



## Communication of Relevant Information

Promotora de Informaciones SA (PRISA) announces the following relevant information, under the provisions of article 82 of Act 24/1988, July 28<sup>th</sup>, of Securities Market ("*Ley del Mercado de Valores*").

The Board of Directors of PRISA has resolved to hold the Annual Shareholders Meeting in Madrid, **expected to be held at the second call**, on April 20, 2015, at 12:30 pm, at Teatro Real de Madrid, Plaza de Oriente s/n, Madrid 28013.

The agenda is as follows:

1<sup>o</sup>.- Review and, if applicable, approval of the annual accounts (balance sheet, profit and loss account, statement of recognized income and expense, statement of changes in equity, of cash flow statement and notes to the financial statements) and management reports for both the company and the consolidated group for the 2014 financial year, and the proposed distribution of profits.

2<sup>o</sup>.- Approval of the Board of Directors' management of the company in the 2014 financial year.

3<sup>o</sup>.- Adoption of the necessary resolutions regarding the auditors of the company and its consolidated group for the 2015 financial year, pursuant to the provisions of Article 42 of the Commercial Code and Article 264 of the Companies Act.

4<sup>o</sup>.- Ratification of the appointment by cooptation and election of Director Mr Jose Luis Sainz Díaz.

5- Amendment of the articles of the Bylaws set forth below to, as appropriate: (i) adapt them to the new wording of the Capital Companies Act given by Law 31/2014 of 3 December 2014; (ii) include certain measures in the area of good governance; and (iii) make some technical, formal, systematic or grammatical improvements.

5.1. Amendment of Articles 13, 14 and 15 ("General Meeting of Shareholders"), 17, 17 bis, 18, 20, 21, 21 bis, 21 ter, 21 quater, 22 and 23 ("The Board of Directors") to adapt them to the new wording of the Capital Companies Act.

5.2. Amendment of Article 12 relating to the powers of the General Meeting of Shareholders, in order to adapt it to the new wording of the Capital Companies Act and include the provision stating that the General Meeting may not issue

instructions to the Board or submit to it for its authorisation any decisions regarding management matters.

5.3. Amendment of Article 15 bis, relating to special resolutions of the General Meeting of Shareholders, to replace the requirement for a reinforced majority for the adoption of certain resolutions with the rules set forth in Article 201 of the Capital Companies Act and to remove the reference to Class B shares, which have ceased to exist.

5.4. Deletion of Articles 25 and 28 relating to directors' remuneration, and inclusion of their content in Article 19 ("Compensation of Directors"), which is amended for that purpose and for the purpose of adapting its wording to the Capital Companies Act.

5.5. Amendment of Article 26 on replacements and appointments to the Board of Directors, in order to remove the requirement that a person can only be appointed to the Board by cooptation if he or she is a shareholder, in accordance with the Capital Companies Act.

5.6. Amendment of Articles 1, 3, 4 and 5 (relating to "General Provisions"); Articles 6, 7, 8 and 9 (relating to "Share Capital and Shares"); Article 11 ("Bodies"); Article 16 ("Implementation of Corporate Resolutions"); Articles 29 bis and 29 ter ("Annual Corporate Governance Report and Website"); Articles 32, 33 and 34 ("The Company's Financial and Administrative Regime"); Articles 35, 36 and 38 (relating to "Winding Up and Liquidation"); and Article 39 ("Referral to the Act"), in order to make technical, formal, systematic or grammatical improvements.

5.7. Renumbering of the articles and approval of a consolidated text of the Bylaws as a result of the above amendments.

6°.- Amendment of the following articles of the General Shareholders Meeting Regulation to adapt them to the new wording of Capital Companies Act given by Act 31/2014 of 3 December 2014, and to make improvements and corrections of a purely technical, formal, systematic or grammatical nature: Article 1 (The General Meeting), Article 2 (Powers of the Board), Article 3 (Kinds of Meetings), Article 4 (Call), Article 5 (Publication of Call), Article 6 (Shareholders' Right to Information Prior to Meeting), Article 7 (Right of Attendance), Article 8 (Proxies), Article 9 (Public Proxy Solicitation), Article 11 (Formal Requirements and Terms for Voting by Mail or Remote Electronic Means of Communication), Article 12 (Place of Meeting), Article 13 (Security and Logistics), Article 14 (Meeting Officers, Chairman and Secretary of the General Meeting), Article 15 (Required Presence of Notary), Article 16 (List of Attendees), Article 17 (Quorum), Article 18 (Conduct of General Meeting), Article 19 (Request for Information during General Meeting), Article 20 (Voting), Article 21 (Scheme for Adoption of Resolutions), Article 23 (Minutes of Meeting), Article 24 (Publicity of Resolutions), Article 25 (Dissemination of Meeting Regulation), Article 26 (Interpretation and Amendment), Article 27 (Approval and Effectiveness). Approval, if any, as a result of the above changes, a consolidated text of the General Shareholders Meeting Regulation.

7<sup>o</sup>.- Delegation of authority to the Board of Directors to increase capital, on one or more occasions, with or without share premium -with the power to exclude pre-emption rights, if any-, on the terms and conditions and at the times contemplated in Article 297(1)(b) of the Capital Companies Act. Revocation of the authorisation granted at the General Shareholders Meeting of 22 June 2013 under the point nine of the agenda therefor.

8<sup>o</sup>.- Delegation of authority to the Board of Directors to issue fixed income securities, both straight and convertible into shares of new issuance and/or exchangeable for shares that have already been issued of Promotora de Informaciones, S.A. (Prisa) or other companies, warrants (options to subscribe new shares or to acquire shares of Prisa or other companies), bonds and preferred shares. In the case of convertible and/or exchangeable securities or warrants, setting the criteria to determine the basis of and the methods of conversion, exchange or exercise; delegation of powers to the Board of Directors to increase capital by the amount required for the conversion of securities or for the exercise of warrants, as well as for the exclusion of pre-emption rights of shareholders and holders of convertible debentures or warrants on newly-issued shares. Revocation, in the unused part, of the resolution delegating authority for issuance of convertible and/or exchangeable bonds adopted by the General Meeting of shareholders of 22 June 2013, under point ten of the agenda therefor.

9<sup>o</sup>.- Capital Decrease for the sole purpose of permitting the adjustment of the number of shares for the reverse stock split and subsequent reverse stock split in a ratio of one (1) new share for every thirty old shares.

9.1. Capital Decrease for the sole purpose of permitting the adjustment of the number of shares for the reverse stock split proposed in item 9.2. on the agenda and amendment to Section 6.1. of the Company's Bylaws.

9.2. Reverse stock split in a ratio of one (1) new share for every thirty old shares and amendment to Section 6.1. of the Company's Bylaws.

10<sup>o</sup>.- Non-binding voting on the Annual Report on Remuneration of the Directors.

11<sup>o</sup>.- Information to the Shareholders on amendments to the Regulations of the Board of Directors.

12<sup>o</sup>.- Delegation of Powers.

The Board of Directors has likewise decided to delegate joint and several powers to the Chairman of the Board of Directors, the Chief Executive Officer and the Delegated Commission to add other items to the agenda, as well as to delete or amend any of the items approved by the Board of Directors, also agreeing that a notary public shall be present to take the minutes at the Shareholders Meeting pursuant to the provisions of article 203 of the Capital Corporations Act.

By virtue of article articles 272, 286, 287, 296, 318, 506, 511, 516, 517, 518, 528 and 541 of the Capital Companies Act, article 12.2 of Orden ECC/461/2013 and articles 6 and 26 of the General Meeting Regulations, shareholders may examine at the registered office of the Company (Gran Vía 32, Madrid 28013), at the address of the Shareholder Relations Office (Avda. de los Artesanos 6, Tres Cantos, 28760 Madrid), consult them on the Company's website (www.prisa.com) and request delivery or sending thereof without charge (through the Oficina de Atención al Accionista, from 8:00 a.m. to 16:30 p.m., on business days, telephone numbers 91-330.11.68 and 91-330.10.22, e-mail address ia@prisa.com):

- Full text of the Annual Accounts (balance sheet, profit and loss account, statement of recognised revenue and expenses, statement of changes in equity, cash flow statement and notes thereon) and the Management Report for the 2014 financial year of the Company and its Consolidated Group, as well as the respective reports of the auditor (point first of the Agenda). These documents were yesterday filed with the National Securities Market Commission.

