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**PROMOTORA DE INFORMACIONES, S.A.
(PRISA)**

APPOINTMENTS, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

**ANNUAL REPORT
2021**

Madrid, March 2022.

ANNUAL REPORT OF THE APPOINTMENTS, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

2021

I. INTRODUCTION

The Appointments, Compensation and Corporate Governance Committee (hereafter the “**Committee**” or the “**CNRGC**”) of PROMOTORA DE INFORMACIONES, S.A. (“**PRISA**” or the “**Company**”) hereby issues this report to enable the Board of Directors to inform shareholders about the Committee’s work and activities during 2021.

The Committee is governed by article 529 quincecies of the Capital Companies Act (**LSC**), the company’s bylaws, and PRISA’s Board of Directors Regulation (**Board of Directors Regulation**).

II. COMPOSITION

In 2021 the following changes were made in the Committee’s composition:

- i. In February 2021, Mr. Joseph Oughourlian has been appointed Non-Executive Chairman of the Board of Directors within the framework of the Succession Plan that was launched by the Board after the cessation of the previous Chairman of the Board. Following this appointment, Mr. Oughourlian ceased to be part of this Committee, being replaced by the independent director Mr. Rosauro Varo.
- ii. Likewise, in July 2021 Mr Dominique D’Hinnin ceased to be part of the Committee and was replaced by the proprietary director Ms Carmen Fernández de Alarcón Roca.

The composition of the CNRGC as of 31 December 2021 and at the date of this report, is as follows:

Position	Director	Category	Date joining the Committee
Chairperson	Ms Beatrice de Clermont	External Independent Director	30.07.2019
Member	Mr Javier Santiso Guimaras	External Independent Director	22.12.2020
Vocal	Mr Rosauro Varo Rodriguez	External Independent Director	23.02.2021
Vocal	Ms Carmen Fernández de Alarcón Roca	External proprietary director	01.07.2021

The Committee’s composition complies with the requirements of current legislation and the Company’s Board of Directors Regulation, which states that the CNRGC shall consist of a minimum of three and a maximum of five non-executive directors, the

majority of whom must be independent directors and with an independent director in the role of chairperson.

CNRGC members were appointed taking into consideration that their knowledge, aptitudes and experience are adequate for the duties they have to perform. It is particularly noteworthy that the Committee, as a whole, has knowledge and experience in the following areas identified in the Board Regulations and in National Securities Market Committee's (CNMV) "Technical Guidelines 1/2019 on Appointments and Compensation Committees" (**CNMV Technical Guidelines**): corporate governance issues, strategic analysis and evaluation of human resource, recruitment of directors and managers, performance of senior management functions and design of remuneration policies and plans for directors and senior managers. The profiles of committee members are available on the company's corporate webpage using the following link:

<https://www.prisa.com/es/info/consejo-de-administracion-y-comisiones-del-consejo>.

In addition, and also in accordance with recommendations contained in the CNMV Technical Guidelines, the committee's composition is diverse in terms of geographical origin, international and sectoral professional experience, personal skills and abilities. Likewise, in terms of gender diversity, the composition of the Committee is equal.

The committee secretary is the secretary to the board of directors.

3. COMMITTEE MEETINGS IN 2021 AND OUTSIDE CONSULTATION

3.1. Committee Meetings:

The Board of Directors Regulation provides that the CNRGC shall meet each time the Board of Directors or the Delegated Committee requests a report or the approval of proposals that fall within the scope of its powers and provided that the committee chairperson deems it warranted in the performance of their duties.

The following committee meetings were held in 2021:

Meeting Date	No. of Committee Members	No. of Members in Attendance	Prisa Managers in Attendance	Outside Consultants in Attendance
25 January	4	4	NO	NO
10 February	4	4	YES	NO
23 February	4	4	YES	NO
12 March	4	4	YES	NO
23 March	4	4	YES	NO
26 April	4	4	YES	NO
24 May	4	4	NO	NO
14 June	4	3	NO	NO
28 June	4	4	NO	NO
29 June	4	4	NO	NO
27 July	4	4	YES	NO
26 October	4	4	YES	NO

30 November	4	2	YES	NO
21 December	4	4	NO	NO

The Committee maintained a constant working relationship with the Chairman of the Board, the Executive Chairmen of the businesses (who are, in turn, executive directors of PRISA, and with the former CEO. Likewise, several of the Company's managers attended committee meetings to explain initiatives related to their areas of responsibility.

