

# **PROPOSED RESOLUTIONS**

## **ANNUAL GENERAL SHAREHOLDERS MEETING**

### **PROMOTORA DE INFORMACIONES, S.A.**

**March 22, 2007**

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*At its meeting of February 15, 2007 the Board of Directors of PROMOTORA DE INFORMACIONES, S.A. resolved to submit the following PROPOSED RESOLUTIONS at the GENERAL SHAREHOLDERS' MEETING to be held on March 22, 2007.*

*At the same meeting the Board of Directors likewise passed a resolution to grant joint and several powers to the Chairman of the Board and the Chief Executive Officer to add other proposed resolutions, as well as to delete, amend or alter any of the proposals set forth below.*

## ONE

**Review and, if warranted, approval of the Annual Accounts (Balance Sheets, Profit & Loss Accounts and Annual Reports) and Management Reports for both the Company and the Consolidated Group for the 2006 financial year, and a proposal regarding the distribution of profits.**

a) To approve the Annual Accounts (Balance Sheets, Profit & Loss Accounts and Annual Reports) and Management Reports for both the Company and the Consolidated Group for the financial year ending December 31, 2006, as audited by the company's account auditors.

b) To approve the following distribution of profits (Euros 000):

### **Basis for Distribution**

Profit for the Financial Year:	137,747
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### **Distribution**

- |                              |                                |
|------------------------------|--------------------------------|
| ▪ To dividends               | 0.16 €per share                |
| ▪ To directors' compensation | 1,382                          |
| ▪ To voluntary reserves      | all other profits for the year |

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Shareholders entitled to dividend payments are those appearing on the Accounting Register of 26<sup>th</sup> March, 2007. Dividends will be payable as from 27<sup>th</sup> March, 2007 in the manner to be announced.

## TWO

### **Approval of the Board of Directors' management of the company during the 2006 financial year.**

To approve, without reservations, the Board of Directors' management of the company during the past year.

### **THREE**

**To adopt the resolutions warranted with regard to the auditors of the Company and its consolidated group for the 2006 financial year, pursuant to the provisions of Article 42 of the Commercial Code and Article 204 of the Corporations Law.**

As provided in Article 204 of the Corporations Law and Article 153 ff. of the Companies Register Regulation, to appoint DELOITTE, S.L., a Spanish company with registered offices in Madrid at Torre Picasso, Plaza Pablo Ruiz Picasso nº1, 28020 Madrid, Tax ID No., recorded on the Madrid Companies Register on Page M-54414, Folio 188, Volume 13,650, Section 8, as the auditors of the Company and its consolidated group for the term of one (1) year, to audit the financial statements for the year ending December 31, 2007.

## **FOUR**

### **Removal and Appointment of Directors**

#### **4.1. Reelection as director of Ms. Isabel Polanco Moreno.**

After having received the opinion of the Corporate Governance, Appointments and Remuneration Committee and given that the term of Ms. Isabel Polanco Moreno expires on April 18, 2007, the Board of Directors recommends her early removal and reappointment as executive director of the Company, pursuant to Article 8 of the Board Regulation.

It is resolved that Ms. Isabel Polanco Moreno be removed in advance and reappointed as director of the Company for the five-year term set forth in the bylaws.

Ms. Isabel Polanco Moreno, present at the meeting, accepts the appointment and indicates that there are no legal grounds either in state or autonomous community law that would disqualify her for the post.

#### **4.2. Ratification of the appointment by cooptation and election of Director Ms. Agnès Noguera Borel**

After having received the opinion of the Corporate Governance, Appointments and Remuneration Committee, the Board of Directors recommends ratifying the Board's appointment by cooptation of Ms. Agnès Noguera Borel made on April 20, 2006 to fill the vacancy resulting from the death of Mr. Alvaro Noguera Giménez, and to appoint her as proprietary director of the Company, pursuant to Article 8 of the Board Regulation.

It is resolved that the Board's appointment by cooptation of Ms. Agnès Noguera Borel on April 20, 2006 be ratified and that she be reelected director of the Company for the five-year term set forth in the bylaws, effective on the date this resolution is passed.

D<sup>a</sup> Agnès Noguera Borel, present at the meeting, accepts the appointment and indicates that there are no legal grounds either in state or autonomous community law that would disqualify her for the post.

## FIVE

### **Amendment of Article 21 bis (Audit and Compliance Committee) of the Company Bylaws**

Amendment of Article 21 bis (Audit and Compliance Committee) of the Company Bylaws, so that it read as follows:

*“Article 21 bis. - Audit Committee*

*The Board of Directors shall constitute an Audit Committee. The Audit Committee shall have the functions that correspond to it legally, without prejudice of any other function that may be granted by the Board of Directors.*

*The Audit Committee shall consist of as many members as the Board of Directors determines at each moment with a minimum of three and a maximum of five members. The members of the Audit Committee shall be, at least the majority of them, non-executive directors and shall also meet other legally established requisites.*

*The members of the Committee shall be appointed by the Board of Directors at the proposal of the Chairman and shall cease in their post when they are no longer Board members or when so decided by the Board of Directors.*

*The Committee Chairman shall be elected by the Board of Directors from among those of the members of the Committee who have the status of non-executive directors and who shall also meet other legally established requirements. The Chairman of the Committee shall be replaced every four years and may be re-elected one year after his/her removal.*