- Full text of the proposal of resolutions regarding all the Agenda items that the Board of Directors presents to the General Shareholders' Meeting that are attached hereto.

- Report issued by the Board of Directors for the purposes required under article 529 decies of the Companies Act, concerning the proposal to ratify the interim appointment of the Director Mr. Jose Luis Sainz Diaz (Item 4 of the Agenda), that is attached hereto.

- Report issued by the Board of Directors for the purposes contemplated in article 286 of the Capital Companies Act, related to the amendment of the Bylaws (Item 5 of the Agenda), that is attached hereto.

- Report issued by the Board of Directors for the purposes contemplated in article 26 of the General Shareholders Meeting Regulations, concerning the amendments to the General Shareholders Meeting Regulations (Item 6 of the Agenda), that is attached hereto. .

- Report issued by the Board of Directors concerning the delegation of powers to the Board of Directors to increase share capital, with powers to exclude preemptive rights if deemed warranted, for the purposes contemplated in articles 286, 297.1.b) and 506 of the Capital Companies Act (Item 7 of the Agenda), that is attached hereto.

- Report issued by the Board of Directors concerning the delegation of authority to the Board of Directors to issue fixed income securities, both straight and convertible into shares of new issuance and/or exchangeable for shares that have already been issued, warrants, bonds and preferred shares and delegation of powers to the Board of Directors to increase capital, as well as for the exclusion of pre-emption rights, for the purposes contemplated in articles

286, 297.1.b) and 511 of the Capital Companies Act (Item 8 of the Agenda) that is attached hereto.

-Report issued by the Board of Directors concerning the capital decrease and subsequent reverse stock split, for the purposes contemplated in articles 286 and 318 of the Capital Companies Act (Item 9 of the Agenda) that is attached hereto.

-Annual Report on Remuneration of the Directors, for the purposes contemplated in article 541 of the Capital Companies Act and article 12.2 of Orden ECC/461/2013 (which is submitted to non-binding vote under Item 10 of the Agenda), which was today filed with the National Securities Market Commission.

-Report issued by the Board of Directors on the amendments to the Board of Directors Regulation for the purposes contemplated in article 528 of the Capital Companies Act (Item 11 of the Agenda, for information purposes), that is attached hereto.

- Forms and terms for exercise of information, proxy and remote voting rights, which are attached hereto.

- 2014 Annual Report on Corporate Governance, which was today filed with the National Securities Market Commission.

- 2014 Annual Report of the following Committees: Audit Committee, Corporate Governance Committee, Nominations and Compensations Committee and Committee for Strategic Digital Change, that are attached hereto.

Likewise in compliance with Article 506.4 of the Companies Act, is also available to shareholders, in the same manner as for the documentation that refers to the agenda, the following additional information concerning the capital increase for a total amount of 99,999,999.85 euros approved by the Board of Directors on July 22, 2014 and subscribed by Consorcio Transportista Occher, SA de CV, which was announced by the Relevant Events of 22 July, 12 September and 19 September 2014, with registration CNMV No. 208814, 210721 and 210977, respectively:

- Report of the Board of Directors in connection with the capital increase excluding the preferential subscription rights, that is attached hereto.

- Report of the independent expert regarding the capital increase, that is attached hereto.

Madrid, March 18, 2015

## PROMOTORA DE INFORMACIONES, S.A

### Call of Ordinary Meeting

By resolution of the Board of Directors of "Promotora de Informaciones, Sociedad Anónima" (the "Company"), in fulfilment of the provisions of the Company's Bylaws and General Meeting Regulations, and in accordance with the current Capital Companies Act, the shareholders are called to the Ordinary General Meeting to be held at 12:30 pm on April 19, 2015, at Teatro Real de Madrid, Plaza de Oriente s/n, Madrid 28013; on first call, and if the necessary quorum is not achieved, at the same place and at the same time on April 20, 2015, on second call.

**It is expected that the General Meeting will be held on second call, that is, on April 20, 2015, at the place and time indicated above.**

For purposes of articles 173 and 516 of the Capital Companies Act, all shareholders are advised that this notice of call also will be published, inter alia, on the Company's website, the address of which is [www.prisa.com](http://www.prisa.com).

The Meeting will be held in accordance with the following,

#### AGENDA

1º.- Review and, if applicable, approval of the annual accounts (balance sheet, profit and loss account, statement of recognized income and expense, statement of changes in equity, of cash flow statement and notes to the financial statements) and management reports for both the company and the consolidated group for the 2014 financial year, and the proposed distribution of profits.

2º.- Approval of the Board of Directors' management of the company in the 2014 financial year.

3º.- Adoption of the necessary resolutions regarding the auditors of the company and its consolidated group for the 2015 financial year, pursuant to the provisions of Article 42 of the Commercial Code and Article 264 of the Companies Act.

4º.- Ratification of the appointment by cooptation and election of Director Mr Jose Luis Sainz Díaz.

5- Amendment of the articles of the Bylaws set forth below to, as appropriate: (i) adapt them to the new wording of the Capital Companies Act given by Law 31/2014 of 3 December 2014; (ii) include certain measures in the area of good governance; and (iii) make some technical, formal, systematic or grammatical improvements.

*(Free translation from the original in Spanish language)*

5.1. Amendment of Articles 13, 14 and 15 (“General Meeting of Shareholders”), 17, 17 bis, 18, 20, 21, 21 bis, 21 ter, 21 quater, 22 and 23 (“The Board of Directors”) to adapt them to the new wording of the Capital Companies Act.

5.2. Amendment of Article 12 relating to the powers of the General Meeting of Shareholders, in order to adapt it to the new wording of the Capital Companies Act and include the provision stating that the General Meeting may not issue instructions to the Board or submit to it for its authorisation any decisions regarding management matters.

5.3. Amendment of Article 15 bis, relating to special resolutions of the General Meeting of Shareholders, to replace the requirement for a reinforced majority for the adoption of certain resolutions with the rules set forth in Article 201 of the Capital Companies Act and to remove the reference to Class B shares, which have ceased to exist.

5.4. Deletion of Articles 25 and 28 relating to directors’ remuneration, and inclusion of their content in Article 19 (“Compensation of Directors”), which is amended for that purpose and for the purpose of adapting its wording to the Capital Companies Act.

5.5. Amendment of Article 26 on replacements and appointments to the Board of Directors, in order to remove the requirement that a person can only be appointed to the Board by cooptation if he or she is a shareholder, in accordance with the Capital Companies Act.

5.6. Amendment of Articles 1, 3, 4 and 5 (relating to “General Provisions”); Articles 6, 7, 8 and 9 (relating to “Share Capital and Shares”); Article 11 (“Bodies”); Article 16 (“Implementation of Corporate Resolutions”); Articles 29 bis and 29 ter (“Annual Corporate Governance Report and Website”); Articles 32, 33 and 34 (“The Company’s Financial and Administrative Regime”); Articles 35, 36 and 38 (relating to “Winding Up and Liquidation”); and Article 39 (“Referral to the Act”), in order to make technical, formal, systematic or grammatical improvements.

5.7. Renumbering of the articles and approval of a consolidated text of the Bylaws as a result of the above amendments.

6º.- Amendment of the following articles of the General Shareholders Meeting Regulation to adapt them to the new wording of Capital Companies Act given by Act 31/2014 of 3 December 2014, and to make improvements and corrections of a purely technical, formal, systematic or grammatical nature: Article 1 (The General Meeting), Article 2 (Powers of the Board), Article 3 (Kinds of Meetings), Article 4 (Call), Article 5 (Publication of Call), Article 6 (Shareholders' Right to Information Prior to Meeting), Article 7 ( Right of Attendance), Article 8 (Proxies), Article 9 ( Public Proxy Solicitation), Article 11 (Formal Requirements and Terms for Voting by Mail or Remote Electronic Means of Communication), Article 12 (Place of Meeting), Article 13 (Security and Logistics), Article 14 (Meeting Officers, Chairman and Secretary of the General Meeting), Article 15 (Required Presence of Notary), Article 16 (List of

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Attendees), Article 17 (Quorum), Article 18 (Conduct of General Meeting), Article 19 (Request for Information during General Meeting), Article 20 (Voting), Article 21 (Scheme for Adoption of Resolutions), Article 23 ( Minutes of Meeting), Article 24 ( Publicity of Resolutions), Article 25 (Dissemination of Meeting Regulation), Article 26 (Interpretation and Amendment), Article 27 (Approval and Effectiveness). Approval, if any, as a result of the above changes, a consolidated text of the General Shareholders Meeting Regulation.

