



REPORT DRAFTED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, SA. ON THE PROPOSED RESOLUTION TO AMEND THE BYLAWS INCLUDED UNDER ITEM SIX OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED FOR JUNE 29 AND JUNE 30, 2021, AT THE FIRST AND SECOND QUORUM CALL, RESPECTIVELY

1. Purpose of the report

The Board of Directors of Promotora de Informaciones, S.A. (“**PRISA**” or the “**Company**”), acting on a favourable report from the Nominations, Compensation and Corporate Governance Committee, has drafted this report to justify the proposed resolution to amend the Bylaws included under point six of the Agenda of the Ordinary General Shareholders’ Meeting planned to be held on June 29, 2021 at the first quorum call, and June 30, 2021, at the second quorum call.

This report has been drafted by the Board of Directors of the Company in accordance with article 286 of the consolidated text of the Capital Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the “**LSC**”), which requires directors to draft a written report justifying the proposed amendments to the bylaws. In compliance with this provision and to make it easier for the shareholders to understand the amendments that are submitted for consideration by the General Meeting, the purpose and justification for the modifications to the Bylaws are given below, including the proposed resolution that is being submitted for approval by the General Shareholders’ Meeting.

2. Purpose and general justification for the proposal

The purpose of the amendment of the Bylaws whose approval is proposed to the General Shareholders’ Meeting is twofold:

- (i) First, to adapt the text of the Bylaws to the amendments introduced in the LSC under Law 5/2021, of 12 April, modifying the consolidated text of the Capital Companies Law, approved by Royal Legislative Decree 1/2010 of 2 July, and other financial legislation, with respect to fostering the long-term involvement of shareholders in listed companies (“**Law 5/2021**”); and
- (ii) to include certain technical improvements in order to clarify certain aspects, improve the drafting and facilitate the understanding of some provisions.

3. Detailed justification of the proposal

The proposed amendments are justified and explained in more detail below:

- (A) Proposed amendment of articles 10 (Place of Meeting), 11 (Attendance and representation at the General Meetings) and 13 (Quorum) of the Bylaws

The proposed amendment of articles 10 (Place of Meeting), 11 (Attendance and representation at the General Meetings) and 13 (Quorum) of the Bylaws aim to adapt and complement the regulations of the General Shareholders’ Meetings with the aim of allowing

them to be held exclusively by telematic means, pursuant to the new article 182 bis of the LSC, introduced by Law 5/2021.

(B) Proposal for amendment of article 14 (Adopting the General Meeting resolutions) of the Bylaws.

The only purpose of the proposed change to article 14 (Adopting the General Meeting resolutions) of the Bylaws is to improve its drafting.

(C) Proposal for amendment of article 15 (Board of Directors and powers) of the Bylaws.

The change proposed to article 15 (Board of Directors and powers) of the Bylaws aims to introduce certain technical improvements with the aim of completing the distribution of powers related to authorisation of related-party transactions in accordance with the changes introduced by Law 5/2021.

(D) Proposal for amendment of article 18 (Director remuneration) of the Bylaws.

The changes proposed to article 18 (Director remuneration) of the Bylaws has the twofold aim of adapting its content to the changes introduced by Law 5/2021 in article 529 *octodecies* of the LSC and of completing the remuneration system for directors.

The Board of Directors justifies this proposal on the grounds that it is appropriate and favourable to the Company's interest.

4. The proposed resolution submitted for the approval of the Ordinary General Shareholders' Meeting

"Amendments to the Bylaws:

Approve the amendment of the following articles of the Bylaws, grouped together by amendments that are self-contained, in the terms of the proposal included in the report of the Board of Directors drafted for this purpose and made available to the shareholders when this General Meeting was called.

6.1. Amendments to articles 10 (Place of Meeting), 11 (Attendance and representation at the General Meeting) and 13 (Quorum) of the Bylaws, to allow for the General Shareholders' Meetings to be held exclusively through electronic means.