*The Secretary of the Board of Directors shall act as the Secretary of this Committee, and the Vice-secretary shall act in his absence. The Secretary shall draft the minutes of the Committee sessions in accordance with the conditions established by the Board of Directors.*

*The Committee shall meet periodically as needed and at least four times a year after its Chairman has called the meeting.*

*The Audit Committee shall be governed by the same regulations established in the Corporate Bylaws for the functioning of the Board of Directors provided that these are compatible with the functions of this Committee.”*

## SIX

### **Amendment of the following articles of the General Shareholders Meeting Regulations: Article 19.4 and Article 20, by adding a new paragraph 20.9.**

Amendment of the following articles of the General Shareholders Meeting Regulations: Article 19.4 and Article 20, by adding a new paragraph 20.9., so that they read as follows:

*“19.4. The information or clarification requested from the directors shall be furnished by the Chairman, by the Managing Director, by the Secretary or, upon indication from the Chairman, by a director, by the Chairman of the Audit Committee or by any employee or expert on the matter.”*

*“20.9. Split voting shall be permitted, so that those who appear as shareholders on the accounting register but who act as proxies for others may vote following instructions from the proxy grantor.”*

## SEVEN

### **Authorization of the direct or indirect derivative acquisition of treasury shares within the legal limits and requirements.**

### **Revocation of any unexercised powers authorizing the derivative acquisition of treasury shares granted at the Annual Shareholders' Meeting on March 23, 2006.**

To authorize the derivative acquisition of treasury shares, either directly or through any of the company's subsidiaries, by means of purchase or by any other inter vivos act for valuable consideration, during a maximum term of eighteen months from the date on which the shareholders' meeting is held.

To revoke any unexercised powers in that regard granted at the Shareholders' Meeting of March 23, 2006.

To approve the following limits or requisites with regard to these acquisitions:

- When added to those that the Company and its subsidiaries already hold, the nominal value of the shares acquired cannot exceed the maximum legally permitted.
- The acquired shares must be free of all encumbrances and charges, fully paid in and not subject to compliance with any type of obligation.
- Non-distributable reserves equivalent to the price of the treasury shares reflected on the assets side should be added to the liabilities side of the Company balance sheet. This reserve must be maintained until the shares are alienated or amortized.
- The purchase price may not be lower than face value nor more than 20% higher than the quoted value. Transactions to acquire treasury shares must conform to the securities markets' standard rules and practices.

Express authorization is hereby granted to use all or part of the shares acquired by the Company or its subsidiaries by virtue of this power, as well as the shares that already belong to the Company on the date the Shareholders' Meeting is held for:

i) the Remuneration Package to grant stock options approved at the Annual Shareholders' Meeting held on April 15, 2004, when those entitled to exercise their stock options decide to do so.

ii) a plan to grant shares during the 2008 financial year which, as part of the Company's remuneration policy and up to a maximum of 0.5% of the present share capital, is intended for the following personnel categories: executive directors, directors general, communications media directors, secretaries of the boards of directors and other directors of the company and its group who carry out similar functions, and who meet the conditions set forth by the Board of Directors. The shares granted to each person in question shall be free-of-charge and shall not exceed 12,000 € annually, based on the average value of the shares on the Continuous Market during the seven trading days prior to their delivery. The Board of Directors is granted broad powers to further define and implement this share plan.

## **EIGHT**

### **Delegation of Powers**

Without prejudice to powers granted in other resolutions, it is hereby resolved to grant to the Board of Directors the broadest powers required by law to define, implement and interpret the preceding resolutions including, if necessary, powers to interpret, remedy and complete them, likewise delegating to the Chairman of the Board of Directors Mr. Jesús de Polanco Gutierrez, the Chief Executive Officer Mr. Juan Luis Cebrián Echarri and the Secretary Mr. Miguel Satrustegui Gil- Delgado joint and several powers for any of them to appear before a Notary Public to formalize and to reflect in a notarial document the resolutions adopted at the present Shareholders' Meeting, rectifying, if warranted, any material errors not requiring new resolutions that might preclude their being recorded in notarial instruments, and to issue the notarial or private documents necessary to record the adopted resolutions on the Companies Register, with powers to remedy or rectify them in view of the Registrar's written or oral comments and, in summary, to take any measures required to ensure that these resolutions are fully effective.

## NINE

### **Information provided the Shareholders Meeting concerning amendments of the Board of Directors Regulation.**

In compliance with Article 115 of Securities Market Law 24/1988 of July 28, the Shareholders Meeting is hereby informed that in its session of January 18, 2007 the Board of Directors resolved to amend the Regulation of the Board of Directors of Promotora de Informaciones, S.A. with a view to guaranteeing improved management of the company, renewing certain aspects of board and committee procedure and adapting the Regulation to specific corporate governance recommendations.

The principal amendments that were approved are:

#### Functions of the Board of Directors

Redefinition of the functions of the Board of Directors which, in accordance with the National Securities Markets Commission's Unified Code of Good Governance (hereinafter, the "Unified Code") include: i) general company policies and strategies; ii) specific decisions concerning investments, directors' remuneration, related-party transactions, etc.