3.2. Outside Consultation

During 2021, the Committee received independent external advice for several matters, from various advisers:

External Adviser	Matter on which advice was provided
Gómez Acebo&Pombo	Advice on the design of the Succession Plan for the Chairman of the Board of Directors. Analysis and recommendations on the PRISA regulatory compliance structure.
Uría&Menéndez	Advice on the design of the Remuneration Policy for directors 2021/2023. Advice in relation to the new executive decision-making structure, taking into account the coexistence of two executive directors (who are, in turn, the main managers of the Group's business units). Advice on the configuration of the contracts of the executive directors: Mr. Carlos Nuñez, as Executive President of Prisa Media; Mr. Francisco Cuadrado, as Executive Chairman of Santillana and, prior to him, Mr. Manuel Mirat also as Executive Chairman of Santillana.
Pérez-Llorca	Advice in relation to the economic conditions associated with the termination of the legal relations with the Company of the former executive director, Mr. Manuel Mirat Santiago, as well as other members of the Group's senior management.
Spencer Stuart	Candidate search process for the position of Executive President of PRISA Media.
Russell Reynolds	Candidate search process for the position of PRISA CFO. Updating of the Board Competencies Matrix.
KPMG Asesores	Advice on the analysis of the degree of compliance with the objectives linked to deferred remuneration in the medium term 2018-2020.

Willis Tower Watson	Advice on the design of the 2021-2024 Medium-Term Incentive Plan linked to the creation of value for Santillana.
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According to information available to the company, there was never, nor is there now, any potential conflict of interest with those outside advisors.

4.- COMMITTEE ACTIVITIES DURING 2021

In addition to the duties assigned the CNRGC by law, it has the powers conferred upon it pursuant to article 28 of the Board of Directors Regulation.

The Committee promptly informed the Board of Directors of its deliberations and actions taken on the following matters:

4.1. Composition of the Board of Directors and of its Committees:

i. Changes in the composition of the Board of Directors and of its Committees:

During 2021 the CNRGC constantly monitored the composition of the Board of Directors and its committees, with a view to adapting them to the Company's circumstances and needs at all times. This was particularly true with regard to: i) the implementation of the Succession Plan for the Chairman of the Board, ii) the approval of the Group's new organizational chart, iii) the end of the mandates of several directors and iv) as a result of the resignation of several directors.

- *Succession Plan for the Chairman of the Board of Directors. Appointment of Chairman and Vice Chairman of the Board (February 2021):*

In February 2021, the Board of Directors approved a series of changes to drive the transformation of the Group, including the appointment of Mr Joseph Oughourlian as Non-Executive Chairman, at the proposal and prior report of the CNRGC. Mr. Oughourlian was the Vice Chairman since April 2019 and his appointment as chairman has been carried out within the framework of the Succession Plan launched by the Board of Directors after the cessation, last December, of the previous chairman.

The actions carried out within the framework of the Chairman's Succession Plan were led by this Committee and by the coordinating director, Ms. Beatrice de Clermont-Tonnerre (also chair of this Committee).

As a consequence of the condition of proprietary director of the Chairman of the Board, the appointment of the independent director Mr. Rosauro Varo as Vice Chairman of the Board of Directors has been agreed, at the proposal of the CNRGC. It was also agreed the continuity of Mrs. Beatriz de Clermont as Coordinating Director.

For the preparation of the Succession Plan, the CNRGC relied on independent external advice from the law firm Gómez-Acebo&Pombo.

- *Resignation and appointment of directors (February 2021):*

In February 2021, Mr. Javier de Jaime Guijarro resigned as director and, to fill that vacancy, the Board of Directors, at the proposal of the CNRGC, appointed Ms. Pepita Marín Rey-Stolle as independent director by co-option.

- *Change of representative of the director Amber Capital UK LLP (March 2021):*

In March 2021, the Board of Directors approved the change of the natural person representing the proprietary director Amber Capital UK (Mr. Miguel Barroso replaced Mr. Fernando Martínez Albacete in this position), following a favorable report from the CNRGC.