7°.- Delegation of authority to the Board of Directors to increase capital, on one or more occasions, with or without share premium -with the power to exclude pre-emption rights, if any-, on the terms and conditions and at the times contemplated in Article 297(1)(b) of the Capital Companies Act. Revocation of the authorisation granted at the General Shareholders Meeting of 22 June 2013 under the point nine of the agenda therefor.

8°.- Delegation of authority to the Board of Directors to issue fixed income securities, both straight and convertible into shares of new issuance and/or exchangeable for shares that have already been issued of Promotora de Informaciones, S.A. (Prisa) or other companies, warrants (options to subscribe new shares or to acquire shares of Prisa or other companies), bonds and preferred shares. In the case of convertible and/or exchangeable securities or warrants, setting the criteria to determine the basis of and the methods of conversion, exchange or exercise; delegation of powers to the Board of Directors to increase capital by the amount required for the conversion of securities or for the exercise of warrants, as well as for the exclusion of pre-emption rights of shareholders and holders of convertible debentures or warrants on newly-issued shares. Revocation, in the unused part, of the resolution delegating authority for issuance of convertible and/or exchangeable bonds adopted by the General Meeting of shareholders of 22 June 2013, under point ten of the agenda therefor

9°.- Capital Decrease for the sole purpose of permitting the adjustment of the number of shares for the reverse stock split and subsequent reverse stock split in a ratio of one (1) new share for every thirty old shares.

9.1. Capital Decrease for the sole purpose of permitting the adjustment of the number of shares for the reverse stock split proposed in item 9.2. on the agenda and amendment to Section 6.1. of the Company's Bylaws

9.2. Reverse stock split in a ratio of one (1) new share for every thirty old shares and amendment to Section 6.1. of the Company's Bylaws.

10°.- Non-binding voting on the Annual Report on Remuneration of the Directors.

11°.- Information to the Shareholders on amendments to the Regulations of the Board of Directors.

12°.- Delegation of Powers.

## **SUPPLEMENT TO CALL**

*(Free translation from the original in Spanish language)*

In accordance with article 519 of the Capital Companies Act, shareholders representing at least three percent of capital may: (i) request publication of a supplement to this call including one or more points on the Agenda, provided that the new points are accompanied by an explanation or, if applicable, an explained proposed resolution; and (ii) present supported proposed resolutions regarding matters already included or that should be included on the agenda of the meeting that is called. These rights must be exercised by certifiable notice that must be received at the registered office (Gran Vía 32, Madrid 28013) within the five days following publication of this call, identifying the shareholders exercising the right and the number of shares owned by them, and attaching such other documentation as may be appropriate. For these purposes, the shareholders must demonstrate to the Company, also in a certifiable manner, that they represent at least that percentage of capital. The foregoing is understood to be without prejudice to the right of any shareholder during the conduct of the General Meeting to make alternative proposals or proposals on points that are not included on the agenda, on the terms contemplated in the Capital Companies Act.

### **RIGHT OF ATTENDANCE**

The General Meeting may be attended by all shareholders that, individually or collectively, own at least 60 shares, registered in the corresponding book-entry records five days in advance of the date of holding the Meeting, and are in possession of the corresponding attendance card issued by any of the custodians that are members of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear), in accordance with the provisions of article 15 of the Bylaws, article 7 of the General Meeting Regulations and article 179 of the Capital Companies Act.

### **RIGHT OF REPRESENTATION**

Any shareholder entitled to attend may grant a proxy to another person, even if not a shareholder, to attend the General Meeting, by satisfying the requirements and formalities set forth in the Bylaws, the General Meeting Regulations and by law.

The proxy must contain or attach the Agenda.

A proxy may be evidenced in any of the following documents, in all cases with a handwritten signature: (i) the attendance card issued by the custodians participating in Iberclear, (ii) a letter or (iii) the standard form made available by the Company for these purposes to the shareholders, as indicated below in this call. The document evidencing the proxy may be sent by mail to the Company through the Shareholder Relations Office, at the registered office (Gran Vía 32, Madrid 28013) or at the address of the Office (Avda. de los Artesanos 6, Tres Cantos, 28760 Madrid) or delivered at the entrance to the general meeting site, to the Company's organisers, on the day it is held, before it commences.

If a proxy is extended in favour of the Board of Directors, or if the proxy does not state the name of the person to which the proxy is granted, it will be understood to have been granted to the Chairman of the Board of Directors.

If the proxy grantor does not give voting instructions, it shall be understood that the proxy could vote in the sense most appropriate for the shareholder interest.

In the event the proxy is granted by a public request and the proxy grantor has not indicate voting instructions, it shall be understood that the proxy (i) refers all the points on the agenda of the General Meeting, (ii) the vote is in favour of all the proposed resolutions made by the Boards of Directors and (iii) extends to any off-agenda items that may arise in which case the proxy shall vote in the sense most appropriate for the shareholder interest.

If the appointed proxy has a conflict of interest when voting on any of the proposals that, whether or not on the Agenda, are submitted to the General Meeting, and the proxy grantor has not given precise voting instructions, the proxy should refrain from voting for the points on which, having a conflict of interest, have to vote on behalf of the shareholder.

A proxy also may be granted by remote electronic communication by way of the Company's website ([www.prisa.com](http://www.prisa.com)), from April 1, 2015, by completing the standard electronic form available for these purposes on the Company's website. That electronic document must include an electronic signature recognised or provided by any of the certification service providers referred to in the following section on remote voting. A proxy granted by remote electronic means of communication must be in the possession of the Company, at its headquarters, at least 24 hours in advance of the time contemplated for holding the General Meeting on first call.

For purposes of articles 523 and 526 of the Capital Companies Act, it is noted that the Chairman as well as the other directors of the Company may have a conflict of interest regarding point 10° (Non-binding voting on the Annual Report on Remuneration of the Directors) of the Agenda.

Likewise the directors Mr Jose Luis Sainz Días has a conflict of interest regarding point 4° of the Agenda (Ratification of the appointment by cooptation and election of said director).

Directors may likewise have a conflict of interest regarding the proposed resolutions, if any, presented apart from the Agenda, if, among other circumstances, they relate to removal of a director or imposition of liability thereon.

## **REMOTE VOTING**

A shareholder may cast its vote remotely, by complying with the requirements and formalities set forth in article 15 of the Articles of Association, in articles 10 and following of the General Meeting Regulations and by law.

*(Free translation from the original in Spanish language)*

To cast a vote by mail, a shareholder must complete and send to the Company, through the Shareholder Relations Office, at its registered office (Gran Vía 32, Madrid 28013) or at the address of the Office (Avda. de los Artesanos 6, Tres Cantos, 28760 Madrid) the standard form provided by the Company for these purposes (made available to shareholders as indicated in the following section on the "Information Right" in this call), which will include the information necessary to show status as a shareholder, with the signature of the shareholder being required to be attested by a notary or acknowledged by a custodian participating in Iberclear. In the case of legal persons, the form must be accompanied by the corresponding document sufficiently showing the representative capacity in which the signatory acts.

The vote also may be cast by remote electronic means of communication, by way of the Company's website ([www.prisa.com](http://www.prisa.com)), from April 1, 2015, for that purpose completing the standard electronic form provided for these purposes on the Company's website. The electronic document sent by the shareholder must include an electronic signature recognised or provided by any of the following certification service providers: CERES (Fábrica Nacional de Moneda y Timbre - Real Casa de la Moneda); CAMERFIRMA; or ANCERT (Agencia Notarial de Certificación). The electronic National Identity Document (Documento Nacional de Identidad electrónico, or "DNiE") issued by the General Police Directorate of the Spanish Ministry of the Interior may also be used.

A remote vote, whether sent by mail or by remote electronic means of communication, must be in the possession of the Company, at its headquarters, at least 24 hours in advance of the time contemplated for holding the General Meeting on first call. Otherwise, the vote will be deemed not to have been cast.