#### Composition of the Board of Directors

The following rules are included in the adoption of Unified Code recommendations:

- i) The Board of Directors shall explain the position of each director at the shareholders meeting at which his or her appointment is to be made or ratified.
- ii) The Board of Directors shall explain, if applicable, exceptional cases in which a director cannot be considered either proprietary or independent.
- iii) The Corporate Governance, Appointments and Remuneration Committee shall nominate the independent directors and, unless there is just cause, the Board of Directors may not recommend their removal before the end of the period for which they were elected, as set forth in the bylaws.

#### Structure of the Board of Directors:

The Vice Chairman's succession as Chairman of the Board of Directors has been regulated. In that regard, the Unified Codes' recommendation to adequately organize the succession of the chairman of the Board of Directors has been taken into account.

#### Board Committees:

The present two committees have been maintained under different names. As for their functions, some of the rules recommended in the Unified Code have been included.

- a) Audit Committee: In addition to its statutory functions, i.e., those concerning outside auditors and supervising the process of providing financial information and internal

audits, as recommended in the Unified Code, the committee has been granted the following powers:

- i) To recommend the person to head the internal audit service;
- ii) To issue its opinion concerning the creation or acquisition of interests in entities domiciled in countries or territories considered tax havens.

b) Corporate Governance, Appointments and Remuneration Committee: This committee assumes functions related to corporate governance and compliance, and continues to exercise those that it presently has in matters concerning appointments and remuneration. In that regard, it will assume the following functions recommended in the Unified Code:

- i) To appoint independent directors (having the power to issue opinions concerning the appointment of the remaining directors).
- ii) To issue an opinion concerning the nomination of the Board Secretary.
- iii) To make proposals concerning remuneration policy for directors and senior management, as well as the individual compensation for executive directors and other conditions of their contracts.
- iv) To present a report evaluating the operations and composition of the Board of Directors.

The Regulation likewise specifies that the chairman of this committee must be an independent director, thus adopting the recommendation of the Unified Code.

#### Conflicts of Interest and Related-Party Transactions with Directors

New rules have been established with respect to disclosure of situations in which company directors may be involved in conflicts of interest, referring to the provisions of Promotora de Informaciones S.A. and its group companies' Internal Code of Conduct in Securities Market Matters.

Based on Unified Code recommendations, rules for authorizing related-party transactions are as follows:

1. Direct or indirect professional or commercial transactions of directors (or of persons related to them if they involve operations in excess of 60,000 euro) with the Company or with any of its subsidiaries must be authorized by the Board of Directors after it has considered the opinion of the Corporate Governance, Appointments and Remuneration Committee.

Transactions carried out by persons related to directors that do not exceed 60,000 euro must be authorized by the Corporate Governance, Appointments and Remuneration Committee.

2.- Directors shall refrain from intervening in deliberations concerning matters in which they have direct or indirect interests. In addition to not exercising their voting rights, directors affected by a related-party transaction must absent themselves from the boardroom during deliberations and voting on such matters.

3.- Authorization of the Board of Directors shall not be required for related-party transactions that also fulfill the following conditions:

- a) Those involving compliance with standard contract conditions applied extensively to multiple customers;
- b) Those involving predetermined prices or fees carried out by the suppliers of the goods and services in question;
- c) Those which amount to less than 1% of the annual income of the person or entity receiving the service.

#### Transactions with Significant Shareholders

The circumstances to be taken into account in order to authorize transactions with significant shareholders have been adapted to the provisions outlined in the preceding section.

Attached is copy of the current Board of Directors Regulation that includes the aforementioned amendments. A copy of the regulation was likewise forwarded to the National Securities Markets Commission and is available on the company webpage at ([www.prisa.es](http://www.prisa.es)).

**PROMOTORA DE INFORMACIONES, S.A.**

**Board of Directors Regulation, approved on June 21, 2001, amended on July 17, 2003, March 18, 2004 and January 18, 2007.**

BOARD OF DIRECTORS REGULATION OF PROMOTORA DE INFORMACIONES, S.A.

## **Chapter I.- PRELIMINARY**

### **Article 1.- Purpose.**

1.- The object of this Regulation is to set forth the working principles of the Board of Directors of Promotora de Informaciones, S.A., the basic rules for its organization and functioning, and the rules of conduct of its members.

2.- The rules of conduct established in this Regulation for directors shall, if compatible, likewise apply to the senior management of the Company who attend the meetings of the Board of Directors.

### **Article 2.- Interpretation.**

This Regulation shall be interpreted in accordance with legal provisions and the rules set forth in the bylaws, and are founded on the spirit and purpose thereof, with the Board of Directors having the power to resolve any conflict that may arise with regard to its application.

### **Article 3.- Amendment.**

1.- This Regulation may only be amended at the request of the Chairman or one third of the directors serving on the Board, who must accompany their request with a report justifying their proposal.

2.- The Corporate Governance, Appointments and Remuneration Committee shall issue an opinion concerning the proposed amendment.

3.- The text of the amendment, the authors' report justifying the proposal and the opinion of the Corporate Governance, Appointments and Remuneration Committee shall be attached to the call for the meeting of the Board at which this matter is to be discussed.

4.- In order to be valid, an amendment of the Regulation shall require a resolution adopted by an absolute majority of the members of the Board.