- *New organization chart and operational separation of the Group's businesses (March/May 2021):*

In March 2021, PRISA's Board of Directors approved a new organisational chart with a view to implementing the operations of the Group's Education (Santillana) and Media (Radio and News) businesses, accelerating the advancement of Santillana and establishing the basis for creating PRISA Media (the new business unit that unifies the Group's Radio and News businesses).

In view of the new organisational chart, it was decided that PRISA should evolve from having a sole executive director (then there was a CEO, Mr. Manuel Mirat Santiago) to having two executive directors, one as head and Executive Chairman of Education (Santillana) and the other as head and Executive Chairman of PRISA Media.

The CNRGC carried out a selection process for the position of Executive President of PRISA Media, in which it had the independent external support of Spencer Stuart and in which Mr. Carlos Nuñez Murias was selected, who, in May 2021, was appointed Executive President of PRISA Media and, in June 2021, director of PRISA.

The above agreements were adopted at the proposal or prior report of the CNRGC.

- *Re-election and appointment of directors and modification of the number of members of the Board of Directors (Ordinary Shareholders' Meeting June 2021):*

At the Ordinary Shareholders' Meeting held in June 2021, the following agreements were adopted:

- Re-election and appointment, respectively, of Mr. Manuel Mirat Santiago and Mr. Carlos Nuñez Murias, as directors of PRISA, with the category of executives.
- Appointment of Ms. Carmen Fernández de Alarcón, as proprietary director, representing the shareholder Vivendi, S.E.

- Ratification of the appointment by co-option and re-election of Mr. Javier Santiso, Mr. Rosaura Varo and Mr. Pepita Marín, as independent directors.
- Increase the number of PRISA directors from 12 to 14.

The re-election of the independent directors was proposed by the CNRGC and the re-election and appointment of the executive and proprietary directors had the prior report of the CNRGC, in accordance with the LSC and the Regulations of the Board. On the occasion of the convening of the Shareholders' Meeting, the mandatory supporting reports prepared by the Board of Directors and by the CNRGC, in relation to the different proposals for re-election and appointment of directors, were made available to the shareholders.

After the shareholders meeting, the appointment of Mr. Manuel Mirat Santiago as Executive Chairman of Santillana became effective, as well as his resignation as PRISA's CEO, thus implementing the new organization of Grupo PRISA's two business areas (Education and Media) headed respectively by Mr. Manuel Mirat and Mr. Carlos Nuñez, who likewise will serve as executive directors of PRISA.

- *Resignation and appointment of directors (July 2021):*

In July 2021 the Board of Directors approved the succession to Santillana's chairmanship and Mr. Manuel Mirat was replaced by Mr. Francisco Cuadrado as Santillana's executive chairman. Likewise, Mr. Mirat resigned as executive director of Prisa and the Board of Directors appointed, by co-option, Mr. Cuadrado, as an executive director of Prisa, all this with the favorable report of the CNRGC.

- *Resignation and appointment of directors (November 2021):*

In November 2021, Mr. Dominique D'Hinnin presented his resignation as director and, to cover this vacancy, the Board of Directors appointed Ms. Teresa Quirós as independent director, by co-option, at the proposal of the CNRGC.

- *Reorganization of the Board's Committees:*

During 2021 the Board of Directors passed several resolutions reorganizing the structure of the Board's committees (Delegate Committee; Audit, Risk and Compliance Committee; and Appointments, Remuneration and Corporate Governance Committee), at the proposal of the CNRGC.

It should be noted that in February 2022 the Board of Directors, at the proposal of the CNRGC, has agreed to set up a Sustainability Committee in addition to the existing Committees.

- *Other changes:*

In June 2021 Mr. Xavier Pujol Tobeña resigned as Secretary of the Board of Directors, having been replaced in that position by Mr. Pablo Jiménez de Parga Maseda, with the favorable report of the CNRGC.

Concerning all of the above, the CNRGC assessed and evaluated the biographies, experience and professional careers of the directors and executives eligible for re-election or appointment, and took into account their suitability within the Board's skills matrix, as well as the provisions of the Policy on Diversity of the Board of Directors and Director Selection. Regarding proprietary directors, likewise taken into account was the fact that their appointments were made by the shareholders they represent, who hold significant shareholdings within the Company. In that regard it should be noted that proprietary directors represent significant shareholders who make appointments based on their own criteria, about which the Board can make recommendations, but not exercise a decisive influence.

ii. Qualitative composition of the Board

The CNRGC proposed classifying directors in the different categories of external proprietary director and external independent director, when they are appointed or re-elected.