## **INFORMATION RIGHT**

### **Documents available to shareholders:**

From publication of this call, in compliance with the provisions of articles 272, 286, 287, 296, 318, 506, 511, 517, 518, 528 and 541 of the Capital Companies Act, article 12.2 of Orden ECC/461/2013 and articles 6 and 26 of the General Meeting Regulations, the shareholders may examine the following documents at the registered office of the Company (Gran Vía 32, Madrid 28013), at the address of the Shareholder Relations Office (Avda. de los Artesanos 6, Tres Cantos, 28760 Madrid), consult them on the Company's website ([www.prisa.com](http://www.prisa.com)) and request delivery or sending thereof without charge (through the Oficina de Atención al Accionista, from 8:00 a.m. to 16:30 p.m., on business days, telephone numbers 91-330.11.68 and 91-330.10.22, e-mail address [ia@prisa.com](mailto:ia@prisa.com)):

- Full text of the Annual Accounts (balance sheet, profit and loss account, statement of recognised revenue and expenses, statement of changes in equity, cash flow statement and notes thereon) and the Management Report for the 2014 financial year of the Company and its Consolidated Group, as well as the respective reports of the auditor (Item 1 of the Agenda).

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- Full text of the proposal of resolutions regarding all the Agenda items that the Board of Directors presents to the General Shareholders' Meeting.
- Report issued by the Board of Directors for the purposes required under article 529 decies of the Companies Act, concerning the proposal to ratify the interim appointment of the Director Mr. Jose Luis Sainz Diaz (Item 4 of the Agenda).
- Report issued by the Board of Directors for the purposes contemplated in article 286 of the Capital Companies Act, related to the amendment of the Bylaws (Item 5 of the Agenda).
- Report issued by the Board of Directors for the purposes contemplated in article 26 of the General Shareholders Meeting Regulations, concerning the amendments to the General Shareholders Meeting Regulations (Item 6 of the Agenda).
- Report issued by the Board of Directors concerning the delegation of powers to the Board of Directors to increase share capital, with powers to exclude preemptive rights if deemed warranted, for the purposes contemplated in articles 286, 297.1.b) and 506 of the Capital Companies Act (Item 7 of the Agenda).
- Report issued by the Board of Directors concerning the delegation of authority to the Board of Directors to issue fixed income securities, both straight and convertible into shares of new issuance and/or exchangeable for shares that have already been issued, warrants, bonds and preferred shares and delegation of powers to the Board of Directors to increase capital, as well as for the exclusion of pre-emption rights, for the purposes contemplated in articles 286, 297.1.b) and 511 of the Capital Companies Act (Item 8 of the Agenda).
- Report issued by the Board of Directors concerning the capital decrease and subsequent reverse stock split, for the purposes contemplated in articles 286 and 318 of the Capital Companies Act (Item 9 of the Agenda).
- Annual Report on Remuneration of the Directors, for the purposes contemplated in article 541 of the Capital Companies Act and article 12.2 of Orden ECC/461/2013 (which is submitted to non-binding vote under Item 10 of the Agenda).
- Report issued by the Board of Directors on the amendments to the Board of Directors Regulation for the purposes contemplated in article 528 of the Capital Companies Act (Item 11 of the agenda, for information purposes).
- Forms and terms for exercise of information, proxy and remote voting rights.
- Annual Corporate Governance Report for the 2014 financial year.
- Annual Reports for the 2014 financial year, prepared by the following Committees: Audit Committee, Corporate Governance Committee, Nominating and Compensation Committee and Committee for Strategic Digital Change.

*(Free translation from the original in Spanish language)*

Likewise in compliance with Article 506.4 of the Companies Act, is also available to shareholders, in the same manner as for the documentation that refers to the agenda, the following additional information concerning the capital increase for a total amount of 99,999,999.85 euros approved by the Board of Directors on July 22, 2014 and subscribed by Consorcio Transportista Occher, SA de CV, which was announced by the Relevant Events of 22 July, 12 September and 19 September 2014, with registration CNMV No. 208814, 210721 and 210977, respectively:

- Report of the Board of Directors in connection with the capital increase excluding the preferential subscription rights.
- Report of the independent expert regarding the capital increase.

**Right to information prior to the General Shareholders Meeting:**

Until the fifth day prior to the date contemplated for holding the Meeting, the shareholders, in writing, may request information or clarifications from the directors regarding the matters on the Agenda or pose questions in writing regarding the information accessible to the public that has been provided by the Company to the National Securities Market Commission since the holding of the most recent General Meeting (28 April 2014) and regarding the audit report, in accordance with the provisions of articles 197 and 520 of the Capital Companies Act and article 6 of the General Meeting Regulations.

Valid requests for information, clarifications or inquiries made in writing by shareholders and the answers provided in writing by the directors will be included on the website of the Company, provided that shareholders have processed such requests in accordance with the formal procedures described below for the right of information.

Information requests will comply with the rules established in article 6 of the General Meeting Regulations. To request information, shareholders may use the standard form made available to the shareholders by the Company for these purposes, as indicated at the beginning of this section on the "Information Right". The person making the request must prove his/her identity in the case of a written request by means of a photocopy of his/her National Identity Document or Passport and, in the case of legal persons, a document that sufficiently proves his/her representative capacity. In addition the person making the request must prove his/her status as a shareholder or provide sufficient details (number of shares, custodian, etc.) to allow verification by the Company.

The information right also may be exercised by remote electronic communication by way of the Company's website ([www.prisa.com](http://www.prisa.com)), from April 1, 2015, by completing the standard electronic form available for these purposes on the Company's website. That electronic document must include an electronic signature recognised or provided by any of the certification service providers referred to in the preceding section on remote voting.

In addition to as indicated above, from the date of publication of the notice of call all of the documentation and information related to the General Shareholders Meeting will be available for consultation on the Company's website ([www.prisa.com](http://www.prisa.com)). In accordance with the provisions of article 518 of the Capital Companies Act, such documentation and information will include this notice of call and the total number of shares and voting rights on the date of the call, broken down by classes of shares.

**Right to information during the holding of the General Shareholders Meeting:**

Also, during the holding of the meeting the shareholders verbally may request of the administrators such information and clarifications as they deem to be appropriate regarding the matters on the agenda, and regarding the information accessible to the public the Company has provided to the National Securities Market Commission since the holding of the most recent General Meeting (28 April 2014) and regarding the auditor's report.

**OTHER PROVISIONS ON THE ELECTRONIC MEANS TO EXERCISE THE INFORMATION, VOTING AND REPRESENTATION RIGHTS**

The Company reserves the right to amend, to suspend, to cancel or to restrict the electronic means that are at the disposal of the shareholders to exercise the information, voting and representation rights in the General Shareholders' Meeting when imposed or required by technical or security reasons. Should any of these events occur, it will be announced on the Company's website.

The Company will not be liable for any prejudice that the shareholder may suffer from any breakdown, overload, line failures, connection failures or any other eventuality similar or equal, that are outside the will of the Company, and that prevent the use of the electronic means to exercise the information, voting and representation rights. Therefore, these events will not constitute a deprivation of shareholders' rights.

**SHAREHOLDERS' ELECTRONIC FORUM**

In order to comply with article 539(2) of the Capital Companies Act, from publication of this call a Shareholders Electronic Forum will be available on the Company's website ([www.prisa.com](http://www.prisa.com)). Both individual shareholders and such voluntary associations as may be established will be entitled to access it, in order to facilitate their communication prior to the holding of the general meeting. The operating rules of the Forum, and the form to be completed to participate therein, are available on the Company's website.

The Forum is not a channel for communications between the Company and its shareholders, and is provided solely for the purpose of facilitating communication among the Company's shareholders on the occasion of the holding of the Ordinary General Meeting of Shareholders.

*(Free translation from the original in Spanish language)*

## **DATA PROTECTION**

The personal information the shareholders provide to the Company in order to exercise their rights to attend, grant proxies or vote at the General Shareholders Meeting, and for use of the Shareholders Electronic Forum, or that is provided by banking institutions and Securities Companies and Agencies with which the shareholders have arranged for deposit or custody of their shares, or through the entity responsible for maintaining the book-entry records (Iberclear), will be included in a computer database owned by and the responsibility of the Company, the purpose of which is managing general shareholders meetings of the Company and undertaking statistical studies of the Company's shareholdings, as well as managing and supervising the functioning of the Shareholders Electronic Forum. The shareholders may exercise their rights of access, correction, suppression and opposition on the terms established in applicable legislation, in writing addressed to the Company's Shareholder Relations Office, at the registered office (Gran Vía 32, Madrid 28013) or at the address of the Office (Avda. de los Artesanos 6, Tres Cantos, 28760 Madrid).

