes that, in general terms, this short-term variable compensation will be determined according to a scale of achievement linked mainly to quantitative business-related objectives, which include the Group's operational and financial objectives, value creation and sustainability objectives, and, in a smaller proportion, qualitative objectives.

The short-term variable remuneration target for the CEO, for a level of achievement of 100% of the objectives established for 2020, amounts to 300,000 euros. This amount can be increased up to 130% (i.e. 390,000 euros) in the event that the degree of fulfillment of the objectives set is greater than 100%.

To determine the CEO’s short-term variable compensation, the weighting of objectives is as follows: (i) 80% quantitative objectives and (ii) 20% qualitative objectives.

In the context of the COVID-19 crisis (see section A.1.1.4 of this Report), given the current situation and the extent of the negative impact it will have on the Company's businesses, both in Spain and in the rest of countries where PRISA operates, the CEO and members of PRISA's Senior Management have voluntarily renounce to receive, in relation to the financial year 2020, the part of the annual variable remuneration that refers to quantitative objectives (that is, 80% of the target amount of € 300,000). This decision has been endorsed by the ACCGC and approved by the PRISA Board of Directors.

Consequently, for the purposes of the annual variable remuneration of the CEO for the financial year 2020, the parameters to be used to calculate said remuneration will be based solely on variables which measure individual performance (whose weight will be 20% of the target of € 300,000). These objectives, that measure individual performance and are related to both specific performance and to how the objectives are achieved, are the following for 2020: i) Leadership, ii) Cooperation, iii) Creativity and innovation and, iv) Adaptation to changes.

Pursuant to article 28 of the Board Regulations, the ACCGC will verify the degree of achievement of the qualitative objectives on which the short-term variable compensation depends, and will bring it to the Board of Directors for final approval.

The short-term variable compensation will be paid after the end of the fiscal year, meaning that the short-term variable compensation accrued in fiscal year 2020 will be paid, as the case may be, in fiscal year 2021.

<u>Medium-term deferred variable remuneration</u>

Article 18 of the Bylaws and article 32 of the Board of Directors’ Regulations establish that, upon a resolution by the General Shareholders’ Meeting, the CEO may be the beneficiary of compensation systems consisting of the delivery of shares or rights on shares, and of any other compensation system based on the value of shares.

At the date of approval of this Report, the CEO’s compensation system only envisages, as medium-term variable compensation, his participation in the medium-term Deferred Compensation for fiscal years 2018-2020, which was approved by the Shareholders’ Meeting held on April 25, 2018.

The aim of the Deferred Compensation is to align the interests of its beneficiaries (i.e., the CEO, the senior managers and other executives of the Company) with those of the Company’s shareholders within the framework of the Company’s Strategy Plan for the period 2018-2020 (“Strategy Plan”).

The Deferred Compensation entails for the beneficiaries the assignment of a number of theoretical shares ("RSUs") that serve as a reference for determining, as appropriate, the delivery of a number of ordinary shares in the Company after a reference period of three years, subject to certain requirements and to the achievement of the objectives stablished for: (i) Increase in share value, (ii) consolidated EBITDA, and (iii) consolidated Cash Flow.

The end date of the Deferred Compensation is set to be the date of delivery of the shares, determined by the Board of Directors, within the sixty calendar days following the date on which the Board prepares the annual accounts for 2020.

The specific characteristics of the Deferred Compensation are as follows:

a) It establishes some transparent, demanding objectives measured on the medium term (i.e., over a three-year period).

b) It includes some metrics and accrual conditions clearly linked to the achievement of demanding financial objectives and which enhance the value for the shareholders.

c) The degrees of achievement of the objectives of the Deferred Compensation plan have been proposed the ACCGC based on the Company's Strategy Plan for the period 2018-2020.

Those objectives are periodically monitored to ensure that the conditions agreed upon are adapted, to the extent necessary, to preserving the principles underlying the original aim of the Deferred Compensation, while supporting the Company's interest in avoiding any possible loss of competitiveness in the market.

To receive the shares, the CEO must maintain a contractual relationship with the PRISA Group throughout the term of the Deferred Compensation and until the date of delivery, except in certain cases of termination of his relationship for reasons not attributable to him, which are duly stated in the document containing the general terms and conditions of the Deferred Compensation ("General Conditions").

d) In order to calculate the ratio attained by the CEO for each level of achievement of objectives, a maximum incentive level assigned and an achievement scale are determined for each of the metrics.

Both the number of measurement parameters and the payment instruments used to determine the Deferred Compensation are in line with the most commonly used practices of listed companies, according to the CNMV Report.

- Main characteristics of the long-term savings systems

A.1.12. Main characteristics of the long-term savings systems

No savings system is established for the current directors for the current fiscal year.

- *Any kind of payment or severance for early termination or removal or derived from the termination of the contractual relationship on the terms established between the Company and the director, whether at the will of the Company or the director, and any kind of agreements reached, such as exclusivity, post-contractual non-competition undertaking and retention, which entitle the director to any kind of payment.*

A.1.13. Payments or indemnities for early termination or removal, or derived from the termination of the contractual relationship on the terms established between the company and the director, in his capacity as such, whether due to the company's or the director's decision

The directors in their capacity as such (non-executives) are not entitled to indemnities for termination of their functions as director.

The CEO's contract establishes the indemnities explained in the following sections A.1.14 and A.1.15.

A.1.14. Agreements reached, such as exclusivity, post-contractual non-competition undertaking and retention of directors, which entitle them to any type of payment

The CEO's contract establishes, for certain cases, the payment of considerations for: (i) the fulfillment of a post-contractual non-competition undertaking, (ii) the termination of the relationship with the Company by decision of the latter, when it is not due to the CEO having committed any of the conducts which labor legislation in force establishes are just grounds for dismissal, (iii) the expiration of the contract, and (iv) the termination of the contract by decision of the CEO based on the serious and culpable breach by the Company.

More details are offered on these agreements in the section in relation to the conditions of the CEO's contract (i.e. subsection A.1.15 ahead).

- *Conditions that must be respected in the contracts of those who perform senior management functions as executive directors*

A.1.15. Conditions that must be respected in the contracts of those who perform senior management functions as executive directors

The contract that regulates the performance of the functions and responsibilities of the Company's CEO includes the customary clauses included in this type of contract, according to habitual market practices in this area, and are aimed at attracting and retaining the most outstanding professionals and safeguarding the legitimate interests of the Company.

In accordance with articles 249 and 529 octodecies of the LSC, and article 32 of the Board of Directors' Regulations, the essential terms and conditions of the CEO´s contract are as follows:

a) Duration: The contract has a term of four years starting from September 4, 2017.

b) Exclusivity and non-competition: The CEO's contract includes a clause on the provision of services solely and exclusively for the Company and the PRISA Group, and he may not provide services or pursue professional activities, under any contractual relationship, for other persons or entities. In addition, the CEO's contract includes a specific non-competition prohibition.

c) Advance notice period: In the event of termination of the contract by a decision of the CEO, he must send a communication to the Company indicating that circumstance at least three months in advance. In case of total or partial breach of the advance notice period, the CEO will be obliged to pay the fixed compensation in cash with the inclusion of the proportion of the extraordinary payments corresponding to the proportional breach of the advance notice period.