Likewise, in 2021 the CNRGC also examined the classification of directors in categories when preparing the Annual Corporate Governance Report for 2020, which the CNRGC will do again shortly when it reviews the Annual Corporate Governance Report for 2021.

iii. Board's skills matrix

In 2021, and as commissioned by this Committee, the independent external advisor Russell Reynolds updated the skills matrix of the Board of Directors (in whose preparation he participated in the previous year).

iv. Policy on Diversity of the Board of Directors and Director Selection and objective in terms of gender diversity:

PRISA has a Policy on Diversity of the Board of Directors and Director Selection" (hereinafter, "the Policy"), whose principles and objectives may be summarized as follows: i) diversity in the Board's composition in the broadest sense (knowledge, experience, origin, age and gender), with special emphasis on gender diversity, in relation to which efforts will be made to ensure that there is a significant number of women in the Company's senior management and it is included an objective of obtaining before the end of 2022 and onward a minimum of 40% women directors on the Board, not having previously been less than 30%; and ii) appropriate balance on the Board overall, to enrich the decision-making process and provide plural viewpoints when debating matters falling within its powers.

At its January 2022 meeting the CNRGC carried out its annual review of compliance with this Policy, concluding that the composition of the Board of Directors is reasonably diverse with regard to the directors' knowledge, experience, origin, gender and age, having a positive balance overall.

The CNRGC verified that during 2021 the principles, objectives and procedures provided for in the Policy on Diversity of the Board of Directors and Director Selection were taken into account in proposals for the appointment and reelection of directors, as well as for election to other posts.

Noteworthy are the actions taken to reinforce the presence of women on the Board of Directors, given that three new female directors joined the Board in 2021. There are now five women directors, representing 35.7% of total board members. Thus, in 2021 we achieved the goal of having at least 30% female members on the board.

At the closing of 2021 the female directors maintain a notable presence on company bodies: Ms. Beatriz de Clermont-Tonnerre is the Coordinating Director, Chairperson of the CNRGC, and a member of the Delegated Committee; Ms Teresa Quirós chairs the Audit Risks and Compliance Committee; Ms Carmen Fernández de Alarcón es member of the CNRGC; Ms. María Teresa Ballester is a member of the Audit, Risk and Compliance Committee; and Ms Pepita Marín Rey-Stolle is member of the Delegated Committee and the Audit, Risk and Compliance Committee.

It should be noted that in February 2022 the Board of Directors resolved as follows: i) to create a Sustainability Committee comprising five directors, four of whom are women (the chairperson Ms. María Teresa Ballester, Ms. Beatriz de Clermont-Tonnerre, Ms. Teresa Quirós and Ms. Carmen Fernández de Alarcón) and ii) to have director Ms. Carmen Fernández de Alarcón join the Audit, Risks and Compliance Committee, replacing Amber Capital.

Thus, at present the presence of women on board committees is quite significant, since they comprise 100% of the Audit, Risks and Compliance Committee; 80% of the Sustainability Committee; 50% of the CNRGC and 25% of the Delegated Committee.

The CNRGC and the Board have underscored the need to continue to advance toward achieving our gender diversity objectives, in order to comply with the CNMV recommendation (expressly included in our Policy) of having at least 40% female directors on the Board of Directors before the end of 2022. We must likewise promote the hiring of more female executives in the organization, although much progress was made in that area during 2021.

4.2. Reorganization of Grupo PRISA's organizational chart and Senior Management:

An in-depth reorganization of the Group was implemented during 2021, affecting both PRISA Corporativo and the Group's business units.

The CNRGC worked on designing and validating the new structure and organizational chart, and assessed its effect on the company, its accounting and fiscal impact, and the actions to be taken with regard to personnel in order to undertake this restructuring.

During 2021 senior management has undergone a complete reorganization and the CNRGC worked on the search and selection of candidates to fill the principal posts

within this new organizational structure. In that regard, the CNRGC was assisted by Russell Reynolds in the search to fill the post of Financial Director.