### **Article 4.- Publication.**

1.- Directors and senior management have the obligation to be informed of, and to comply and to compel compliance with this Regulation. To this end, the Board Secretary shall provide all of the aforementioned with a copy of the same.

2.- The Board of Directors shall take all necessary measures to distribute the Regulation to shareholders and to the investing public in general.

## **Chapter II.- MISSION OF THE BOARD**

## **Article 5.- Functions.**

1.- Except for matters reserved for shareholders meetings, the Board of Directors is the highest decision-making body of the Company.

2.- Board policy is to delegate the day-to-day management of the Company to the Chairman, assisted by the Chief Executive Officer and the management team, while focusing its activity on general supervisory tasks. Powers reserved to the Board by law or in the bylaws cannot be delegated.

3.- In any event, the following must be submitted for prior approval to the Board of Directors of the Company:

a) General company policies and strategies, including:

- i) The strategic or business plan, as well as annual management and budget objectives and financial projections;
- ii) Investment and financing policies;
- iii) Determination of group company structure and any proposed amendment of the Company's corporate purpose;
- iv) Corporate governance policy;
- v) Corporate social responsibility policy
- vi) General remuneration policy affecting directors and senior management;
- vii) Risk control and management policy, as well as periodic supervision of internal information and control systems;
- viii) Determination of dividend and treasury stock policies;

b) The following decisions:

- i) Financial information related to listed securities that the Company must disclose periodically
- ii) The undertaking of investments, assumption of financial obligations or the granting of any financial commitments that derive, among others, from loans, credits, sureties or other guarantees, as well as entering into contracts that are of significant importance to the Company or its subsidiary and/or controlled companies, except for cases of extreme urgency in which it is impossible for the Board of Directors to meet.
- iii) Any transfer or encumbrance of assets relating to the Company or its subsidiary or controlled companies.

- iv) Motions or resolutions for capital increases or reductions. Any other changes in capital structure.
- v) Strategic alliances of the Company or its controlled companies.
- vi) The creation or acquisition of interests in entities domiciled in countries or territories considered tax havens.
- vii) Mergers, spin-offs and any other relevant decision regarding the position of the Company as a listed company.
- viii) The remuneration of directors as well as, in the case of executive directors, any additional remuneration for their executive functions and other conditions set forth in their contracts.
- ix) Authorization of linked transactions in the terms provide for in this Regulation.
- x) Periodic evaluation of the performance and composition of the Board of Directors.

4.- In the cases of extreme urgency mentioned in section 3.b ii) above, a decision of the Chairman may suffice in lieu of approval from the Board of Directors.

#### **Article 6.- Objectives.**

1.- The criteria that must at all times govern the activities of the Board of Directors are: compliance with the corporate purpose, defense of the long-term viability of the Company and the development of its true value, safeguarding its identity, as well as the professional principles and codes of ethics of the Group's publishing companies and communications media.

2.- Within the scope of the corporate organization, the Board shall adopt the measures necessary to ensure:

- a) That company management pursues the creation of value for shareholders and has the proper incentives to do so;
- b) That company management works under the effective supervision of the Board;
- c) That no shareholder receives privileged treatment with respect to the others.

#### **Article 7.- Other interests.**

The creation of value in the Company in the interest of the shareholders shall necessarily be carried out by the Board of Directors, respecting the requirements imposed by law, fulfilling the explicit and implicit contracts arranged with workers, suppliers, financiers and clients in good faith and, in general, observing those ethical duties that are inherent in the responsible management of the Company.

## **Chapter III.- COMPOSITION OF THE BOARD**

### **Article 8.- Qualitative Composition.**

1.- In exercising its right to fill vacancies and to propose appointments at Annual Shareholders Meetings concerning the composition of the Board, the Board of Directors shall ensure a majority of external or non-executive directors with respect to executive directors.

In that regard, executive directors are understood to include the Chairman, the Chief Executive Officer and other directors who, under any other title, assume managerial responsibilities within the Company or any of the subsidiary companies.

2.- As vacancies arise, the Board shall ensure that the majority group of external directors includes both those proposed by owners of significant stable shareholdings (owner-directors) and professionals of recognized prestige who have no links to the executive team or significant shareholders that would compromise their independence (independent directors).

For the purposes of the foregoing paragraph, the Board shall take into account the ownership of the Company, the importance in absolute and comparative terms of the significant shareholders' stakes, as well as the degree of permanence and the strategic association of the owners of those significant shareholdings with the Company.

If there is an external director who cannot be considered either an owner-director or an independent director, the Board of Directors shall explain that circumstance and his relationship to the Company or to its managers or shareholders.

3.-The Board of Directors shall explain the nature of each director's relationship to the Company at the Shareholders Meeting at which his appointment is to be made or ratified, confirming or, if warranted, reviewing it annually in the Annual Report on Corporate Governance, after having been verified by the Corporate Governance, Appointments and Remuneration Committee.

4.- The provisions of this article are understood as being without prejudice to the right of representation that is legally recognized to the shareholders on a proportional basis.

### **Article 9.- Quantitative composition.**

1.- The Board of Directors shall be made up of the number of directors determined at the annual shareholders meeting within the limits set forth in the company bylaws.

2.- At the annual meeting the Board shall propose the number of directors required to ensure due representation and its effective functioning, in accordance with the changing circumstances of the Company.