   The Company, in case of discontinuance of the business, must give an advance notice of at least three months. In case of total or partial breach of the advance notice period, the Company will be obliged to pay the fixed compensation in cash with the inclusion of the proportion of the extraordinary payments corresponding to the proportional breach of the advance notice.

d) Severance: The CEO's contract contemplates the following types of compensation: (i) an indemnity equal to eighteen months of his fixed and variable annual compensation, in case the contract is terminated as a consequence of its expiration. Also, in this case, the CEO will be entitled, as part of his settlement, to the proportional part of the variable compensation target (i.e. 300,000 euros) and of the multi-year incentive which may correspond to him; (ii) the employment severance payable to him according to the applicable legislation for the abeyance of his ordinary labor relationships, plus an indemnity equal to one year and six months of his fixed and variable compensation in cash, in case the Company decides to terminate his contract for reasons other than those contemplated in article 54 of the Workers' Statute; or (iii) the employment severance payable according to applicable labor legislation for the abeyance of the ordinary labor relationships, plus an indemnity equal to one year and six months of his fixed and variable annual compensation in cash, where the termination is voluntary by the CEO, due to serious and culpable breach by the Company of the obligations established in the contract.

   Additionally, the termination of the CEO's commercial relationship will entitle him to receive a supplementary indemnity equal to the amount of the unemployment benefits established at that time, with reference to the maximum contribution base and also the maximum period in which that benefit is granted. In any case, if the CEO obtains unemployment benefits from the relevant public agency, he will be obliged to reimburse the Company for any amount received for that supplementary indemnity, albeit limited to the amount of those benefits received, making that refund within a maximum term of one month following the date on which his entitlement to the unemployment benefits is recognized.

In the event of termination of the contract between the Company and the CEO for any cause not attributable to him, he shall receive the proportional part of the short-term variable remuneration according to the time he has spent working at the Company in the fiscal year. The variable compensation relating to the fiscal year in which the CEO discontinues working at the Company shall not be paid to him if such discontinuation is decided by the Company due to serious breach of his obligations, or if it is due to resignation by the CEO himself, unless in this last case the resignation takes place in the last two months of the fiscal year, in which case he will receive the proportional part of the variable compensation payable, provided the annual objectives established are reached.

e) Post-contractual non-competition undertaking: The CEO's contract includes a post-contractual non-competition clause whereby the CEO undertakes (i) not to provide services to Spanish or foreign companies whose activity is the same or similar to those of the PRISA Group companies, and (ii) not to hire any person who belongs, or has belonged in the 12 months preceding the date of termination of the contract, to the staff of PRISA Group, or to contribute to any PRISA Group employee leaving the Group.

This non-competition undertaking will have a duration of six months after termination of the agreement for any reason.

The CEO will receive, as economic consideration for those obligations, a compensation equal to six monthly payments of the last gross fixed salary being received by him at the time of termination of the contract. In case of breach of that post-contractual non-competition undertaking, the CEO will be obliged to reimburse the compensation to the Company plus an indemnity equal to six monthly payments of his last gross fixed salary received.

f) Clawback clause: In general terms, the CEO's contract includes a clause whereby the Company can claim the reimbursement of the amounts received by him in excess as annual and multi-year variable compensation, if, in the year following its settlement and payment, any fact or circumstance is revealed that results in the alteration or modification of the accounts, results or economic data, so that the amounts that served to determine the quantitative elements of the remuneration received are reduced.

g) <u>Professional secrecy and duty of confidentiality:</u> The contract of PRISA's CEO includes the obligation to keep professional secrecy. The duty of confidentiality is regulated in article 34 of the Board Regulations, and it remains in force even when the director is no longer in the post.

- Nature and estimated amount of any other supplementary compensation that will be earned by the directors in the current fiscal year in consideration for services provided other than those inherent to their post

A.1.16. Nature and estimated amount of any other supplementary compensation that will be earned by the directors in the current fiscal year in consideration for services provided other than those inherent to their post

The Compensation Policy does not contemplate any compensation other than what is mentioned in the preceding sections for the directors.

- Other compensation items such as those derived, if any, from the provision by the company to the directors of advances, loans and guarantees and other items

A.1.17. Other compensation items such as those derived, if any, from the provision by the company to the directors of advances, loans and guarantees and other items

The Compensation Policy does not envisage the possibility of providing advances, loans and guarantees to the directors.

- Nature and estimated amount of any other supplementary compensation not included in the preceding sections, whether paid by the entity or by another group entity, that will be earned by the directors in the current fiscal year

A.1.18. Nature and estimated amount of any other supplementary compensation not included in the preceding sections, whether paid by the entity or by another group entity, that will be earned by the directors in the current fiscal year

Manuel Polanco is the non-executive Chairman of Prisa Noticias should compensate Mr. Polanco, and for his status as such, he may receive a maximum amount of 50,000 euros per annum. As it has already been stated in section A.1.1.4. of this Report and considering the extraordinary circumstances of the COVID-19 crisis, a 10% reduction will be applied to this remuneration on a pro rata basis for the period between April and December 2020, being reduced to 42,500 euros in 2020.

A.2 Explain any relevant change in the compensation policy applicable in the current fiscal year, derived from:

- A new policy or an amendment of the policy already approved by the Shareholders' Meeting.

- *Relevant changes in the specific determinations established by the Board for the current fiscal year in the compensation policy in force, with respect to the policy applied in the preceding year.*

- *Proposals which the Board has resolved to present to the shareholders' meeting to which this annual report will be submitted and which the Board proposes applying in the current fiscal year.*

The Board has not taken any decision in this regard, which in any case would imply an eventual modification to the current Remuneration Policy, which will have to be submitted to the consideration of the Shareholders' Meeting to be held in 2020, the convening of which has not been decided yet to the Board of Directors.

A.3 Indicate the direct link to the document which contains the current compensation policy, which should be available on the company's webpage.

https://www.prisa.com/uploads/2018/04/nueva-politica-de-remuneraciones-de-los-consejeros-en.pdf

A.4 Explain, taking into account the data provided in section B.4, how the vote of the shareholders at the general shareholders' meeting to which the annual report on compensation of the previous year was submitted to advisory vote, has been taken into account

Last year's Annual Compensation Report received the favorable vote of 99.99% of the votes cast at the Ordinary General Shareholders' Meeting held on June 3, 2019, on the terms stated in section B.4., therefore, the Board has understood that, considering the shareholders' vote, it was not appropriate to carry out any additional consideration to the remuneration policy and its application.