The CNRGC reported on the proposed appointments of several key managers and the basic conditions of their contracts. Likewise, within the framework of the Group's internal reorganization, in 2021 the contracts of several managers were terminated, among whom were several members of senior management whose severance conditions were reviewed and approved by this committee. The CNRGC received independent external advice from the Pérez Llorca law firm concerning the conditions of severance s for certain members of the Group's senior management.

Until 30 June 2021 this group was composed of the members of the former Business Management Committee and the managers who habitually attended meetings of that Committee, and Prisa's Director of Internal Audits. After the corporate reorganization and commencing in July 2021, upon the Board's decision and at the proposal of the CNRGC, senior management now includes the Executive Chairmen of the two Group businesses (Education and Media), who are likewise executive directors of PRISA (Mr Francisco Cuadrado and Mr Carlos Nuñez), the Secretary to the Board of Directors (Mr Pablo Jiménez de Parga, who joined the Company in July 2021), the CFO (Mr David Mesonero, who also joined the Company in July 2021), the Director of Communication and Institutional Relations (Mr Jorge Rivera) and the Director of Internal Audits of Prisa (Ms Virginia Fernández).

The CNRGC participated in defining the new senior management group, likewise having assessed and intervened in designing the new structure for granting power of attorney and decision-making after the corporate reorganization. The CNRGC received external independent counsel from the Uría Menéndez law firm concerning the new decision-making structure, taking into account the coexistence of two executive directors.

In addition, the CNRGC also issued its opinion to the Board concerning the proposed reorganization of the management bodies of the Group's principal subsidiaries.

4.3. Compensation policy for directors and senior management:

i. Directors' Compensation Policy.

- *Reduction in the remuneration of directors and Senior Management:*

At the beginning of the Covid-19 pandemic (first quarter of 2020) and in order to mitigate the negative impact of the situation, which had an special effect on the main sources of income generation of all kind of media, the Board of Directors, at the proposal of the CNRGC, resolved to put in place a contingency plan to adequate the cost structures of the businesses to the circumstances, which has given rise to the following concrete measures:

- Fiscal year 2020: a reduction was applied from April to December 2020, both inclusive, of 20% in the directors remuneration and around 35% in the annual remuneration of the then Chief Executive Officer and the Senior Management. Also, the then Chief Executive Officer (Mr Manuel Mirat) and senior managers of PRISA voluntarily decided to waive the part of their annual variable remuneration pegged to quantitative objectives for 2020. This resulted in the

subsequent waiver of all or part of the 2021 annual variable compensation on the part of certain managers (among whom was Mr. Mirat, who waived his total compensation).

- Fiscal year 2021: With the pandemic still rampant and no return yet foreseen to sufficient revenue levels, at the beginning of fiscal year 2021, new temporary interim measures were adopted to contribute to dealing with this complicated scenario, also at the proposal of the CNRGC. Thus, it was proposed to all employees with annual gross remuneration of €85,000 or higher, a temporary salary reduction (of 10% of the fixed remuneration and including the then Chief Executive Officer) during 2021. Likewise it was applied a 20% reduction in the remuneration of the non executive Board members during the same time period (although this would not affect to the remuneration of the non-executive Chairman, whose remuneration had already been cut by 50%, from €400,000 to €200,000 in December 2020).
- Fiscal year 2022: In 2021, the Board of Directors, at the proposal of the ARCGC, has resolved that the same 20% reduction in the remuneration of the members of the Board that was applied for 2021 will continue to be applied during the 2022 financial year. Exempted from the above will be the remuneration of the non-executive Chairman and the remuneration corresponding to the chairmanship of the Appointments, Remuneration and Corporate Governance Committee, the Audit, Risk and Compliance Committee and the Sustainability Committee, given the special workload, dedication and responsibility that such positions entail.

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.

- *Amendment to the Directors' Compensation Policy:*

PRISA's Extraordinary Shareholders' Meeting held on 18 December 2020 approved a Remuneration Policy for PRISA directors applicable for the 2020 and 2021 financial years ("2020/2021 Remuneration Policy"). Said text provided for the remuneration of a single executive director in the Company (who at that time was its CEO and first executive, Mr. Manuel Mirat Santiago).