Such information as is necessary for purposes of the notarial minutes of the general shareholders meeting will be provided to the notary.

## **PRESENCE OF A NOTARY**

The Board of Directors has resolved to have a notary present at the Meeting, in accordance with the provisions of article 203 of the Capital Companies Act and article 15 of the General Meeting Regulations, to prepare the minutes of that Meeting.

Madrid, March 18, 2015

Mr. Antonio García-Mon Marañés

General Secretary and Secretary of the Board of Directors.



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

## **ANNUAL GENERAL SHAREHOLDERS MEETING**

**APRIL 20, 2015**

### **PROPOSED RESOLUTIONS**

*The Board of Directors of PROMOTORA DE INFORMACIONES, S.A. has resolved to submit the following PROPOSED RESOLUTIONS at the ORDINARY GENERAL SHAREHOLDERS' MEETING to be held on April 20, 2015.*

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

*(Free translation from the original in Spanish language)*

## ONE

**Review and, if applicable, approval of the annual accounts (balance sheet, profit and loss account, statement of recognized income and expense, statement of changes in equity, of cash flow statement and notes to the financial statements) and management reports for both the company and the consolidated group for the 2014 financial year, and the proposed distribution of profits.**

a) To approve the Annual Accounts (Balance sheet, income statement, statement of recognized income and expense, statement of changes in equity, statement of cash flows and Notes to the Financial Statements) and Management Reports for both the Company and the Consolidated Group for the financial year ending December 31, 2014, as audited by the company's account auditors.

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

<b>Distribution basis-</b> Losses for the year	912,696
<b>Distribution-</b> To losses from previous years	912,696

*(Free translation from the original in Spanish language)*

## TWO

### **Approval of the Board of Directors' management of the company in the 2014 financial year.**

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

*(Free translation from the original in Spanish language)*

### **THREE**

#### **Adoption of the necessary resolutions regarding the auditors of the company and its consolidated group for the 2015 financial year, pursuant to the provisions of Article 42 of the Commercial Code and Article 264 of the Companies Act.**

As provided in Article 264 of the Companies Act 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 no. 1, 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, 2015.

*(Free translation from the original in Spanish language)*

## FOUR

### **Ratification of the appointment by cooptation and election of Director Mr Jose Luis Sainz Díaz.**

After having received the report of the Nomination and Compensation Committee, the Board of Directors proposes ratifying the Board's appointment by cooptation of Mr. Jose Luis Sainz Díaz made on July 22, 2014 to fill one of the vacancies in the Board resulting from the resignation of Mr. Nicolas Berggruen and, at proposal of the Corporate Governance Committee, to appoint him as executive director of the Company, pursuant to Article 529 *duodecies* of the Capital Companies Act.

It is resolved that the Board's appointment by cooptation of Mr. Jose Luis Sainz Díaz on July 22, 2014 be ratified and that he be reelected director of the Company for the legal term of four years, effective on the date this resolution is passed.

*(Free translation from the original in Spanish language)*

## FIVE

**5- Amendment of the articles of the Bylaws set forth below to, as appropriate: (i) adapt them to the new wording of the Capital Companies Act given by Law 31/2014 of 3 December 2014; (ii) include certain measures in the area of good governance; and (iii) make some technical, formal, systematic or grammatical improvements.**

**5.1. Amendment of Articles 13, 14 and 15 (“General Meeting of Shareholders”), 17, 17 bis, 18, 20, 21, 21 bis, 21 ter, 21 quater, 22 and 23 (“The Board of Directors”) to adapt them to the new wording of the Capital Companies Act.**

- Renumbering of Article 13, which becomes Article 14, and adaptation of its wording to that of Article 495.2 of the Capital Companies Act, and replacement of the express reference to that provision with a general reference to the “Act”.

- Renumbering of Article 14, which becomes Article 15, adaptation of its wording to the provisions of Article 519 of the Capital Companies Act, and removal of the provision relating to universal general meetings.

- Renumbering of Article 15, which becomes Article 16, and amendment of its wording in order to: (i) move the provisions relating to majorities for the adoption of resolutions to the following Article; (ii) remove the reference to universal general meetings; (iii) supplement it with regard to the representation requirements in accordance with the terms of Article 187 of the Capital Companies Act; and (iv) include the special cases relating to reinforced quorums for the establishment of meetings envisaged in Article 194 of the said Act.

- Renumbering of Article 17, which becomes Article 19, and amendment of its wording to reflect the provisions of Article 529 septies of the Capital Companies Act in relation to the majority required for the appointment of the Chairman when he has executive functions, the fact that the Independent Liaising Director is necessary when the Chairman has executive functions, the requirements for his appointment and his functions.

- Renumbering of Article 17 bis, which becomes Article 20, which refers to the law applicable from time to time in relation to the definitions of the categories of Directors.

- Renumbering of Article 18, which becomes Article 21, and amendment of its wording to reduce the term of office of Directors from five to four years, in accordance with the provisions of Article 529 undecies of the Capital Companies Act.

- Renumbering of Article 20, which becomes Article 23, and amendment of its wording to: (i) remove the list of specific powers of the Board; and (ii) include the provisions of Articles 233.1, 234.1 and 249 of the Capital Companies Act in relation to the Board of Directors’ representative functions, and of Articles 249 bis, 529 ter and 529 nonies of the Capital Companies Act, in relation to powers that cannot be delegated and to the assessment of performance.

*(Free translation from the original in Spanish language)*

- Renumbering of Article 21, which becomes Article 24, and amendment of its wording in order to: (i) include the Chairman of the Board's obligation to ensure that the Directors have the necessary information for the deliberation and adoption of resolutions sufficiently in advance, as established in Article 529 quinquies of the Capital Companies Act; and (ii) supplement the functions of the Secretary of the Board in accordance with Article 529 octies of the said Act.

- Renumbering of Article 21 bis, which becomes Article 25, and adaptation of its wording to the provisions on the composition of the Audit Committee set forth in Sections 1 and 2 of Article 529 quaterdecies of the Capital Companies Act.

- Renumbering of Article 21 ter, which becomes Article 26, and amendment of its wording in order to: (i) remove all references to the applicable law, as the establishment of this Committee is not compulsory; and (ii) include the same rules on composition as those applicable to the other Committees of the Board.

- Renumbering of Article 21 quater, which becomes Article 27, and adaptation of its wording to the provisions on the composition of the Appointment And Remuneration Committee set forth in Article 529 quindecies of the Capital Companies Act.

- Renumbering of Article 22, which becomes Article 28, and amendment of its wording in order to include Directors' duty to have, prior to Board meetings and sufficiently in advance, the necessary information for the deliberation and adoption of resolutions, in accordance with Article 529 quinquies of the Capital Companies Act, as well as to increase the minimum number of Directors that may request the holding of a Board meeting to one third of the members of the Board, removing the possibility of this being requested by the Delegated Commission or the Managing Director on their own.

- Renumbering of Article 23, which becomes Article 29, and amendment of its wording in order to: (i) include Directors' obligation to personally attend Board meetings and the provisions on granting proxies provided for in Article 529 quater of the Capital Companies Act; and (ii) replace the phrase "half plus one" with "majority" in relation to the valid establishment of Board meetings, and the phrase "majority" with "absolute majority" with regard to the adoption of resolutions, to adapt its wording to that of Articles 247.2 and 248.1 of the Capital Companies Act.