According to the information provided in the CNMV's Report, at the general shareholders' meetings held in 2018, to which the annual compensation reports corresponding to fiscal year 2017 was submitted, 42% of Ibex 35 companies (29% in the 2017 general shareholders' meeting) received a favorable vote of more than 95% of the votes. In corporations that do not belong to IBEX 35, 76% (44% in the 2017 general shareholders' meeting) received a favorable vote of more than 95% of the votes. At 2 companies, negative votes cast represented more than 40%.

B. OVERALL SUMMARY OF HOW THE COMPENSATION POLICY WAS APPLIED IN THE LAST FISCAL YEAR

B.1 *Explain the process followed to apply the compensation policy and to determine the individual compensation reflected in section C herein. This information will include the role performed by the compensation committee, the decisions made by the board and, as appropriate, the identity and role of external advisors whose services have been used in the process of applying the compensation policy in the last fiscal year closed.*

The compensation items accrued in fiscal year 2019 comply with the principles, bases and composition of the compensation system in force according to the Compensation Policy described in section A.1 above.

As mentioned in section A.1, according to article 529 novodecies of the LSC, the Compensation Policy approved by the General Shareholders' Meeting on April 25, 2018, and amended by the General Shareholders' Meeting on June 3, 2019, applies in fiscal years 2018, 2019 and 2020, unless the Company's General Shareholders' Meeting resolves to modify it or replace it during this period.

The ACCGC proposed to the Board (which, in turn, proposed to the General Shareholders' Meeting held in June 2019) the terms for the modification of the Compensation Policy of the directors. In accordance with article 529 novodecies of the CCL in order to convene the general shareholders meeting, the general shareholders' made available to the shareholders a proposal from the Board, along with a supporting report from the ACCGC related to the Compensation Policy.

In particular, the process followed to apply the Compensation Policy in 2019 and to determine the individual compensation shown in section C of the Report is the following:

B.1.1. Compensation of the directors in their capacity as such (non-executive)

Their compensation is established in the current Compensation Policy and is detailed in section B.5.

B.1.2. Compensation of the executive directors

According to the CEO's contract and the Compensation Policy, the CEO earned the following compensation in 2019: (i) fixed compensation of 500,000 euros, (ii) the amounts relating to premiums for life and accident insurance and for health insurance which are described in section B.14, and (iii) a company car.

In relation to the fixed annual variable short-term compensation for 2019, see sections B.1.2.1 and B.7 of this Report.

B.1.2.1. <u>In relation to the fixed annual variable short-term compensation</u>:

In relation to annual variable compensation, the ACCGC proposed to the Board of Directors the criteria for the variable compensation of the CEO for fiscal year 2019, establishing the objectives, the weighting of the metrics, and the scale to be applied to the achievement of each one. All of the foregoing was approved by the Board.

As was already stated in last year's Compensation Report, the variable remuneration of the CEO, is based on the fulfillment of quantitative objectives (adjusted EBITDA and Free Cash Flow, each of which has a 50% weight in the quantitative objectives) and of qualitative objectives.

There was a key objective for 2019 whose fulfillment will or will not permit awarding a short-term variable compensation, based on the fulfillment of the adjusted EBITDA/EBIT and free cash flow objectives referred above. They key objective consisted in that in 2019 Net Results of PRISA (consolidated earnings of the Group), must be equal to or greater than 50% of the 2019 Net Results established in the Budget approved by the Board of Directors.

The Net Results (as a key objective) will be adjusted by the expenses posted for the year related with the medium-term Deferred Compensation plan, should there be any.

Without prejudice to the foregoing, taking into consideration the position expressed by the CEO to waive the annual variable remuneration that may correspond to him in 2019, in order to align with the complex environment in which the group has operated and the consequences that it has had on the net result of the Company, the Board of Directors, supported by the Nominations, Compensation and Corporate Governance Commission, resolved to exclude said annual variable remuneration from his 2019 remuneration.

B.1.2.2. In relation to medium-term deferred variable remuneration:

The Deferred Compensation plan was approved by the General Shareholders' Meeting of April 25, 2018, which authorized the Board of Directors, with express power of delegation to any of its members, of the Committees or of any other authorized representative, to adopt as many agreements and sign as many public documents as necessary or advisable to manage the Deferred Compensation plan 2018-2020.

The ACCGC and the Board, in the context of their respective authorities, have adopted the different decisions to which reference is made throughout this Report in relation to the Medium-Term Deferred Compensation for fiscal years 2018-2020.

- In 2018, the Board of Directors, at the proposal of the ACCGC, approved the beneficiaries and proposed distribution of the plan, as well as the General Conditions that define the characteristics of the Deferred Compensation, granting powers to the ACCGC to pass certain resolutions in relation to the management of that compensation.

- In this regard, on July 24, 2018, pursuant to the Board Regulations, the ACCGC adopted the resolution on the Deferred Compensation establishing the EBITDA and cash flow objectives on which the incentive is conditional, according to the Strategy Plan approved by the Board of Directors on July 24, 2018. In addition, on the same date and according to what was approved by the General Shareholders' Meeting, the ACCGC set the initial reference value of the PRISA share, as defined in the General Conditions of the Deferred Compensation plan, at 1.7737 euros.

During 2018, PRISA received external advisory services from Garrigues Human Capital Services ("Garrigues") for the design and implementation of the Deferred Compensation.

Since implementing this deferred compensation plan, the ACCGC has been monitoring the obtainment of the metrics established in the rules of the plan and has also updated said metrics under the terms established by the plan. For this, Garrigues and KPMG have provided advisory services.

B.1.3. Total compensation of the directors and differences with the Annual Accounts and the Financial Information

The amount of the total compensation of the directors, specified in section C of this Report, which followed the accrual criteria established in the CNMV's "Circular 2/2018, establishing the model of annual report on compensation of directors of listed corporations", differs from the total amount of directors' compensation specified in the Notes to the Financial Statements and in the Half-Yearly Financial Statement of PRISA of fiscal year 2019, because that amount relates to the accounting expense recorded in compliance with the applicable principles and rules.

B.2 *Explain the different actions taken by the company in relation to the compensation system and how they have contributed to reducing exposure to excessive risk and adapting it to the company's long-term objectives, values and interests, including a reference to the measures taken to ensure that the compensation accrued takes into account the company's long-term results and an appropriate balance between fixed and variable components of compensation, what measures have been taken in relation to the categories of personnel whose professional activities have a material impact on the entity's risk profile, and what measures have been adopted to avoid conflicts of interest, if any.*

The ACCGC ensures the observance of the Compensation Policy for directors and senior managers and informs the Board of Directors of the proposals relating to the terms of the variable compensation of the Company's CEO and Senior Management and verifies the degree of achievement of the objectives to which they are subject.