As already indicated, in March 2021, PRISA's Board of Directors approved a new organisational chart and it was evolve from having a sole executive director (the then CEO) to having two executive directors, one as head and Executive Chairman of Education (Santillana) and the other as head and Executive Chairman of PRISA Media. Thus:

- In May 2021 Mr. Carlos Nuñez Murias was appointed Executive Chairman of PRISA Media and, in June, by resolution passed at PRISA shareholders meeting, was appointed executive director of PRISA

- Mr. Manuel Mirat Santiago assumed the Executive chairmanship of Santillana and resigned as CEO of PRISA, with effect from the holding of the aforementioned shareholders' meeting in June 2021.

In this context, it was necessary to adapt the 2020/2021 Remuneration Policy to the new organisation chart of the PRISA Group derived from the operating division of the Education and Media businesses, which contemplated two executive directors with the right to remuneration for the performance of executive functions in the scope of the respective businesses.

At the Ordinary Shareholders' Meeting held in June 2021, it was approved a new director remuneration policy, applicable for the years 2021, 2022 and 2023 ("2021/2023 Remuneration Policy"), at the proposal of the Board of Directors and following a report from the CNRGC.

In accordance with the provisions of article 529 novodecies of the consolidated text of the Spanish Companies Act, a reasoned proposal from the Board and the ARCGC report on the new Remuneration Policy were made available to the shareholders (which are available on the corporate website www.prisa.com.)

The purpose of the updates to the text of the remuneration policy basically was to:

- Adapt the Remuneration Policy to the Group's new organisational structure derived from the planned operational division of the PRISA's Education and Media businesses, which provides for two executive directors with the right to remuneration for the performance of executive functions in the area of their respective businesses.
- Remove from the text of the policy certain remuneration items whose duration had expired, and which are therefore no longer applicable.
- Taking into account the prevailing socioeconomic circumstances as well as the specific circumstances of the Company in particular, it was considered appropriate for the Non-executive Chairman's remuneration range (which was between 300,000 and 500,000 euros per annum until December 2020) to be reduced down to a range between 200,000 and 300,000 euros per annum.
- Introduce new medium-term incentive plans targeted at certain key professionals in the Company and its Group to compensate the extraordinary efforts needed to achieve the value creation objectives set for the Group's Education and Media businesses and recognise the value created by the participants for PRISA and its shareholders.
- Provide the market with more certainty on the remuneration policy that the Company will apply in 2022 and 2023.

- To introduce the legislative amendments approved by virtue of Act 5/2021 of 12 April 2021 (which amended the consolidated text of the Spanish Companies Act and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies) that affect the content and form of the remuneration policy of listed companies.

The CNRGC received independent external advice from the firm Uría Menéndez for the definition of the Remuneration Policy 2021/2023.

ii. Directors' Compensation Report

The CNRGC proposed the Compensation Report for the Board of Directors for 2021, with information concerning the application of the 2020 compensation policy, which was submitted for approval on a consultative basis at the ordinary shareholders meeting of 29 June 2021.

In 2022, the Remuneration Report for 2022 will be published, explaining the application of the Remuneration Policy during 2021.

iii. Compensation for the executive directors and Senior Management.

- *Executive Directors' Conditions of Contract:*

During the year the CNRGC reviewed and proposed to the Board of Directors the conditions of contract and compensation for the new executive directors Messrs. Carlos Nuñez and Francisco Cuadrado. Concerning Mr. Manuel Mirat (executive director until July 2021), the CNRGC reviewed his contract conditions when he assumed the post of Executive Chairman of Santillana and ceased as PRISA's CEO, likewise reviewing the economic conditions regarding the termination of his contract with the Group.

- *Senior Management's Conditions of Contract:*

As a result of the Group's internal reorganization, the contracts of several managers were terminated, among whom were a few members of senior management. This Committee reviewed and issued its opinion concerning the conditions for terminating those contracts.

After the reorganization, the CNRGC analyzed the clauses applicable in the event of termination contained in the contracts of several Group managers, as well as the impact that they could have in the short and medium term. The CNRGC has agreed that the Company should follow a much more restrictive policy in the hiring of future managers.

- *2020 annual variable remuneration:*

In 2021, the CNRGC analyzed the objectives achieved by the key Group's managers for 2020, and approved payment of the corresponding amounts.

In that regard and as noted above, several managers waived all or part of their 2020 variable compensation.

- *2021 annual variable remuneration:*

At the CNRGC's proposal, in 2021 the objectives for the the 2021 variable compensation for the principal Group executives were approved.