It is agreed to amend articles 10 (Place of Meeting), 11 (Attendance and representation at the General Meetings) and 13 (Quorum) of the Bylaws, to enable the General Shareholders' Meeting to be held by exclusively telematic means. These articles will now read as follows:

"Article 10.- Place of Meeting

- 1. General Meetings will be held in the location where the Company has its registered office, in the place and on the date stated in the announcement, without prejudice to the provisions of article 11.3 below. Sessions of the General Meeting may be postponed for one or more consecutive days at the proposal of the General Meeting Panel, or at the request of a number of shareholders representing at least one-quarter of the share capital present at the Meeting.*
- 2. As an exception, if anything occurs that substantially changes the proper order of the General Meeting, or there are other extraordinary circumstances preventing normal conduct thereof,*

the Board Chairperson may order suspension thereof for such time as may be necessary to re-establish the conditions permitting its continuation. If such circumstances persist, the Meeting Panel will propose postponement of the General Meeting to the following day, as envisaged in the preceding paragraph.”

“Article 11.- Attendance and representation at the General Meeting

- 1. All shareholders, no matter the number of shares they hold, whose ownership has been entered in the corresponding book-entry register five calendar days before the date scheduled for the General Meeting are entitled to attend the General Meeting.*
- 2. The shareholders can attend the General Meeting and vote there using telematic or remote media, in accordance with the provisions of the General Meeting Regulations and provided that the Board of Directors decides this on occasion of each meeting. The conditions and limits for this type of attendance and voting shall be implemented in the General Meeting Regulations, in accordance with the provisions of the law at any given time.*
- 3. Moreover, the Board of Directors may decide, in accordance with the conditions of applicable law, that the General Meeting may be called and held exclusively by telematic means, without the physical attendance of the shareholders or their representatives.*
- 4. The Chairperson of the General Meeting can authorise the attendance of Company managers, officers and experts as well as other persons who he/she believes have an interest in the corporate resolutions, and invite persons other than those stated who he/she deems appropriate. Nevertheless, the General Meeting can revoke that authorisation.*
- 5. The shareholders can be represented by another person at the General Meeting. The appointment of a representative and the notification of the appointment can be made in writing or through electronic means, duly guaranteeing the identity of the principal and of the proxy, as determined by the Board of Directors, where applicable, on occasion of each General Meeting and in accordance with the provisions of the General Meeting Regulations.”*

“Article 13.- Quorum

- 1. Both the Annual General Meeting and Extraordinary General Meeting shall be quorate at first call when the shareholders owning at least 25% of the subscribed voting share capital attend in person or by proxy. They shall be declared quorate at second call whatever the share capital in attendance.*
- 2. To enable the Annual General Meeting and Extraordinary General Meeting to validly resolve the issuance of bonds whose powers have not been legally attributed to another company body, a share capital increase or decrease, the company transformation, merger, spin-off or full assignment of its assets and liabilities, the transfer of the registered office abroad, the cancellation or limitation of the pre-emption rights for new shares and, in general, any amendment to the Bylaws, at least 50% of the subscribed voting share capital must attend in person or by proxy at first call.
At second call, it will suffice for 25% of the share capital to attend.*
- 3. If the required share capital is not in attendance at first call, the Meeting shall be held at second call.*
- 4. Shareholders who cast remote votes will be treated for the purpose of declaring the quorum of the General Meeting as being present; these Regulations shall be applicable as regards the requirements and guarantees imposed for their validity.*

5. *Before considering the agenda, the Secretary will report the number of shareholders in attendance, both in person and by proxy, the number of shares, the nominal amount of the share capital and the percentage thereof present in person and by proxy.*
6. *Once that information has been publicly disclosed, the Chairperson shall then declare the General Meeting to be quorate at first or second call, where applicable.*
7. *Shareholders attending may state to the Notary Public, through the means made available for this purpose, for due reflection in the minutes of the Meeting, any reservation or protest they may have regarding the quorum for the Meeting or the general details of the attendance list that has been read in public.”*

6.2. Drafting improvements on article 14 (Adopting the General Meeting resolutions) of the Bylaws.

It is agreed to amend article 14 (Adopting the General Meeting Resolutions) of the Bylaws to improve its drafting. The article will now read as follows:

“Article 14.- Adopting the General Meeting resolutions

1. *Both the Annual General Meeting and the Extraordinary General Meeting shall adopt their resolutions with the majorities of votes present in person or by proxy as required by the Bylaws or by law. Each share with a voting right attending the General Meeting in person or by proxy shall give the right to one vote.*
2. *Corporate resolutions shall be adopted by simple majority of the votes of shareholders present at the Meeting in person or by proxy, a resolution being understood to have been adopted when it obtains more favourable than unfavourable votes.*
3. *Without prejudice to the provisions of the law, the favourable vote of the absolute majority of the voting shares present in person or by proxy at the General Meeting shall be required if the share capital present in person or by proxy is more than 50%, or the favourable vote of two-thirds of the share capital present in person or by proxy at the Meeting when, at second call, shareholders are present that represent 25% or more of the subscribed voting share capital without reaching 50%, for approval of the following matters:*
 - (i) *Amendments to the Bylaws, including share capital increases or decreases, unless the law provides otherwise.*
 - (ii) *Issuance of convertible bonds into shares or profit-sharing bonds.*
 - (iii) *Transformation, merger or spin-off in any form, as well as the full assignment of the assets and liabilities, and transfer of the registered office outside Spain.*
 - (iv) *Cancellation or limitation of the pre-emption rights for new shares.”*