The Board of Directors, at the proposal of the ACCGC, determines the objectives on which the payment of the variable compensation to the CEO depends, their weight and metrics at the start of each fiscal year and the evaluation of their level of achievement at the end of the year.
In order to evaluate the achievement of the objectives, the ACCGC uses the information provided by the Company's Risk Control and Management Control Directors, by the Talent Management Directors and by Human Resources Directors.

Moreover, if the Company's external auditors, in their annual audit report, issue a qualified opinion that affects the objectives on which the CEO's variable compensation depends, the Board of PRISA must take them into account for determining the variable compensation of the CEO.

Lastly, the Company has a risk management system in place that applies to all of the Group companies, including the investees over which the Group has management capacity, which works integrally by business units, consolidating the management at a corporate level.

The Group continuously monitors the most significant risks, including tax risks, which might affect the business units. For that purpose, it uses a risk map, approved by the Board of Directors, as a tool for graphic representation of the risks inherent to the Group, which is used to identify and assess the risks affecting the performance of the activities of the different business units.

The identification of the risks and of the processes that manage each of the risks considered is carried out by the General Directors of the business units and of the corporate, aggregated and standardized by Risk Control and Management Control Directors and verified by the Group's Internal Audit Director. The risk map is reported to the Audit, Risks and Compliance Committee that validates it and continually monitors the main risks identified. At least once a year, the Board is informed of the Group's risk map.

The respective directors of the businesses identify both the persons responsible for managing each risk and the action plans and associated controls.

Moreover, the Company has a financial reporting internal control at risk management system (IFCR). One of the functions of the Board of Directors of PRISA, as established in the Board Regulations, is the supervision of the internal reporting and control systems. For the performance of these functions, the Board is supported by the Audit, Risk and Compliance Committee of PRISA, whose responsibilities include supervising the process of preparation and the integrity of the financial information of the Company and of its Group. The Committee in turn supervises the Internal Audit unit to ensure that the latter controls the proper functioning of the reporting and internal control systems. The aim of the internal audit is to provide the Group's Management and the Audit Committee reasonable assurance that the internal control environment and systems operating in the Group companies have been correctly conceived and managed. For that purpose, internal audit supervises the design and scope of the Group's financial reporting internal control model and subsequently assesses the functioning of the control procedures defined in the model.

The effective implementation of the internal control model is the responsibility of the CEO and of the Risks Control Director of PRISA, and of the CEOs and General Directors of the Group's business units that are involved in the preparation of the financial information that serves as a basis for preparing the Group's financial statements.

The Audit, Risks and Compliance Committee periodically evaluates the risk control and management function to ensure that it is carried out with the required independence, verifying that the appropriate processes have been implemented so that the management, the Committee itself and the Board can know whether the risk control and management system has functioned according to the policies and criteria approved by the Board.

The system for internal control over financial reporting is audited by the Group's external auditor which issues an opinion on the effectiveness of the internal control in a reasonable assurance report in accordance with ISAE 3000.

The Directors' Compensation Policy, both when it was approved in 2018 as well as after being amended in 2019, is aimed at: i) aligning with the best market practices; ii) adapting the Compensation Policy to the new structure of corporate governance at the Company; iii) aligning the compensation structure of the directors with the general strategy of the Group; and (iv) promoting an incentive system that guarantees the orientation to results and value creation for the shareholder on a sustainable basis in the medium and long term.

The different actions adopted by the Company to (i) reduce exposure to excessive risk, (ii) adjust the compensation to the Company's long-term interests, and (iii) reach a balance between the fixed and variable components of directors' compensation, are described in section A.2 of this Report. Moreover, as also detailed in that section, only the executive directors participate in variable compensation systems, thereby preventing variable compensation from being able to compromise the independence of mind of non-executive directors.

As indicated in section A.1.7, the variable compensation includes the following provisions for reducing risks:

- Every year the parameters of a short-term variable compensation system are defined which complies with formal procedures for determining the amounts to be paid to the CEO. The objectives are set down in writing in advance, and their achievement is determined according to the Company' results and approved by the Board of Directors, at the proposal of the NCCGC. The short-term annual variable compensation system for fiscal year 2019 is detailed in section B.7.

- There is no right to obtain a guaranteed short-term variable compensation.

- There are maximum amounts established for all variable compensation payable.

- The system for establishing metrics for the quantitative objectives takes into consideration the variables that have been identified within the Company's risk map.

- The CEO's contract contains a clawback clause that permits the Company to claim a reimbursement of the variable components of compensation when they have been paid based on data whose inaccuracy is verified subsequently. This clause has effects for all the variable compensation received since the entry into force of the CEO's contract with the Company, that is, since September 4, 2017, and applies in the year following the payment of the relevant variable compensation.

- Additionally, the medium-term Deferred Compensation approved for the period 2018-2020 by the General Shareholders' Meeting and described in detail in section A.1 of this Report, contains, considering the duration of this variable compensation, a specific clawback clause, which obliges the CEO to reimburse the variable compensation received if, within the three years following the receipt thereof, the circumstances determined by the Board which oblige the CEO to return the shares delivered or their equivalent in cash have arisen. This clawback clause also applies to the rest of the beneficiaries of the plan (i.e. senior managers and other executives of the Group), in which case the period of application is two years, rather than three.

B.3 *Explain how the compensation accrued in the fiscal year complies with the provisions of the compensation policy in force.*

Also inform on the relationship between the compensation obtained by the directors and the results or other measurements of performance at the entity, on the short and long term, explaining how the variation in the company's results may have affected the variation in the compensation of directors, including the compensation accrued the payment of which has been deferred, and how it contributes to the company's results on the short and long term.

B.3.1. Explain how the compensation accrued in the fiscal year complies with the provisions of the compensation policy in force

Pursuant to the Compensation Policy, the compensation earned in 2019 by the directors was as follows:

<u>Non-executive directors</u>:

In 2019, the non-executive directors received the amounts determined in the Compensation Policy and which are detailed in section B.5, for belonging to the Board of Directors and to the different Committees, and for being the chairman of the Board and the Committees, as the case may be. Likewise, Manuel Polanco has received 50,000 euros for his membership of Prisa Noticias´ Board.

The non-executive Chairman, Mr. Javier Monzón Cáceres, has received a compensation of 400,000 euros for all items, including the institutional and representative functions of the Company at the highest level, as established in the Compensation Policy, in accordance with the terms agreed by the Board of Directors.

The total amount earned by all of the directors as a whole, in their capacity as such (non-executive) in 2019, including the compensation of the non-executive Chairman, amounts to 1,508,000 euros, complying with the total annual maximum limit established in the Compensation Policy for non-executive directors. (i.e. 2,000,000 euros)
<u>Executive director:</u>

The CEO earned in 2019 the fixed component of 500,000 euros, as well as the amounts corresponding to the life and accident insurance and health insurance premiums which are described in section B.14, and (iii) the use of a company car.