Articles 14, 15, 16, 19, 20, 21, 23, 24, 25, 26, 27, 28 and 29 will henceforth have the following wording:

***"Article 14.- Kinds of Meetings.***

- 1. General Meetings of shareholders may be ordinary or extraordinary. They will be called and held in the manner determined by law, these Articles and the General Meeting Regulation. The holding of an annual Ordinary Meeting on the date resolved by the Board of Directors, within the term established by law, is mandatory.*
- 2. The Extraordinary General Meeting will meet when so resolved by the Board of Directors of the Company, or when so requested by a number of shareholders owning at least three percent (3%) of capital, in the request stating the matters to be considered at the meeting. In this case the Meeting must be called to be held within*

*(Free translation from the original in Spanish language)*

*the two (2) months following the date of notarial demand on the administrators to call it, with the agenda necessarily to include the matters covered by the request. ”*

**“Article 15.- Preparation of the General Meeting.**

- 1. Every General Meeting will be called at the time and in the manner determined by law, the Articles and the General Shareholders Meeting Regulation.*
- 2. The call will include references to the Company, the place, day and time of the meeting, the agenda including the matters to be considered, the position of the person or persons making the call and the other legally-required references.*
- 3. Shareholders representing at least three percent (3%) of capital may request the publication of a supplement to the call of the Ordinary General Meeting including one or more points on the agenda, provided that the new points are accompanied by a explanation or, if applicable, an explained proposed resolution. That right may in no case be exercised in respect of the call of an Extraordinary General Meeting. Exercise of this right must be by certifiable notice, which must be received at the registered office within the five (5) days following publication of the call. The supplement to the call must be published at least fifteen (15) days before the scheduled Meeting date.*
- 4. Shareholders representing at least three percent (3%) of capital may, within the same term as indicated in the preceding subsection, present supported proposed resolutions regarding matters already on or that should be on the agenda for the Meeting called. The Company will see to dissemination of these proposed resolutions and such documentation as may be attached thereto to the other shareholders, in accordance with the provisions of law and the General Meeting Regulation.*
- 5. The shareholders prior to or during the meeting may request such reports, documents and clarifications as they deem to be necessary, in accordance with the provisions of law. ”*

**“Article 16.- Holding the General Meeting.**

- 1. Place. The place of holding the Meeting will be as designated in the call, outside or within the location of the registered office, on the day and at the time indicated.*
- 2. Attendance. All shareholders owning at least sixty (60) shares, registered in the corresponding book entry accounting records five (5) days in advance of the date of holding the Meeting, and holding the corresponding attendance card, may attend the General Meeting.  
The Board of Directors will attend the General Meeting. The Chairman of the General Meeting may authorise attendance of any other person he deems to be appropriate; however the Meeting may revoke that authorisation.*
- 3. Proxies. Shareholders may grant proxies to another person, complying with the requirements and formalities imposed by these Articles of Association, by the General Meeting Regulation and by law. The proxy will be specific to the meeting in question. This requirement will not apply when the representative is the spouse, ascendant or descendent of the represented shareholder. Nor will it apply when the representative has a general power of attorney granted in a public document with authority to manage all property the represented shareholder has in the country. A proxy will evidenced in writing in any of the following documents, in all cases with a handwritten signature: (i) the attendance card issued by the custodians participating in Iberclear, (ii) a letter or (iii) the standard form made available by the Company for these purposes to the shareholders, and also may be granted by*

*(Free translation from the original in Spanish language)*

*way of remote electronic means of communication. In the latter case the provisions for the voting using the aforesaid means will apply, to the extent not incompatible with the nature of the proxy.*

*The appointment of the representative by the shareholder and, if applicable, the revocation of that appointment, will be notified to the Company in the manner established in the General Meeting Regulation.*

4. *Number of shareholders for quorum. Without prejudice to the provisions of law for special cases, the quorum for a General Shareholders Meeting on first call will be the presence, in person or by proxy, of shareholders holding at least twenty-five percent (25%) of the subscribed voting capital. On second call there will be a quorum for the Meeting whatever the capital in attendance.*

*Notwithstanding the provisions of the preceding paragraph, in order for the General Meeting to validly resolve on an increase or reduction of capital, or on any other amendment of the Articles of Association, on an issue of bonds, the disapplication or limitation of pre-emption rights in respect of new shares, transformation, merger splitup or bulk transfer of assets and liabilities, or relocation of the registered office outside of Spain, it will be necessary, on first call, for shareholders holding at least fifty percent (50%) of the subscribed voting capital to be present in person or by proxy. At second call, the presence of twenty five percent (25%) of said capital will be sufficient.*

5. *Chairman of Meeting: The Chairman of the Meeting will be the person, if any, specified by the Board of Directors. In the absence of a specific decision by the Board, the Meeting will be chaired by the Chairman of the Board of Directors. In his absence, if any, it will be chaired by the Vice Chairman, and in the absence of both, by the attending Director with greatest seniority in the position and, in the absence of all of them, by the shareholder designated by the General Meeting.*

*The Chairman will submit the items on the agenda to deliberation and manage the discussions so that the meeting is held in an orderly manner. To that end he will have the appropriate powers of order and discipline.*

*The Chairman will be assisted by a Secretary, which will be the Secretary of the Board of Directors. In his absence, if any, the Deputy Secretary of the Board of Directors will act and, in his absence, the person designated by the Meeting.*

*The Meeting Officers will include the Chairman, the Secretary and the members of the Board of Directors in attendance.*

6. *Voting by mail or remote electronic means of communication. Votes on proposals on matters on the Agenda of any kind of General Meeting may be cast by shareholders by mail or remote electronic means of communication. The identity of the person voting must be assured, in accordance with the requirements established in the General Meeting Regulation. Votes by e-mail will be cast using a recognised electronic signature or other form that the Board of Directors concludes will be suitable to ensure the authenticity and identity of the shareholder exercising the voting right. The shareholders who vote using remote methods must be counted as being present for the purpose of establishing the quorum. Votes cast using these methods must be in the possession of the Company, at its headquarters, at least twenty-four (24) hours in advance of the time contemplated for holding the General Meeting on first call. Otherwise, the vote will be deemed not to have been cast. In the call for each General Meeting the Board of Directors may determine a shorter advance term.*

*The Board of Directors has authority to develop the foregoing provisions, establishing rules, resources and procedures consistent with the state of the art to*

*(Free translation from the original in Spanish language)*

*implement electronic voting and grant of proxies. In particular, the Board of Directors may, inter alia, regulate the use of alternative guarantees of electronic signatures for electronic voting.*

*The procedural rules adopted by the Board of Directors by virtue of the provisions of this section will be published on the Company's website.*

- 7. Voting. The Chairman will give details of the voting, summarise the number of votes in favor of and against the proposed resolution submitted to the General Meeting and announce the result aloud.*

*The General Shareholders Meeting Regulation will establish the procedures and systems for counting votes on proposed resolutions.”*

**“Article 19.- Nature, Number of Members and Positions.**

- 1. The Board of Directors is responsible for management, administration and representation of the Company, without prejudice to such authority as may correspond to the General Meeting in accordance with law and the Articles.*
- 2. The Board will be comprised of a minimum of three (3) and a maximum of seventeen (17) Directors, with the Meeting being responsible for their appointment and determination of their number. For that purpose, the Meeting may fix the number by express resolution, or indirectly by creating or not creating vacancies or appointing or not appointing new Directors, within the aforesaid minimum and maximum.*
- 3. From among its members, the Board will appoint a Chairman and, subject to the same condition, may appoint one or more Deputy Chairmen. From among its members it also may appoint a Delegated Commission or one or more Chief Executive Officers, to which it may give the power of representation, jointly and severally or jointly but not severally. It will also appoint a Secretary, who need not be a Director, and may appoint an Deputy Secretary, who also need not be a member of the Board.*
- 4. When the position of Chairman is to be held by an executive Director, the appointment of the Chairman will require the favorable vote of two thirds of the members of the Board of Directors.*
- 5. Also, if the Chairman is an executive Director, the Board of Directors, with the abstention of the executive Directors and on proposal of the Corporate Governance Committee, must appoint a Coordinating Director from among the independent Directors, who will be specifically empowered to request a call of the Board of Directors or inclusion of new points on the agenda for a Meeting already called, to coordinate and meet with the non-executive Directors and, if applicable, to lead the periodic evaluation of the Chairman of the Board of Directors.*
- 6. The Board of Directors will approve a Regulation to govern its organisation and functioning.”*

**“Article 20.- Kinds of Directors.**

- 1. The Board of Directors will be so comprised that proprietary and independent Directors represent a majority over executive Directors.*
- 2. For purposes of the provisions of the preceding section, the Company will adjust the classes of Directors to the definitions and criteria set forth by the applicable laws from time to time.”*