6.3. Amendments to article 15 (Board of Directors and powers) of the Bylaws to include certain technical improvements.

It is agreed to amend article 15 (Board of Directors and powers) of the Bylaws to carry out technical improvements (with respect to the rules for related transactions). The article will now read as follows:

“Article 15.- Board of Directors and powers

1. *The Company shall be governed by a Board of Directors.*

2. *The Board of Directors is competent to deal with any matters not attributed to the General Meeting or another corporate body in accordance with the law or with the Bylaws, and it cannot delegate the powers considered to be non-delegable in the law in any case.*
3. *The management, administration and representation of the Company, both in and out of court, and in respect of all actions comprised in the corporate purpose, correspond to the Board of Directors, which shall act collectively, without prejudice to the delegations and proxies it may grant.*
4. *The powers which cannot be delegated in accordance with the law or the Bylaws, the powers that the General Meeting has granted without express authorisation for delegation of power and the powers necessary for responsibly exercising the general supervision and control function cannot be delegated.*
5. *The Board of Directors shall not delegate the following powers under any circumstances:*
 - (i) *The establishment of the Company's general strategies and policies and, in particular:*
 - (a) *the approval of the strategic or business plan, the management targets and annual budgets, the investment and financing policy, the sustainability policy regarding environmental and social issues, and the dividend and shareholder remuneration policy;*
 - (b) *the establishment of the financial and non-financial risk control and management policy, including taxes, and supervision of the internal reporting and control systems;*
 - (c) *the establishment of the corporate governance policy for the Company and the group where it is the parent;*
 - (d) *the definition of the structure for the group of companies where the Company is the parent;*
 - (e) *the establishment of the Company's tax strategy.*
 - (f) *the own share policy;*
 - (g) *the definition of a board of directors diversity and members selection policy that is specific and verifiable, ensures that the appointment or re-election proposals are based on a prior analysis of the competences required by the Board and favours diversity of knowledge, experience, age and gender; and*
 - (h) *the definition of the information, communication and contacts with shareholders, institutional investors and proxy advisors policy.*
 - (ii) *The supervision of the actual functioning of the Committees that it has created and the actions carried out by the delegated bodies and managers that it has designated.*
 - (iii) *The drafting of the Company's financial statements, directors' report (including the non-financial information report) and proposed distribution of earnings, as well as the resolution to pay the interim dividend, plus the consolidated financial statements and directors' report for submission to the General Meeting.*
 - (iv) *The approval of the financial information that all listed companies must periodically disclose as well as other important information that the Company makes public.*
 - (v) *The appointment and removal of the Company's Chief Executive Officers, the delegation of powers, and the prior approval of the contracts to be arranged between the Company and the directors with executive functions, which will include all the remunerated items for discharging such functions, with the majority established in the law for such purposes.*