With regard to the short-term annual variable compensation, as indicated in section B.1.2.1 as well as in section B.7, taking into consideration the position expressed by the CEO to waive the annual variable remuneration that may correspond to him in 2019, in order to align with the complex environment in which the group has operated and the consequences that it has had on the net result of the Company, the Board of Directors, supported by the Nominations, Compensation and Corporate Governance Commission, resolved to exclude said annual variable remuneration from his 2019 remuneration.

B.3.2. Relationship between the compensation obtained by directors and the results or other measurements of performance, short and long term, at the company, explaining, as the case may be, how variations in the company's results may have influenced the variation in directors' compensation.

As stated in section B.1, the modifications in the compensation of directors, as a consequence of the new Compensation Policy, approved by the general shareholders' meeting held on April 25, 2018 and amended by the general shareholders' meeting of June 3, 2019, have permitted the Company to adapt that compensation to the Company's new corporate governance structure and the Group's strategy.

To adapt the compensation of the CEO to the short- and long-term results of PRISA, the Policy establishes two compensation components: (i) a short-term annual variable compensation for which the objectives are determined annually and are linked, in a significant percentage (i.e. 80%) to financial objectives of the Company, and (ii) a medium-term Deferred Compensation, the objectives of which are linked to the PRISA Strategy Plan of that period, and to the value creation in a medium-term.

The short- and medium-term variable compensation systems entail measures that take into account possible variations in the Company's results, which include:

- Defined scales of achievement for each objective based on the Company's results. Consequently, any variation in the Company's results on the short or long term will affect the degree of achievement of the objectives and directly the amount of variable compensation that may be obtained by the CEO.

- Only where the Board of Directors has prepared the financial statements with which to determine the degree of achievement of the objectives will the short- or long-term variable compensation linked to the Company's financial objectives accrue.
- Moreover, the medium-term Deferred Compensation contemplates the obligation to maintain the ownership of a certain number of shares that may be received under this plan.

- All of the CEO's variable compensation is subject to a clawback clause that permits the Company to claim the reimbursement of the variable components of compensation when that compensation has been paid based on data that is subsequently proven to be inaccurate.

B.4 *Report on the outcome of the advisory vote of the general shareholders' meeting on the annual report on directors' compensation for the previous year, indicating the number of votes cast against it, if any.*

	Number	**% of total**
Votes cast	550,269,720	100%

	Number	**% of total**
Votes against	2	0.30%
Votes in favor	550,268,995	99.99%
Abstentions	723	0.00%

B.5 *Explain how the fixed components accrued during the fiscal year by the directors in their capacity as such have been determined and how they have varied with respect to the preceding year.*

Compensation of the non-executive Chairman.

In fiscal year 2018, the Compensation Policy established an individual compensation for the non-executive chairman, establishing a fixed gross annual compensation of 500,000 euros for the previous chairman, Mr. Manuel Polanco. Additionally, Mr. Polanco was beneficiary of certain life and accident insurance and health insurance policies.

The Compensation Policy was modified by resolution of the Board of Directors held in June 2019 and established a fixed annual compensation of the non-executive chairman for all items of between 300,000 and 500,000 euros per year. Thus, it was agreed that the Board of Directors, at the ACCGC's proposal, within said range and considering the levels of responsibility and dedication required by the Chairman, would set the compensation. As such, the Board of Directors has established the fixed annual compensation of the non-executive chairman, Mr. Javier Monzón de Cáceres, at 400,000 euros, effective as of January 1, 2019. Also, the non-executive Chairman is no longer a beneficiary of the aforementioned life and accident and health insurance policies.

Compensation for the rest of the directors:

The rest of the directors' compensation, in their capacity as such, has not changed in 2019 in comparison to the previous fiscal year and is as follows:

- The maximum amount of fixed annual compensation for participating in the Board of Directors is 70,000 euros. This amount is paid entirely in cash and prorated monthly.

- The maximum annual compensation for the participation in the Delegated Committee is 30,000 euros per director. This amount is paid entirely in cash and prorated monthly.

- The maximum annual compensation for the participation on the Audit, Risk and Compliance Committee and the ACCGC is 20,000 euros per director, which amount is double for the respective chairmen (i.e. 40,000 euros). This amount is paid entirely and prorated monthly.

In particular, the amount of the individual compensation accrued in 2019 by the directors in their capacity as such (non-executive) has been the following cash compensation:

- Mr. Francisco Javier Monzón de Cáceres: 400,000 euros.

- Mr. Joseph Oughourlian: 120,000 euros.

- Mr. Roberto Alcántara Rojas: 78,000 euros.

- Amber Capital UK LLP (represented by Mr. Fernando Martínez Albacete): 82,000 euros.

- Ms. Maria Teresa Ballester Fornés: 37,000 euros.

- Ms. Beatrice de Clermont-Tonnere: 49,000 euros.

- Mr. Javier de Jaime Guijarro 88,000 euros.

- Mr. Dominique D´Hinnin: 122,000 euros.

- Ms. Sonia Dulá: 143,000 euros.

- Mr. Francisco Javier Gómez-Navarro Navarrete: 90,000 euros.

- Mr. Manuel Polanco Moreno: 100,000 euros.

  In addition, in 2019 Mr. Polanco has received a remuneration for belonging to the board of directors of PRISA Noticias, in the amount of 50,000 euros in cash.

- Mr. Khalid Bin Thani Abdullah Al Thani: 70,000 euros.

- Mr. Waleed Ahmad Ibrahim Al'Sadi (who was director of the Company until June 3, 2019): 38,000 euros.

- Mr. José Francisco Gil Díaz (who was director of the Company until July 30, 2019): 41,000 euros.

According to the above, the total amount earned by all the directors in their capacity as such (non-executive) in 2019 amounts to 1,508,000 euros, which entails a reduction of 77,000 euros with respect to the total amount received by all the directors in their capacity as such (non-executive) in 2018 (1,585,000 euros).

The reduction in the total compensation earned in 2019 by the directors in their capacity as such (non-executive) with respect to the previous fiscal year is mainly due the reduction in the compensation of the non-executive Chairman of the Board, which fixed compensation in 2018 was 500,000 euros and for 2019, following the modification of the Compensation Policy, was set at 400,000 euros.

B.6 *Explain how the salaries accrued in the closed fiscal year, by each of the executive directors for the performance of management functions have been determined and how they have changed with respect to the preceding year.*

In fiscal years 2018 and 2019, the sole executive director of the Company was the CEO, Mr. Manuel Mirat, who earned the earned the following fixed compensation in 2019:

- The amount of the fixed annual compensation of 2019 is maintained, as from the signature of the CEO's contract in September 2017, at 500,000 euros, with no change from 2018.