In 2022 the CNRGC assessed the extent to which the principal Group executives had met the established objectives in order to receive the variable compensation provided for 2021, subsequently sending the proposed payouts to the Board of Directors.

- *Multiyear variable compensation 2018-2020:*

In 2021, and with advice from an independent third party (KPMG), the CNRGC assessed the extent to which the objectives of the 2018-2020 Medium-term Incentives Plan were achieved, determining the number of shares to be awarded to the beneficiaries in compensation.

At the request of the beneficiaries of this remuneration plan, the Board of Directors of PRISA resolved that the settlement and delivery of this deferred remuneration be delayed to the period between 1 January and 28 February 2022 (delivery which, according to the general conditions governing this remuneration plan, should be made in the 60-day period following the preparation of the 2020 financial statements). The settlement of this remuneration plan took place in February 2022 under the supervision of the CNRGC.

- *Extraordinary Compensation Plans linked to 2020 strategic operations:*

In 2020, the Board of Directors, based on a proposal submitted by the CNRGC, approved two extraordinary bonuses to be paid to the CEO and certain senior managers linked to two major strategic operations: the sale of the education business in Spain belonging to Grupo Santillana Educación Global, S.L.U. and the refinancing of the Prisa Group's financial debt with its lending institutions. These bonuses were designed to reward part of the management team for an exceptional contribution, having had to work extremely hard on new projects in addition to their normal work obligations. They were also intended to retain and motivate key managers for the Group. The CNRGC received independent external advice from Tower Watson for this task.

In 2021, payouts for those incentives were made based on the CNRGC's proposal.

- *Medium-term Incentive Plan 2020-2023, linked to the creation of value of Santillana*

At the CNRGC's proposal, in 2021 the Board of Directors approved a medium-term incentive plan linked to value creation in Santillana from 1 September 2020 to 31 December 2023, intended for certain key PRISA

and Santillana managers (including Santillana's present Executive Chairman and Prisa executive director Mr. Francisco Cuadrado).

Given that PRISA's Board of Directors approved that plan in January 2021 and the fact that many organizational changes since then have affected the number of the compensation plan's beneficiaries, the CNRGC subsequently reviewed the plan's individual distribution (% pool).

The CNRGC likewise received independent external advice from Willis Tower Watson when designing this plan.

- *Medium term incentive plan 2022-2024 for PRISA and PRISA Media:*

At the CNRGC's proposal, in 2021 the Board of Directors approved two medium term incentive plans for 2022, 2023 and 2024, payable in shares, one linked to the achievement of the quantitative financial objectives set forth in the PRISA Media budget (whose beneficiary is PRISA Media's Executive Chairman Mr. Carlos Nuñez), and the other linked to the achievement of the quantitative financial objectives contained in PRISA's budget (whoses beneficiary is CFO Mr. David Mesonero).

- *Verification of information concerning compensation for directors and senior managers contained in different corporate documents*

In 2021 the CNRGC reviewed the information concerning compensation for directors and senior managers contained in the annual and semi-annual financial information prior to its disclosure to the markets.

- *Review of the compensation policy applied to directors and senior management.*

In 2021 the CNRGC reviewed the application of the compensation policy for directors and senior management during 2020, verifying that all payments made during that year to those groups were in line with company compensation policy and with several resolutions adopted in that regard and, especially, with regard to directors, with Prisa's Directors Compensation Policy.

The same review has been conducted in 2022 for the 2021 fiscal year.

4.4. Corporate governance system

- i. Internal regulations and recommendations on corporate governance:

In 2021, in line with the Company's aim of constantly updating and reviewing its corporate governance system and internal regulations, at the proposal of the CNRGC, its internal regulations were reviewed and updated, including its Bylaws, the Shareholders Meeting Regulation, the Regulations of the Board of Directors, and the Internal Code of Conduct Regarding the Securities Market, with the principal objectives of:

- Reflecting some of the changes introduced by Law 5/2021 amending the consolidated text of the LSC and other financial regulations to encourage long-term shareholder engagement in listed companies.
- Adjusting their content to the organizational changes made in the Group (both in the Board of Directors, as well as in the management teams and compliance body).
- Incorporating certain improvements of a technical nature, with a view to clarifying certain matters, improve readability and enhance understanding.