**“Article 21.- Term of Office.**

*(Free translation from the original in Spanish language)*

*The term of a Director's office will be four (4) years. A Director may be a reelected indefinitely for terms of the same length".*

***"Article 23.- Representation of Company.***

- 1. The management, administration and representation of the Company, judicially and extrajudicially, as regards all acts included within the corporate purpose, is the responsibility of the Board of Directors, which will act jointly, without prejudice to such delegations and powers of attorney as it may grant.*
- 2. Authority that is non-delegable by law or in accordance with these Articles may not be delegated. Nor may such authority as the General Meeting has given to the Board without express authorisation of delegation. In any event the Board of Directors of the Company will reserve the following for its review and exclusive decision:*
  - a) Determination of the general policies and strategies of the Company, in particular:*
    - i) approval of the Strategic or Business Plan, as well as the annual budgets and management objectives;*
    - ii) determination of investment and financing policy;*
    - iii) definition of the structure of the Group of companies of which the Company is the controlling entity;*
    - iv) determination of the corporate governance policy of the Company and the Group of which it is the controlling entity;*
    - v) corporate social responsibility policy;*
    - vi) the policy for management and control of risks, including tax risks, and supervision of the internal information and control systems;*
    - vii) definition of the dividend policy; and*
    - viii) determination of the tax strategy of the Company.*
  - b) Approval of financial projections, as well as strategic alliances of the Company or its controlled companies, and the policy regarding treasury shares.*
  - c) Supervision of effective functioning of the committees it has constituted and the actions of the delegated bodies and executives it has appointed.*
  - d) Authorisation or waiver of the obligations deriving from the duty of loyalty.*
  - e) Any proposed amendment of the Company's corporate purpose.*
  - f) Its organisation and functioning and, in particular, approval and amendment of the Board of Directors Regulation.*
  - g) Preparation of the annual accounts and their presentation to the General Meeting.*
  - h) Approval of the financial information that listed companies must periodically disclose.*
  - i) Making any kind of report required by law to the Board of Directors, provided that the matter covered by the report is nondelegable.*
  - j) Appointment and removal of Managing Directors of the Company, delegation of authority, as well as establishment of the terms of their contracts.*
  - k) Appointment and removal of the executives reporting directly to the Board or to any of its members, as well as establishment of the basic terms of their contracts, including their compensation.*

*(Free translation from the original in Spanish language)*

- l) *Proposal of the general compensation policy, and decisions related to compensation of Directors, within the framework of the Articles and the compensation policy approved by the General Meeting.*
  - m) *Calling general meetings and preparing the agenda and the proposed resolutions;*
  - n) *Approval of investments or transactions of any kind that by reason of their high amount or special characteristics are strategic or pose a special tax risk for the Company or the investee or controlled companies in question, unless approval thereof corresponds to the General Meeting, inter alia including the assumption of financial risks or making of derivative financial commitments, including but not limited to loans, credits, guarantees or other security.*
  - o) *Approval of the creation or acquisition of interests in special purpose vehicles or entities resident in countries or territories considered to be tax havens, and any other transactions or operations of a comparable nature the complexity of which might impair the transparency of the Company or its Group.*
  - p) *Those resolutions related to mergers, splitups and any relevant decision having to do with the status of the Company as a listed company, unless approval thereof corresponds to the General Meeting.*
  - q) *Approval, after a report from the Audit Committee, of related party transactions, on the terms contemplated in the Board Regulation.*
  - r) *Annual evaluation of the functioning of the Board of Directors, the functioning of its Committees, and proposal, based on the results, of an action plan correcting detected deficiencies.*
  - s) *Powers the General Meeting has delegated to the Board of Directors, unless expressly authorised by it to subdelegate them.*
3. *Resolutions related to the matters indicated in 2.n) and 2.o) above, the amount of which is not more than ten million (10,000,000) euros, may be adopted by the Delegated Commission in cases of urgency, duly justified, and must be ratified at the first Board meeting held after adoption of the resolution”.*

**“Article 24.- Authority of Board Positions.**

1. *Judicial and extrajudicial representation of the Company is held by the Chairman of the Board, as is the exercise of such functions, if any, as may be delegated to the Chairman by the Board of Directors. The Chairman, with the collaboration of the Secretary, also is responsible for ensuring that the Directors have the information necessary for deliberation and the adoption of resolutions, sufficiently in advance and in appropriate format, ensuring the good order of meetings of the Board, their call and review and oversight of all corporate resolutions, whatever the body from which they originate.*
2. *Any substitution for the Chairman as regards the functioning of the Board of Directors in the event of temporary absence, temporary disability or express delegation by the Chairman is the responsibility of the Deputy Chairmen.*
3. *The Secretary is responsible for entering a record of the conduct of meetings in the minute books and certifying their content and the resolutions adopted, retaining the documentation of the Board, seeing to it that the actions of the Board are consistent with applicable regulations and in accordance with the Articles and other internal rules, assisting the Chairman of the Board as appropriate.”*

**“Article 25.- Audit Committee.**

*(Free translation from the original in Spanish language)*

1. *The Board of Directors will establish an Audit Committee. The Audit Committee will have the functions corresponding to it pursuant to applicable law, the Articles and the Company's internal Regulations, without prejudice to any other function that may be given to it by the Board of Directors.*
2. *The Audit Committee will be comprised of the number of Directors from time to time determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) members. All members of the Audit Committee will be non-executive Directors. They further must comply with the other requirements established by law. At least two (2) of the Audit Committee members will be independent, and at least one of them will be appointed considering his accounting and/or audit knowledge and experience.  
The members of the Committee will be appointed by the Board of Directors on proposal of the Chairman, and will leave office when they do so in respect of their status as Directors, or when so resolved by the Board of Directors.*
3. *The Chairman will be elected by the Board of Directors, from among the members of the Committee having the status of independent Directors, and further must satisfy the other legal requirements. The Chairman of the Committee must be replaced every four (4) years, and may be re-elected after one year elapses since he left office.*
4. *The Secretary of the Board of Directors and, in his absence, the Deputy Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.*
5. *The Committee will meet periodically based on need, and at least four (4) times per year, after call by its Chairman.*
6. *The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Audit Committee, provided that they are compatible with the nature and functions of this Committee.”*

**“Article 26.- Corporate Governance Committee.**

1. *The Board of Directors will establish a Corporate Governance Committee, which will have the functions corresponding to it under the Articles and the Company's internal Regulations, without prejudice to any other function that may be assigned to it by the Board of Directors.*
2. *The Corporate Governance Committee will be comprised of a minimum of three (3) and a maximum of five (5) non-executive Directors, to be determined by resolution of the Board of Directors on proposal of its Chairman. At least two (2) of them must be independent Directors.*
3. *The Corporate Governance Committee may require the attendance of the Company's Managing Director at its meetings.*
4. *The members of the Corporate Governance Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.*
5. *The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.*
6. *The Secretary of the Board of Directors and, in his absence, the Assistant Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.*

*(Free translation from the original in Spanish language)*

7. *The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Committee, provided that they are compatible with the nature and functions of this Committee.”*

**“Article 27.- Appointment and Remuneration Committee.**

1. *The Board of Directors will establish an Appointment and Remuneration Committee, which will have the functions legally corresponding to it under applicable law, the Articles and the Company’s internal Regulations, without prejudice to any other function that may be assigned to it by the Board of Directors.*
2. *The Appointment and Remuneration Committee will be comprised of a minimum of three (3) and a maximum of five (5) Directors. All members of the Committee will be non-executive Directors, to be determined by resolution of the Board of Directors on proposal of its Chairman. At least two (2) of the members of the Committee must be independent Directors.*
3. *The Appointment and Remuneration Committee may require the attendance of the Company’s Managing Director at its meetings.*
4. *The members of the Appointment and Remuneration Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.*
5. *The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.*
6. *The Secretary of the Board of Directors and, in his absence, the Assistant Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.*
7. *The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Committee, provided that they are compatible with the nature and functions of this Committee.”*