- The amount of the annual premium corresponding to the life and accident insurance policy, amounted to in 2019 1,046.14 euros (851.37 euros for life insurance and 194.77 for accident insurance). In 2018, this was 1,045 euros (855.75 for life insurance and 189.60 for accident insurance

- The amount of the premium corresponding to the health insurance policy was 4,801 euros in 2019 and 4,718.40 in 2018.

- The CEO has used, in the pursuit of his functions as director, a company car, according to the PRISA Group's vehicle fleet policy.

B.7 *Explain the nature and principal characteristics of the variable components of the compensation accrued in the previous fiscal year.*

In particular:

- *Identify each of the compensation plans that have determined the different variable compensation items earned by each of the directors during the last fiscal year closed, including information on their scope, date of approval, date of* *implementation, accrual periods and validity, criteria used to evaluate performance and how that has affected the setting of the variable amount accrued, the measurement criteria used, and the period necessary to be in a position to adequately measure all the conditions and criteria stipulated.*

In the case of stock option plans or other financial instruments, the general characteristics of each plan will include information on the conditions both to acquire their unconditional ownership (vesting) and to be able to exercise those options or financial instruments, including the exercise price and period.

- *Each of the directors and their category (executive directors, nominee non-executive directors, independent non-executive directors or other non-executive directors), who are beneficiaries of compensation systems or plans that include variable compensation.*

- *As applicable, information on the accrual periods or payment deferral periods established and applied and/or the periods of maintenance/non-disposal of shares or other financial instruments, if any.*

As established in the Compensation Policy, the CEO has been the only participant of variable compensation systems in fiscal year 2019.

The variable compensation system of the CEO includes two variable components:

(i) <u>Short-term annual variable compensation</u>

Both the CEO's contract and the Compensation Policy contemplate his participation in the short-term annual variable compensation.

The accrual period of the short-term variable compensation of fiscal year 2019 was from January 1 to December 31 of that year.

The short-term variable compensation target of the CEO, for an achievement level of 100% of the objectives established for 2019, was 300,000 euros. This amount could be increased up to 130% (i.e. 390,000 euros) if the degree of achievement of the established objectives is over 100%.

The criteria established to determine the short-term variable compensation of the CEO are as follows:

The weighting of objectives is as follows: (i) 80% quantitative objectives and (ii) 20% qualitative objectives.

As in the previous fiscal year, to determine the variable compensation of the CEO, one key objective applies, the fulfillment of which permits him to earn the variable compensation, and which are based on quantitative objectives established (being these in 2019 the adjusted EBITDA and Free Cash Flow, each of which is weighted at 50%) and on qualitative objectives.

The key objective was set under the following terms: "the 2019 Net Results of PRISA (the consolidated results of the Group) must be equal to or greater than 50% of the 2019 Net Results established in the Budget approved by the Board of Directors"; the ACCGC may adjust the key objectives, upwards or downwards, to reflect extraordinary operations, such as changes in the consolidated group, sales of fixed assets, and other exceptional effects.

Notwithstanding the foregoing, taking into consideration the position expressed by the CEO to waive the annual variable remuneration that may correspond to him in 2019, in order to align with the complex environment in which the group has operated and the consequences that it has had on the net result of the Company, the Board of Directors, supported by the Nominations, Compensation and Corporate Governance Commission, resolved to exclude said annual variable remuneration from his 2019 remuneration.

(ii) Medium-term deferred variable remuneration:

The CEO participates in the Deferred Compensation plan for fiscal years 2018-2020, although no compensation accrued in 2019 for this item because the accrual period of this plan ends in 2020 and it is settled, as the case may be, in 2021.

Greater details on this compensation are found in subsection 11 of section A.1.

B.8 *Indicate whether certain variable components have been reduced or a reimbursement claimed where, in the first case, the payment has vested and been deferred or, in the second case, it has vested and been paid, based on data that has subsequently been shown to be clearly inaccurate. Describe the amounts reduced or reimbursed by application of the reduction or reimbursement (clawback) clauses, why them have been executed and the fiscal years to which they relate.*

There are no variable components of compensation which have been reduced or a reimbursement claimed as none have accrued or been paid based on data that has subsequently been shown to be clearly inaccurate.

B.9 *Explain the main characteristics of the long-term savings systems the annual amount or equivalent cost appears in the tables of Section C, including retirement and any other survival benefit, which are financed, in part or in full, by the company, whether provided internally or externally, indicating the type of plan, whether it is for defined contributions or benefits, the contingencies covered by it, the conditions on which economic rights vest in favor of the directors and their compatibility with any other kind of indemnity for early termination or for termination of the contractual relationship between the company and the director.*

There were no long-term savings systems in favor of the directors in 2019.

B.10 *Explain any indemnities or other types of payments derived from early termination, whether due to removal by the company or resignation by the director, or from termination of the contract on the terms established in it, accrued and/or received by the directors in the last fiscal year closed.*

Pursuant to Mr. Polanco's executive director's previous contract, the director was entitled to receive 230,000 euros as compensation for his non-competition undertaking. That agreement was kept in force once his contract was terminated, and was thus established in the Compensation Policy, for the case of his resignation as Chairman before December 31, 2019. By resolution of the Board of Directors, at its meeting of February 26, 2019, this amount was paid in fiscal year 2019.

Therefore, that amount derives from Mr. Manuel Polanco's previous contract, and therefore does not affect the calculation of the maximum amount of the compensation payable to the directors in their capacity as such (i.e. 2,000,000 euros) Additionally, said amount was included in the tables of Section C.1 a) i) of last fiscal year's Compensation Report, as it was compensation earned in fiscal year 2018.

B.11 *Indicate whether there have been significant changes in the contracts of those who perform senior management functions as executive directors and, if so, explain them. Also, explain the main conditions of the new contracts signed with executive directors during the fiscal year, unless they have already been explained in section A.1.*

There have been no changes with respect to the CEO's contract.

B.12 *Explain any supplementary compensation earned by directors as consideration for services provided other than those inherent in their post*

Explain any supplementary compensation earned by directors as consideration for services provided other than those inherent in their post

B.13 *Indicate any compensation derived from the grant of advances, loans and guarantees, stating the interest rate, their essential features and any amounts subsequently repaid, together with the obligations assumed on their behalf under guarantees*

There are no grants of advances, loans or guarantees by the Company to its directors.

B.14 *Detail the compensation in kind earned by the directors during the fiscal year, briefly explaining the nature of the different salary components.*

In relation to the CEO, there follows a detail of the amount and nature of the compensation in kind accrued in fiscal year 2019:

i) <u>A life and accident insurance policy:</u>

The amount of the annual premium for 2019 relating to the life and accident insurance policy, on the terms described in section A.1.10 was 851.37 euros in relation to the life insurance and 194.77 euros for the accident insurance for the CEO.

The insured capital of the life insurance policy of the CEO for 2019 amounted to 738,920 euros.

ii) <u>Private health insurance:</u>

The amount of the health insurance premium for the CEO was 4,801 euros.

iii) <u>Use of a company car:</u>

The CEO has used, in the performance of his functions, a company car according to the PRISA Group's vehicle fleet policy.