## **Chapter IV.- STRUCTURE OF THE BOARD OF DIRECTORS.**

**Article 10.- Chairman of the Board.**

Without prejudice to the powers set forth in the bylaws, the Chairman of the Board shall preside at the annual shareholders meetings and at meetings of the Board of Directors and shall be the chief individual responsible for the management of the Company. His appointment entails assuming all powers that the Board can legally delegate him.

**Article 11.- Chief Executive Officer**

1.- The Chief Executive Officer shall be the main assistant to the Chairman in the management of the Company. His appointment entails assuming all powers that the Board can legally delegate him. He shall be responsible for the effective management of the business of the Company, always acting in accordance with the decisions and criteria laid down at the annual shareholders meeting, and by the Board of Directors and the Chairman.

2.- Without prejudice to the provisions of Articles 5 and 10 above, the Chief Executive Officer shall be responsible for the day-to-day management of the Company. In emergency circumstances he may adopt the measures he deems warranted in the interest of the Company. He likewise has the power to enforce Board resolutions.

**Article 12.- Deputy Chairman or Chairmen.**

1.- The Board may appoint one or more Deputy Chairmen, who shall substitute for the Chairman in his absence and when it is impossible for him to attend to matters affecting the functioning of the Board of Directors, and they shall exercise all other powers set forth in Article 21 b) of the company bylaws.

2.- In the event there are several Deputy Chairmen, and unless there is an agreement to the contrary, the First Deputy Chairman shall preside and, in the absence of all of the Deputy Chairmen, the director who is appointed by the Board of Directors shall preside.

3.- The Deputy Chairman, or if there are more than one, the First Deputy Chairman shall be appointed Chairman by the Board of Directors in the event that the Chairman leaves office for any reason.

**Article 13.- Board Secretary.**

1.- The Board of Directors shall appoint a Secretary, who shall be a lawyer, and need not be a director.

2.- The Secretary shall assist the Chairman in his tasks and shall ensure the proper functioning of the Board. In that regard he shall provide the directors with all necessary advice and information, maintain company records, duly reflect the undertaking of all meetings in the minute books, and issue certificates concerning Board resolutions.

3.- In any event, the Secretary shall ensure the formal and substantive legality of the activities of the Board and that its rules of governance and procedures are enforced.

**Article 14.- Deputy Secretary to the Board.**

- 1.- The Board of Directors may appoint a Deputy Secretary, who need not be a director, to assist the Secretary to the Board of Directors.
- 2.- In the absence of the Secretary, a director appointed as such by the Board shall perform those tasks.

## **Chapter V.- FUNCTIONING OF THE BOARD.**

### **Article 15.- Meetings of the Board of Directors.**

- 1.- The Board of Directors shall meet monthly and at such intervals that the Chairman may deem warranted for the proper functioning of the Company, or when so requested by two or more directors or by the Chief Executive Officer.
- 2.- The call for meetings shall always include the agenda for the meeting and shall be issued by letter, fax, telegram or electronic mail, and shall be authorized by the signature of the Chairman, or the Secretary or Deputy Secretary by order of the Chairman. The call shall be sent a minimum of seven (7) days in advance of the meeting, to the address designated for each director.

Notice of a meeting of the Board called at the petition of directors shall be sent within five (5) days following their request.

- 3.- The Chairman shall ensure that the Chief Executive Officer prepares and provides the rest of the directors with information concerning the progress of the Company and those matters necessary for adopting the items proposed on the agenda at each meeting of the Board of Directors.
- 4.- The Chairman shall always have the power to submit to the Board of Directors those matters that he deems appropriate for the proper progress of the company, regardless of whether they have been included on the agenda.
- 5.- The notice period provided for in section 2. above shall not apply when, in the opinion of the Chairman, the circumstances so justify.
- 6.- A meeting of the Board shall be held, without the need for a call, when all of the directors are present and agree to hold the meeting.
- 7.- Adoption of Board resolutions in writing and without holding a meeting shall only be deemed acceptable when no director challenges this procedure.

### **Article 16.- Board Meeting Procedure**

- 1.- A Board meeting may be validly held when at least one half plus one of all directors are present or represented. A director who is unable to attend a meeting may appoint a

director in attendance as proxy. Appointment of proxies must be made in writing, specifically for the meeting in question

2.- Except in those cases in which the law requires a supermajority, resolutions shall be adopted by an absolute majority of the directors who are present or represented, and the Chairman shall break any possible ties with his casting vote.

3.- The Chairman shall moderate discussions by ensuring and promoting the participation of all of the directors during Board deliberations, submitting items of business to a vote when he considers that they have been sufficiently discussed.

4.- Each director present or duly represented shall have one vote.

## **Chapter VI .- APPOINTMENT AND DISMISSAL OF DIRECTORS.**

### **Article 17.- Appointment of Directors.**

1.- Directors shall be appointed at shareholders meetings or, on a provisional basis, by the Board of Directors pursuant to the provisions of the Corporations Law and the company bylaws.

2.- Proposals for the appointment of directors submitted by the Board of Directors for consideration at shareholders meetings and resolutions appointing directors that the Board adopts by virtue of its legally-attributed powers of co-optation must conform to the provisions of this Regulation, and must be accompanied by a non-binding advisory opinion issued by the Corporate Governance, Appointments and Remuneration Committee. A proposal of the Corporate Governance, Appointments and Remuneration Committee shall be required for the appointment of independent directors.