- (vi) The appointment and removal of the managers reporting directly to the Board or to any of its members, as well as the establishment of the basic terms of their contracts, including their remuneration.*
 - (vii) The resolutions regarding director remuneration, within the bylaw framework and the remuneration policy approved by the General Meeting.*
 - (viii) The announcement of the General Meeting and the drafting of the agenda and the proposed resolutions.*
 - (ix) The approval of any types of investments or transactions considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Meeting.*
 - (x) The approval of the creation or acquisition of stakes in special purpose entities or whose registered office is in tax havens and any other similar transactions whose complex nature could tarnish the transparency of the Company and its group.*
 - (xi) The approval, after a report by the Audit, Risks and Compliance Committee, of related-party transactions as defined in the applicable legislation at any given time, except for cases in which the law allows its delegation or attributes the powers for its approval to the General Meeting.*
 - (xii) The authorisation or exemption of the obligations regarding the duty of loyalty in accordance with the legislation in force.*
 - (xiii) Its organisation and functioning and, in particular, the approval of an amendment to the Board of Directors Regulations.*
 - (xiv) The drafting of any types of reports which are required by the Board of Directors in accordance with the law and when the transaction to which the report refers cannot be delegated.*
 - (xv) The monitoring of the existence and maintenance of an appropriate and effective internal control over financial reporting (ICFR).*
 - (xvi) The annual assessment of the functioning of the Board of Directors and its Committees and the approval, based on their respective results, of the corresponding actions aimed at correcting the deficiencies detected, under the terms envisaged in the Board of Directors Regulations.*
 - (xvii) The powers that the General Meeting have delegated to the Board of Directors, unless the latter has been expressly authorised by the former to sub-delegate them.*
 - (xviii) Any other matters that the Board of Directors Regulations reserves fully to its knowledge.*
- 6. Notwithstanding the foregoing, when there are duly justified emergency circumstances and the law allows this, the Delegated Committee or another competent committee can adopt the resolutions corresponding to the matters stated in the preceding sections and they must be ratified by the first Board meeting held after that resolution is adopted.*
- 7. The Board of Directors shall be competent to resolve to issue and list bonds, and grant guarantees for the bond issuance.”*

6.4. Amendments to article 18 (Director remuneration) of the Bylaws.

It is agreed to amend article 18 (Director remuneration) of the Bylaws to complete the system of remuneration of directors. The article will now read as follows:

“Article 18.- Director remuneration

1. *Directors shall be remunerated.*
2. *The non-executive directors shall receive an annual remuneration in their capacity as such and can receive allowances to attend the meetings of the Board of Directors and of its Committees. The fixed annual remuneration can partially or fully comprise shares or be based on share performance.*
3. *The maximum annual remuneration of all the directors in their capacity as such must be approved by the General Meeting and will remain in force until an amendment is approved.*
4. *The Board of Directors shall determine the remuneration corresponding to each director in their capacity as such, taking into account the duties and responsibilities attributed to each one, their position on Board Committees and any other objective circumstances considered relevant, and will be compatible with the payment of meeting attendance allowances.*
5. *The directors who perform executive duties shall be entitled to receive remuneration for discharging such functions, and this will be determined by the Board of Directors in accordance with the director remuneration policy approved by the General Meeting and will be included in a contract arranged between the director and the Company, which must include all the remunerated items for discharging executive duties.
It is also the duty of the Board, acting on a report by the Nominations, Compensation and Corporate Governance committee, to determine the individual remuneration of each director for the exercise of the executive responsibilities attributed to him or her within the framework of those stipulated in the above paragraph.*
6. *That contract must be previously approved by the Board of Directors, with the favourable vote of two-thirds of its members, and attached as an annex to the meeting's minutes. The director in question must abstain from the discussion and voting.*
7. *The contract must include all the references required in the law and conform to the Company's remuneration policy.*
8. *The directors' remuneration for the exercise of their executive responsibilities can comprise: a fixed remuneration; a variable remuneration, both short-term and long-term, based on meeting business, economic-financial, strategic or personal performance targets, or the variation in the share price or other benchmarks linked to the share price; employee welfare and deferred remuneration systems, and insurance; savings plans; indemnities; extraordinary incentives depending on the execution of the business plan; delivery of Company shares, of share options thereon and of other remuneration instruments linked to the share price (after a resolution by the General Meeting for such purpose); and exclusivity, post-contractual non-compete or seniority covenants.*
9. *Without prejudice to the aforementioned remuneration, the directors' remuneration can consist of delivering shares or stock options or share-based remuneration. The implementation of this type of remuneration shall require a resolution from the General Meeting, stating, where applicable, the maximum number of shares that may be allocated to this remuneration system in each financial year, the strike price or the system for calculating the price for exercising the stock options, the share price which, where applicable, is used as the reference, the duration of the remuneration system and any other conditions which may be considered appropriate.
If non-executive directors' remuneration foresees the granting of shares, the granting of shares shall be subject to the non-executive directors keeping the shares until the end of their term as*

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

directors. This shall not apply to the shares which the director may need to sell, if applicable, to cover the costs related to the acquisition of such shares.

- 10. The Company shall arrange civil liability insurance for its directors.*
- 11. The directors can hold any other position, either remunerated or non-remunerated, at the Company or at any other company belonging to its group, unless there are legal incompatibilities or at the Board's discretion."*

Madrid, 25 May, 2021