Additionally, the Committee carried out a review of the Company's compliance with the CNMV's recommendations on corporate governance.

ii. Annual Corporate Governance Report

The CNRGC proposed the Annual Corporate Governance Report for 2020 to the Board of Directors. In March 2022 the CNRGC will likewise propose the Corporate Governance Report for 2021 to the Board.

iii. Sustainability

In April 2021 the CNRGC examined and reported favorably on the Sustainability Report for 2020, which was approved by the Board of Directors.

As previously indicated, in February 2022 and at the CNRGC's proposal, the Board of Directors resolved to create a Sustainability Committee that will now be responsible for matters concerning sustainability, although in certain areas it will have to coordinate with the CNRGC and the Audit, Risks and Compliance Committee.

iv. Information, communication and contacts with shareholders, institutional investors and proxy advisors policy:

The Company has a policy on information, communication and contacts with shareholders, institutional investors and proxy advisors that sets out the main principles governing PRISA's communication with these groups.

In 2021 the CNRGC verified application of the general principles and codes of conduct established in the Policy for 2020. The CNRGC conducted this verification again with regard to 2021.

v. Compliance

During 2021 the Committee worked on designing a new internal compliance model (with advice from the Gómez Acebo&Pombo law firm), resulting in a change in the structure of PRISA's compliance unit, which is no longer multi-member, but rather is vested in a single person.

The CNRGC participated in the appointment of the Chief Compliance Officers for PRISA and its businesses.

Likewise, and at the CNRGC's proposal, a Group Compliance Policy was adopted and the internal regulatory compliance system was reviewed and updated.

5. Self-assessment of the Board

During 2021, a self-assessment was conducted of the composition and work of the Board of Directors and its committees during 2020. The performance of the Chairman of the Board, the CEO, and the Chairmen of the Committees was also assessed. This assessment was done internally, without outside advice (since KPMG participated in last year's assessment and the CNMV recommends seeking outside counsel at least once every three years).

The CNRGC delivered its report with the results of the assessment to the Board of Directors, and the Board approved a proposed action plan to correct the deficiencies detected. Part of the deficiencies detected in the self-assessment (concerning the 2020 fiscal year) were remedied during 2021 with the new structure and operations of the Board of Directors and its committees.

It should be noted that the aspect deemed least positive in that assessment was the lack of gender diversity on the Board, which was made a priority of the CNRGC for 2021. In fact, as previously indicated, during 2021 three new female directors joined the Board, which now has five women representing 35.7% of its total members. Female directors likewise have a notable presence on company bodies and, after the reorganization of the board committees (and with the creation of the new Sustainability Committee in February 2022) the number of women on board committees is quite significant.

In 2022 a self-assessment was made of the functions and composition of the Board of Directors and its committees during 2021, which was likewise conducted without outside counsel. The CNRGC has sent the Board a report with the results of the assessment, with a proposed action plan to correct the deficiencies detected.

6. Other responsibilities:

i. Digital Transformation Committee for the Group's media:

At the proposal of the CNRGC, in 2021 a Digital Transformation Committee has been set up for the Group's media, which reports directly to the Board of Directors and is chaired by the Vice-Chairman of the Board, Mr. Rosaura Varo.

ii. Annual Work Plan.

As a good governance practice, in December 2021 the CNRGC has approved its Work Plan for the year 2022.

iii. Annual Report on the Committee's Work.

In 2021 the CNRGC issued a report on the work that it undertook in 2020, which was made available to shareholders when the ordinary shareholders meeting was called.

Concerning the 2021 fiscal year, the CNRGC is issuing the present report, having taken into account the CNMV's Technical Guidelines in its preparation. This report will be made available to company shareholders.

5.- CONCLUSIONS

- i. The CNRGC's composition is diverse with regard to the geographical origin, age, professional profile, gender and experience of its members, who as a group have a reasonable level of knowledge and experience required to address matters falling within their purview.
- ii. The members of the CNRGC have fulfilled their duties with responsibility, independence, freedom of opinion and dedication. During its meetings, the Committee promoted constructive dialogue among its members, freedom of expression, and critical thought, which contributed to enriching their analyses and the results of their work.
- iii. Likewise, and as noted above, to responsibly perform its duties with regard to especially relevant matters, the CNRGC sought the advice of independent outside professionals of recognized prestige.

This report was prepared by the CNRGC on March 28, 2022.