### **Article 18.- Appointment of External Directors.**

The Board of Directors and the Corporate Governance, Appointments and Remuneration Committee shall seek to ensure, within the scope of their respective powers, that the candidates selected are persons of acknowledged competence and experience.

### **Article 19.- Re-appointment of Directors.**

Motions for re-appointment of directors submitted by the Board of Directors at a shareholders meeting shall be subject to a formal drafting process. A necessary part of this process is an opinion issued by the Corporate Governance, Appointments and Remuneration Committee in which the performance and commitment of the directors proposed during the previous mandate shall be evaluated.

### **Article 20.- Tenure of Service.**

1.- Directors shall be appointed for a term of five (5) years, and may be re-appointed.

2.- Directors appointed by co-optation remain in office until the date of the first shareholders meeting.

#### **Article 21.- Termination of Tenure.**

1.- Directors shall leave their posts when the period for which they were appointed has expired or when so decided by shareholders at a shareholders meeting in the exercise of the powers that are conferred upon them by statute or in the bylaws.

2.- Directors shall offer their resignations to the Board of Directors and, if deemed appropriate, formally resign in the following cases:

- a) When they are subject to any of the legally-established prohibitions or grounds for disqualification.
- b) When based on a criminal offense they are indicted in ordinary felony proceedings or have been convicted in a misdemeanour proceeding.
- c) When they have received a serious reprimand from the Board of Directors for failure to fulfill their obligations as Directors.
- d) When the reasons for which they were appointed have ceased to exist and, in particular, when an independent director or an owner-director loses his respective status as such.
- e) When in the course of a year they fail to attend more than three meetings of the Board of Directors without just cause.

3. The Board of Directors shall not propose the removal of any independent director before completing the term of office set forth in the bylaws for which he was appointed, unless the Board deems that there is just cause for doing so and after seeking the opinion of the Corporate Governance, Appointments and Remuneration Committee. In that regard, just cause shall be deemed to exist when the director has failed to fulfill the duties inherent in his post.

4.- Committee members shall leave their posts when they cease to be directors.

#### **Article 22.- Voting Objectivity and Secrecy.**

1.- Pursuant to the terms of Article 31 of this Regulation, directors affected by motions for re-appointment or termination shall absent themselves from the meeting during deliberations and voting on such matters.

2.- If any director so requests, Board of Director votes involving the appointment, re-appointment or termination of directors shall be by secret ballot, without prejudice to the right of any director to have his vote recorded in the minutes.

### **Chapter VII.- BOARD OF DIRECTOR COMMITTEES**

### **Article 23.- Introduction**

1.- The Board of Directors shall establish an Audit Committee and a Corporate Governance, Appointments and Remuneration Committee.

2.- The Secretary to the Board, or in his absence the Deputy Secretary shall act as secretary to these committees. The committees shall meet when convened by their chairman. Where no special provisions exist, the rules of procedure for the Board set forth in this Regulation shall apply to committees, provided that they are compatible with their nature and function.

3.- All committees established by the Board shall keep minutes of their meetings in the same conditions set for the for the Board of Directors.

Committees shall report on their activities and explain the work they have carried out at the first full board meeting held subsequent to the committee meetings.

4. Committees may seek outside advice when they deem it necessary for the fulfillment of their obligations.

### **Article 24.- Audit Committee**

1.- The Audit Committee shall have the number of members that is determined by the Board of Directors from time to time, with a minimum of three (3) and a maximum of five (5) members. It shall have a majority of non-executive directors who shall not have a contractual relationship with the Company other than the position to which they are appointed. The composition of the committee shall provide appropriate representation to independent directors, at least in proportion to their presence on the Board of Directors.

2.- The appointment and termination of committee members shall be made by the Board of Directors on a motion from the Chairman.

Committee members shall leave their posts when they cease to be directors or when so agreed by the Board of Directors.

The Chairman of the committee shall be elected by the Board of Directors from among its members who are independent directors, and may not maintain a contractual relation with the Company other than the position for which he is appointed. The committee chairman shall be replaced every four years, and may be re-appointed one year after having left the post.

3.- The primary function of the Audit Committee is to assist the Board of Directors in its tasks of overseeing the management of the company.

The Audit Committee shall have all of the following basic responsibilities:

- a) Within the scope of its powers, to report at annual shareholders meetings on issues raised by shareholders, pursuant to the provisions of the Law and the Shareholders Meeting Regulation.

- b) To propose to the Board of Directors the appointment of external account auditors pursuant to Section 204 of the consolidated text of the Corporations Law, to be submitted at the annual shareholders meeting.
- c) To supervise internal auditing services.
- d) To supervise the Company's financial information process and internal monitoring systems.
- e) To maintain contact with the external auditors in order to receive information on those issues that could compromise their independence and any others related to the accounts auditing process, together with any other communication provided for in accounts auditing legislation and rules.