B.15 *Indicate the compensation earned by the director by virtue of the payments made by the listed company to a third-party entity at which the director provides his or her services, where the purpose of such payments is to remunerate the director's services at the company*

PRISA has not made payments to a third-party entity at which the directors might provide services, where the aim of which is to compensate their services at the company.

B.16 *Explain any compensation item other than those listed above, regardless of its nature or the group entity making payment, especially when it may be considered a related-party transaction or when its issuance would distort a true and fair view of the total compensation received by the director.*

It is stated that Ms. María Teresa Ballester Fornés (director of the Company since July 30, 2019) was director of the subsidiary Prisa Radio, S.A. until February 2019.

Until her resignation as director of Prisa Radio, S.A. (February 2019), Ms. Ballester provided financial advisory services to the company for €50,000 per year. For the period from January to February 2019, Ms. Ballester earned, for these services, fees for an amount of €8,000.

This amount is not included in the tables of section C, as it was received by Ms. Ballester during a period of time in which she was not director of the Company.

C. DETAIL OF THE INDIVIDUAL COMPENSATION CORRESPONDING TO EACH OF THE DIRECTORS

Name	Type	Accrual period fiscal year 2019
Mr. MANUEL MIRAT SANTIAGO	Chief Executive Officer	From 01/01/2019 through 31/12/2019
Mr. FRANCISCO JAVIER MONZÓN DE CÁCERES	Non-Executive Chairman (Independent Director)	From 01/01/2019 through 31/12/2019
Mr. JOSEPH OUGHOURLIAN	Proprietary Director	From 01/01/2019 through 31/12/2019
Mr. ROBERTO LÁZARO ALCÁNTARA ROJAS	Proprietary Director	From 01/01/2019 through 31/12/2019
AMBER CAPITAL UK LLP	Proprietary Director	From 01/01/2019 through 31/12/2019
Ms. MARIA TERESA BALLESTER FORNES	Independent Director	From 30/07/2019 through 31/12/2019
Ms BEATRICE DE CLERMONT-TONERRE	Independent Director	From 03/06/2019 through 31/12/2019
Mr. JAVIER DE JAIME GUIJARRO	Independent Director	From 01/01/2019 through 31/12/2019
Mr. DOMINIQUE D'HINNIN	Independent Director	From 1/01/2019 through 31/12/2019
Ms. SONIA DULÁ	Independent Director	From 01/01/2019 through 31/12/2019
Mr. FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE	Independent Director	From 1/01/2019 through 31/12/2019
Mr. MANUEL POLANCO MORENO	Proprietary Director	From 1/01/2019 through 31/12/2019
Mr. KHALID BIN THANI BIN ABDULLAH AL-THANI	Proprietary Director	From 01/01/2019 through 31/12/2019
Mr. WALEED AHMAD IBRAHIM ALSA'DI	Proprietary Director	From 01/01/2019 through 03/06/2019
Mr. JOSÉ FRANCISCO GIL DÍAZ	Other External Director	From 01/01/2019 through 30/07/2019

C.1 Complete the following tables on the individual compensation earned by each director during the year (including compensation for executive functions)

C.1.a) Compensation earned at the Company to which this report relates:

i) Compensation earned in cash (€k)

Name	Fixed compensation	Per diems	Compensation for belonging to a board committee	Salary	Short-term variable compensation	Long-term variable remuneration	Severance	Other items	Total fiscal year 2019	Total fiscal year 2018
FRANCISCO JAVIER MONZÓN DE CÁCERES	400	0	0	0	0	0	0	0	400	140
MANUEL MIRAT SANTIAGO	0	0	0	500	0	0	0	6	506	858
JOSEPH OUGHOURLIAN	70	0	50	0	0	0	0	0	120	120
ROBERTO ALCÁNTARA ROJAS	70	0	8	0	0	0	0	0	78	93
AMBER CAPITAL UK LLP (REPRESENTADA POR D. FERNANDO MARTÍNEZ ALBACETE)	70	0	12	0	0	0	0	0	82	54
MARIA TERESA BALLESTER FORNES	29	0	8	0	0	0	0	0	37	0
BEATRICE DE CLERMONT-TONERRE	41	0	8	0	0	0	0	0	49	0

JAVIER DE JAIME GUIJARRO	70	0	18	0	0	0	0	0	88	70
DOMINIQUE D'HINNIN	70	0	52	0	0	0	0	0	122	130
SONIA DULÁ	70	0	73	0	0	0	0	0	143	90
FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE	70	0	20	0	0	0	0	0	90	92
MANUEL POLANCO MORENO	70	0	30	0	0	0	0	0	100	735
KHALID BIN THANI ABDULLAH AL THANI	70	0	0	0	0	0	0	0	70	77
WALEED AHMAD IBRAHIM ALSA'DI	29	0	9	0	0	0	0	0	38	90
JOSÉ FRANCISCO GIL DÍAZ	41	0	0	0	0	0	0	0	41	70
TOTAL	1,170	0	288	500	0	0	0	6	1,964	2,659

Observations
i) The amount of the total compensation of the directors, specified in the previous and subsequent tables of this Report, which followed the accrual criteria established in the CNMV's "Circular 2/2018, establishing the model of annual report on compensation of directors of listed corporations", differs in 1,264,000 euros from the total amount of directors' compensation specified in the Notes to the Financial Statements and in the Half-Year Financial Information of PRISA of fiscal year 2019, because that amount relates to the accounting provision of the expense. The difference in the amount is broken down as follows:

- Variable compensation of the CEO: a provision of 300 thousand euros was recorded at the end of 2019. As disclosed in this compensation report, taking into consideration the position expressed by the CEO to waive the annual variable remuneration that may correspond to him in that year, in order to align with the complex environment in which the group has operated and the consequences that it has had on the net result of the Company, the Board of Directors, supported by the Nominations, Compensation and Corporate Governance Commission, resolved to exclude said annual variable remuneration from his 2019 remuneration.