4.- In addition, and regardless of other tasks that may be assigned it by the Board of Directors, the Audit Committee shall have the following powers:

- a) To advise and make proposals to the Board of Directors concerning the auditors contract conditions, scope of professional mandate and, if warranted, the revocation or non-renewal of the external auditors, as well as supervising their performance of audit contract obligations;
- b) To propose the selection, appointment, reappointment or removal of the person in charge of the company's internal audit service.
- c) To review the company accounts, oversee compliance with the legal requirements and the proper application of generally accepted accounting principles, as well as to issue opinions on proposals to amend accounting principles and criteria suggested by the management;
- d) To review the issue prospectuses and information concerning the quarterly and half-yearly financial statements that the Board must provide the markets and their supervisory bodies;
  - e) To analyze and issue opinions concerning specific investment transactions when, owing to their importance, the Board so requests;
- f) To issue opinions concerning the creation or acquisition of interests in entities domiciled in countries or territories considered as tax havens.
- g) To exercise all other powers granted the committee in this Regulation.

5.- The Audit Committee shall meet periodically as warranted, and at least four (4) times a year.

6.- Any member of the company management team or staff who may be required for such purpose shall be compelled to attend committee meetings and to provide it with assistance and access to any information at his disposal. The committee may likewise request the attendance of the accounts auditors at its meetings.

## **Article 25.- Corporate Governance, Appointments and Remuneration Committee.**

### a) Composition.

The Corporate Governance, Appointments and Remuneration Committee shall have a minimum of three (3) and a maximum of five (5) external directors, to be determined by resolution of the Board of Directors upon a motion from the Chairman.

The Corporate Governance, Appointments and Remuneration Committee may request the attendance of the company's Chief Executive Officer at its meetings.

The members of the Corporate Governance, Appointments and Remuneration Committee shall leave their posts when they do so in their capacity as directors or when so resolved by the Board of Directors.

The Chairman of the Committee shall be selected by the Board of Directors from among its independent directors.

### b) Functions and Powers.

Regardless of any other tasks assigned it by the Board of Directors, the Corporate Governance, Appointments and Remuneration Committee shall have the following basic responsibilities:

- 1) To issue opinions concerning proposals for the appointment of directors and to propose the appointment of independent directors.
- 2) To issue opinions on the proposal for the appointment of the Secretary to the Board.
- 3) To make proposals to the Board concerning: i) the general remuneration policies affecting directors and senior management and ii) the individual remuneration of executive directors and other conditions set forth in their contracts.
- 4) To ensure compliance with the company's remuneration policies
- 5) To approve standard senior management contracts.
- 6) To issue opinions on the proposals for the appointment of the members of the other committees of the Board of Directors.
- 7) To propose the Annual Report on Corporate Governance to the Board of Directors.
- 8) To present a report to the Board of Directors, evaluating the performance and composition of the Board.

9) To verify compliance with the Internal Code of Conduct concerning securities markets, this Regulation and, in general, the Company's rules of governance, and to make the proposals required to ensure such compliance. In that regard it shall be the duty of the Corporate Governance, Appointments and Remuneration Committee to receive information and, if warranted, issue reports concerning disciplinary measures taken with respect to senior management.

10) To exercise such other powers granted to the committee in this Regulation.

c) Procedure.

The Corporate Governance, Appointments and Remuneration Committee shall meet each time the Board of Directors of the Company or its Chairman requests that an opinion be issued or proposals be approved within the scope of its powers and provided that, in the opinion of the committee chairman, it is necessary to properly fulfill its functions.

## **Chapter VIII.- DIRECTORS' RIGHTS TO INFORMATION.**

### **Article 26.- Rights to Information and Inspection.**

1.- Directors may request, with the broadest powers, any information and advice they require concerning any aspect of the Company, provided that this is needed in the fulfillment of their functions. This right to information is extended to subsidiary companies, whether national or foreign, and shall be channeled through the Chairman, who shall answer requests from directors, providing them with the information directly, directing them to the appropriate sources, or taking any measures necessary for the inspection requested.

2.- On an exceptional and temporary basis, the Chairman may restrict access to certain information, informing the Board of Directors of this decision.

## **Chapter IX.- REMUNERATION OF DIRECTORS.**

### **Article 27.- Remuneration of Directors.**

1.- A director shall be entitled to the remuneration set by the Board of Directors as provided in the company bylaws.

2.- The Board shall seek to ensure that the remuneration of directors is moderate and in line with market conditions.

3.- Remuneration provided directors shall be transparent. The Annual Report, as an integral part of the annual accounts, shall contain both legally-required information and any other deemed appropriate regarding the remuneration received by members of the Board of Directors.

### **Article 28.- Remuneration of Executive Directors.**

Remuneration of directors provided for in the company bylaws and this Regulation shall be compatible with and independent of the salaries, remuneration, indemnities, pensions or compensation of any nature established on a general or individual basis for those members of the Board of Directors who hold any paid post or position of responsibility within the company or its subsidiary companies, whether under a contract of employment or otherwise.

**Article 29.- Remuneration of External Directors.**

The Board of Directors shall adopt all of the measures within its powers to ensure that the remuneration of external directors conforms to the following guidelines:

- a) External directors shall be paid based on the amount of time actually devoted to their tasks.
- b) Remuneration for independent directors shall be calculated to offer sufficient incentive for their work, without constituting an obstacle to their independence.

**Chapter X.- DIRECTORS DUTIES**

**Article 30.- General Obligations of Directors.**

1.- Pursuant to the terms set forth in Articles 5 and 6, the function of a director is to guide and supervise company management, with a view to maximizing its true value for the benefit of shareholders.