- In relation to the medium-term Deferred Compensation plan for the period 2018/2020, the Company has assigned a number of “theoretical shares” (Restricted Stock Units) to each beneficiary and has set some objectives (different from market price) that must be met to be able to benefit from the incentive, which will serve as a reference for determining the final number of shares to be delivered, if any. A total of 2,200,000 Restricted Stock Units have been assigned to the CEO. The possibility that the plan beneficiaries will receive shares in the Company is conditional on the fulfillment of certain conditions during the reference period, so no right has arisen to receive any amount for this item in fiscal year 2019, notwithstanding any amount that may have been recorded as expense on the statement of income.

ii) Within the global compensation of the Board of Directors includes that pertaining to Waleed Ahman Ibrahim Alsa’di and Mr. José Francisco Gil Díaz until their resignation as directors in June and July 2019, respectively.

ii) Table of movements of share-based compensation systems and gross profit on vested shares or financial instruments

Name	Name of the Plan	Financial instruments at the beginning of the fiscal year 2019		Financial instruments granted during the fiscal year 2019		Financial instruments vested during the fiscal year				Instruments accrued and not exercised	Financial instruments at the end of the fiscal year 2019	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent shares/vested shares	Price of vested shares	Gross profit on the vested shares or financial instruments (€k)	No. instruments	No. instruments	No. equivalent shares
MANUEL MIRAT SANTIAGO	Medium-term Incentive Plan 2018-2020	2,200,000	2,200,000	0	0	0	0	0	0	0	2,200,000	2,200,000

Observations
At the Ordinary Shareholders' Meeting held on April 25, 2018, a medium-term Deferred Compensation plan was approved for the period 2018 to 2020, consisting of the delivery of shares in the Company linked to the performance of the market price of the share and the achievement of some objectives. That plan was addressed to the CEO of PRISA and to certain executives, who may receive a specific number of ordinary shares in the Company after a reference period of 3 years, provided certain pre-established requirements are met. In 2018, the Company assigned a number of "theoretical shares" (Restricted Stock Units or RSUs) to each beneficiary and set some objectives (different from share market price) that must be met to be able to benefit from the incentive, which will serve as a reference for determining the final number of shares to be delivered, if any. The possibility that the plan beneficiaries will receive shares in the Company is conditional on the fulfillment of certain conditions during the reference period, so no right has arisen to receive any amount for this item in fiscal year 2019, notwithstanding any amount that may have been recorded as expense on the statement of income.

iii) Long-term savings systems

	Compensation for vesting of rights under savings systems
Director 1	

Name	Contribution of the year by the company (€k)				Amount of cumulative funds (€k)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Year t		Year t-1	
	Year t	Year t-1	Year t	Year t-1	Systems with vested economic rights	Systems with non-vested economic rights	Systems with vested economic rights	Systems with non-vested economic rights
Director 1								

Observations

iv) Detail of other items

Name	Item	Amount of compensation
MANUEL MIRAT SANTIAGO	Life, accident and health insurance	6

Observations

C.1. b) Compensation earned by Company directors for membership of Boards at other group companies:

i) Compensation accrued in cash (€k)

Name	Fixed compensation	Per diems	Compensation for belonging to Board committees	Salary	Short-term variable compensation	Long-term variable compensation	Severance	Other items	Total fiscal year 2019	Total fiscal year 2018
MANUEL POLANCO MORENO	50	0	0	0	0	0	0	0	50	0
TOTAL	50	0	0	0	0	0	0	0	50	0

Observations

ii) Table of movements of share-based compensation systems and gross profit on vested shares or financial instruments

Name	Name of the Plan	Financial instruments at the beginning of the fiscal year t		Financial instruments granted during the fiscal year t		Financial instruments vested during the fiscal year				Instruments accrued and not exercised	Financial instruments at the end of the fiscal year t	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent/vested shares	Price of vested shares	Gross profit on vested shares or financial instruments (€k)	No. instruments	No. instruments	No. equivalent shares
Director 1	Plan 1											
	Plan 2											

Observations

iii) Long-term savings systems

	Compensation for vesting of rights under savings systems
Director 1	

Observations

<table>
<tr><td></td><td colspan="4">Contribution of the year by the company (€k)</td><td colspan="4" rowspan="2">Amount of cumulative funds (€k)</td></tr>
<tr><td rowspan="3">Name</td><td colspan="2">Savings systems with vested economic rights</td><td colspan="2">Savings systems with non-vested economic rights</td></tr>
<tr><td rowspan="2">Year t</td><td rowspan="2">Year t-1</td><td rowspan="2">Year t</td><td rowspan="2">Year t-1</td><td colspan="2">Year t</td><td colspan="2">Year t-1</td></tr>
<tr><td>Systems with vested economic rights</td><td>Systems with non-vested economic rights</td><td>Systems with vested economic rights</td><td>Systems with non-vested economic rights</td></tr>
<tr><td>Director 1</td><td></td><td></td><td colspan="2"></td><td></td><td></td><td></td><td></td></tr>
</table>

iv) Detail of other items

Name	**Item**	**Amount of compensation**
Director 1		

C.1. c) Summary of compensation (€k):

Summary should include the amounts relating to all the compensation items included in this report that have been earned by the director, in thousands of euros.

	Compensation earned at the Company					Compensation earned at group companies:				
Name	Total compensation in cash	Gross profit on vested shares or financial instruments	Compensation from savings systems	Compensation for other items	Company total fiscal year 2018	Total compensation in cash	Gross profit on vested shares or financial instruments	Compensation from savings systems	Compensation for other items	Total fiscal year 2018 group
FRANCISCO JAVIER MONZÓN DE CÁCERES	400	0	0	0	400	0	0	0	0	0
MANUEL MIRAT SANTIAGO	506	0	0	0	506	0	0	0	0	0
JOSEPH OUGHOURLIAN	120	0	0	0	120	0	0	0	0	0
ROBERTO LÁZARO ALCÁNTARA ROJAS	78	0	0	0	78	0	0	0	0	0
AMBER CAPITAL UK LLP	82	0	0	0	82	0	0	0	0	0
MARIA	37	0	0	0	37	0	0	0	0	0

TERESA BALLESTER FORNES										
BEATRICE DE CLERMONT-TONERRE	49	0	0	0	49	0	0	0	0	0
JAVIER DE JAIME GUIJARRO	88	0	0	0	88	0	0	0	0	0
DOMINIQUE D'HINNIN	122	0	0	0	122	0	0	0	0	0
SONIA DULÁ	143	0	0	0	143	0	0	0	0	0
FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE	90	0	0	0	90	0	0	0	0	0
MANUEL POLANCO MORENO	100	0	0	0	100	50	0	0	0	50
KHALID BIN THANI BIN ABDULLAH AL-THANI	70	0	0	0	70	0	0	0	0	0
WALEED AHMAD	38	0	0	0	38	0	0	0	0	0

IBRAHIM ALSA'DI										
JOSÉ FRANCISCO GIL DÍAZ	41	0	0	0	41	0	0	0	0	0
Total:	1.964	0	0	0	1.964	0	0	0	0	50

Observations

D. OTHER INFORMATION OF INTEREST

If there are any material aspects relating to directors' compensation that have not been addressed elsewhere in this report and which are necessary in order to provide a more comprehensive and reasoned view of the compensation structure and practices of the company, provide a brief explanation.

This annual compensation report was approved by the Board of Directors at its meeting held on April 30, 2020.

Indicate whether there are any directors who voted against or abstained from voting to approve this Report.

YES ☐ NO ☒

Name or corporate name of Board members that did not vote in favor of approving this report	Reason (against, abstained, absence)	Explain the reasons