2.- Directors shall perform their functions with the diligence of a reasonable business person and loyal agent, having the following specific obligations:

- a) To be informed about and adequately prepare for the meetings of the Board and the committees on which they serve.
- b) To attend the meetings of the committees on which they serve and to actively participate in discussions, so that their criteria effectively contribute to the decisions taken.
- c) To undertake such specific tasks as may be entrusted them by the Board of Directors and which may reasonably fall within their time commitments.
- d) To compel investigation of any irregularity in the management of the Company of which they may be aware, and to monitor any risk situation.
- e) To comply with the Internal Code of Conduct and this Regulation.
- f) To comply with any legally-established duties and obligations.

**Article 31.- Conflicts of Interest and Transactions with Directors.**

1.- Directors shall inform the Company of any situation that may involve a conflict of interest as defined in Chapter V of “Promotora de Informaciones, S.A. and its Group Companies’ Internal Code of Conduct Concerning Securities Market Transactions.”

2.- Direct or indirect professional or commercial transactions of directors (or of persons related to them if they involve operations in excess of 60,000 euro) with the Company or any of its subsidiaries must be authorized by the Board of Directors after it has considered the opinion of the Corporate Governance, Appointments and Remuneration Committee.

Transactions carried out by persons related to directors and which do not exceed 60,000 euro must be authorized by the Corporate Governance, Appointments and Remuneration Committee.

3. Directors shall refrain from intervening in deliberations concerning matters in which they have direct or indirect interests. In addition to not exercising their voting rights, directors affected by a linked operation must absent themselves from the boardroom during deliberations and voting on such matters.

4.- Authorization of the Board of Directors shall not be required for linked operations that fulfill the following conditions:

- i) Those involving compliance with standard contract conditions applied extensively to multiple customers;
- ii) Those involving predetermined prices or fees carried out by the suppliers of the goods and services in question;
- iii) Those which amount to less than 1% of the annual income of the person or entity receiving the service.

#### **Article 32.- Directors’ Duty of Confidentiality.**

1.- Directors shall keep secret the deliberations of the Board of Directors and of the committees on which they serve, and, in general, shall refrain from disclosing any information to which they may have had access while fulfilling their duties.

2.- This obligation of confidentiality shall survive the director’s tenure of service in the Company.

#### **Article 33.- Non-competition Obligations.**

Directors shall not render professional services to companies that are competitors of Company or its subsidiary or participated companies. This excludes services they may perform for companies having significant stable interests in the Company’s shareholdings.

### **Article 34.- Transactions with Significant Shareholders.**

1. The Board of Directors formally reserves the right to oversee any Company transaction with a significant shareholder.
2. *Under no circumstances shall a transaction be authorized if an opinion of the Corporate Governance, Appointments and Remuneration Committee assessing the operation from the point of view of market conditions has not been issued.*
3. Nevertheless, authorization of the Board of Directors shall not be required for those transactions that fulfill all of the conditions set forth in Article 31.4 above.

### **Article 35.- Principle of Transparency.**

In its annual public information the Board of Directors shall include a summary of Company transactions with its directors and significant shareholders. This information shall reflect the overall volume of transactions and the nature of the most relevant ones.

## Chapter XI. BOARD RELATIONS

### **Article 36.- Shareholder Relations**

1. The Board of Directors shall determine the appropriate channels for obtaining information about proposals that may be made by shareholders concerning the management of the Company.
2. Proxy solicitations issued by the Board of Directors or by any of its members shall set forth in detail how the proxy will vote in the event that a shareholder fails to provide voting instructions or, if warranted, fails to make a conflict of interest disclosure.
3. The Board of Directors shall likewise ensure that appropriate mechanisms are in place to provide institutional investor-shareholders with periodic information.
4. Under no circumstances shall relations between the Board of Directors and institutional shareholders provide those shareholders with any information that could place them in a position of privilege or advantage with respect to other shareholders.
- 5.- The Board of Directors shall promote the informed participation of shareholders at the shareholders meetings and shall adopt such measures as may be warranted to ensure that shareholders at the annual meetings effectively exercise their functions pursuant to the Law and the company bylaws.

### **Article 37.- Market Relations.**

- 1.- The Board of Directors shall ensure timely compliance with instructions in effect concerning the announcement of relevant information, in accordance with the terms of the Company's Internal Code of Conduct.

2. The Board of Directors shall adopt the measures necessary to ensure that quarterly, half-yearly, annual and any other financial information deemed warranted be made available to the markets, and that it be drafted in accordance with the same principles, criteria, professional practices and accuracy requirements used in the preparation of the annual accounts. To that end, all financial information shall be reviewed by the Audit Committee.

**Article 38.- Auditor Relations.**

1. The Board of Directors shall refrain from proposing the appointment or renewal of an auditing firm when the fees to be paid to that firm by the Company for all of its services exceed five percent of the auditing firm's annual earnings, based on an average for the last five years.

2.- The Board of Directors shall disclose the total amount of fees that the Company has paid to the auditing firm, distinguishing between auditing fees and payments for other services. The Annual Report on annual accounts shall further contain a breakdown of amounts paid to the auditors, to companies in the auditor's group, or to any other company that the auditor may be associated with through common ownership, management or control.