**“Article 28.- Board Meetings.**

1. *The Board will meet at least once each quarter, provided that the Chairman deems that to be appropriate or it is requested by a third of the members of the Board. In the latter two cases, the Chairman may not delay the sending of the call for more than five (5) days from the date the request is received.*
2. *The Board will be called by the Chairman or the person acting as such, indicating the agenda, by fax, telegram, email or certified letter addressed to each and every one of the Directors, at least seven (7) days before the day set for the meeting of the Board.  
*In the discretion of the Chairman, and in cases of urgency, the Board may be called, indicating the matters to be dealt with, without applying the term indicated above.**
3. *Directors comprising at least one third of the members of the Board may call it, indicating the agenda, to be held at the location of the registered office, if the Chairman, after a request to do so, without just cause has not made the call within a term of one month.*
4. *The Directors, sufficiently in advance, must have the information necessary for deliberation and adoption of resolutions on the matters to be covered at the meeting, unless the Board of Directors meets or is called exceptionally by reason of urgency.”*

**“Article 29.- Quorum for Board Meetings.**

*(Free translation from the original in Spanish language)*

1. *The Board will be validly constituted when the majority of its members attend the meeting, in person or by proxy.*
2. *Directors must attend meetings personally, preferably being physically present. However, if it is impossible for a Director to attend, the Director will grant a proxy to another Director. Non-executive Directors may do so only to another non-executive Director.*
3. *Resolutions will be adopted by majority vote of those present. In the case of a tie the Chairman will have a casting vote.*
4. *The Board may delegate approval of the minutes to two (2) Directors, who may be designated at the respective meeting.”*

**5.2. Amendment of Article 12 relating to the powers of the General Meeting of Shareholders, in order to adapt it to the new wording of the Capital Companies Act and include the provision stating that the General Meeting may not issue instructions to the Board or submit to it for its authorisation any decisions regarding management matters.**

Renumbering of Article 12, which becomes Article 13, adapting its wording to that of Articles 160, 219.1 and 511 bis of the Capital Companies Act, and expressly including a provision stating that the General Meeting may not issue instructions to the Board of Directors or submit to it for its authorisation any decisions regarding management matters, pursuant to Article 161 of the Capital Companies Act.

Article 13 will henceforth have the following wording:

**“Article 13.- Powers.**

1. *The General Shareholders Meeting is the supreme corporate authority. The General Meeting will decide on the matters attributed to it by these Articles of Association, its own Regulation or the law, in particular regarding the following:*
  - a) *Approval of the annual accounts, consolidated annual accounts, corporate management and allocation of profits*
  - b) *Determination of the number of members of the Board of Directors.*
  - c) *Appointment and removal of Directors, as well as ratification of Directors appointed by co-option by the Board of Directors.*
  - d) *Appointment, reelection and removal of the Statutory Auditors, as well as the liquidators.*
  - e) *Amendment of the Articles of Association.*
  - f) *Increase and reduction of the company’s capital.*
  - g) *Disapplication or limitation of pre-emption rights.*
  - h) *Issue of bonds and, in general, securities of any kind, including preferred shares.*
  - i) *Transformation, merger, splitup or bulk transfer of assets and liabilities and transfer of the registered office abroad.*
  - j) *Acquisition, disposition or contribution to another company of essential assets, as well as transfer to subsidiary entities of essential activities up to that time undertaken by the Company, even if it maintains full ownership thereof.*
  - k) *Authorisation to the Board of Directors to increase capital, in accordance with law, and to issue bonds of any kind, and delegation to the Board of Directors of any other powers in accordance with law and the Articles.*

*(Free translation from the original in Spanish language)*

- l) Approval and amendment of the General Meeting Regulation, subject to the provisions of law and the Articles.
  - m) Annual approval of compensation of the Board of Directors in accordance with article 22 of the Articles of Association.
  - n) Approval of the policy on compensation of Directors, in accordance with the provisions of applicable law and these Articles.
  - o) Authorisation of compensation of Directors consisting of the delivery of shares or options on shares or compensation indexed to the value of the shares.
  - p) Winding-up and liquidation of the Company, as well as transactions the effect of which is equivalent to that of liquidation of the Company.
  - q) Approval of the final liquidation balance sheet.
  - r) Exercise of any other competence attributed to it by law or the Articles and being apprised of or deciding regarding any other matter that the Board of Directors resolves is to be reported to or resolved by the Meeting because it is of special relevance to the interests of the company.
2. The Meeting may not give instructions to the Board of Directors or subject adoption by the Board of resolutions regarding management matters to its authorisation.”

**5.3. Amendment of Article 15 bis, relating to special resolutions of the General Meeting of Shareholders, to replace the requirement for a reinforced majority for the adoption of certain resolutions with the rules set forth in Article 201 of the Capital Companies Act and to remove the reference to Class B shares, which have ceased to exist.**

Renumbering of Article 15 bis, which becomes Article 17, and amendment of its wording in order to replace the previous statutory rules regarding the 69% reinforced majority requirement for the adoption of certain resolutions with the rules set forth in Article 201 of the Capital Companies Act, and removal of the reference to Class B shares which, following their mandatory conversion to ordinary shares, have ceased to exist.

Article 17 will henceforth have the following wording:

**“Article 17.- Adoption of Resolutions.**

1. Each share with a right to vote present in person or by proxy at the General Meeting will be entitled to one vote.
2. Corporate resolutions will be adopted by simple majority of the votes of shareholders present at the Meeting in person or by proxy, a resolution being understood to have been adopted when it obtains more favorable than unfavorable votes.
3. Without prejudice to the provisions of law, the favorable vote of the absolute majority of the voting shares present in person or by proxy at the General Shareholders Meeting will be required if the capital present in person or by proxy is more than fifty percent (50%), or the favorable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent twenty-five percent (25%) or more of the subscribed voting capital without reaching fifty percent (50%), for approval of the following matters:
  - a) Articles amendments, including increase or reduction of capital, unless the law otherwise provides.

(Free translation from the original in Spanish language)

- b) *Issuance of bonds.*
- c) *Transformation, merger or splitup in any of their forms, as well as bulk assignment of assets and liabilities and transfer of the Company's registered office abroad.*
- d) *Disapplication or limitation of pre-emption rights for new shares."*

**5.4. Deletion of Articles 25 and 28 relating to directors' remuneration, and inclusion of their content in Article 19 ("Compensation of Directors"), which is amended for that purpose and for the purpose of adapting its wording to the Capital Companies Act.**

Renumbering of Article 19, which becomes Article 22, and amendment of its wording to include in a single Article all the provisions relating to Directors' remuneration, and inclusion of the contents of the current Articles 25 and 28 of the Articles of Association, which are deleted, and of Articles 217.3, 219, 249, 529 septdecies and 529 octodecies of the Capital Companies Act, as well as removal of the list of components of executive Directors' remuneration, as the changes to the Capital Companies Act expressly confer on the Board of Directors the power to establish such Directors' remuneration without the need to set it out in the Bylaws, notwithstanding that should be included and detailed in the remuneration policy of the company shall submit to the approval of the General Shareholders Meeting.

Article 22 will henceforth have the following wording:

***"Article 22.- Compensation of Directors.***

1. *The Directors may take any other position, with or without compensation, with the Company or any other company belonging to its Group, absent incompatibility, whether legal or found in the discretion of the Board.*
2. *The compensation of Directors will consist of a fixed annual amount. The maximum amount of annual compensation of all Directors in their capacities as such must be approved by the General Meeting and will remain in effect until modification thereof is approved.*
3. *The compensation of the various Directors may vary based on the positions, duties and responsibilities given to them, and their serving on Board Committees, and may be in addition to payment of meeting attendance fees.*
4. *The Board will be responsible for fixing the exact amounts of the fees, as well as the individual compensation that each Director is to receive, in any case respecting the limits established by the General Meeting and the categories of compensation contemplated in these Articles.*
5. *Without prejudice to the aforesaid compensation, the compensation of the Directors also may consist of the delivery of shares, or options on shares or compensation indexed to the value of the shares. Use of this form of compensation will require a resolution of the General Meeting stating, if applicable, the maximum number of shares that can be allocated to this compensation scheme in each financial year, the exercise price or the calculation system for the exercise price of the share options, the value of the shares taken by way of reference if applicable, and the term of duration of this compensation scheme.*
6. *The Company will secure civil liability insurance for its Directors.*

*(Free translation from the original in Spanish language)*

7. *In addition, Directors who are assigned executive functions will be entitled to receive compensation for the performance of those functions, which will be determined by the Board of Directors in accordance with the provisions of the compensation policy for Directors approved by the General Meeting, and which will be included in a contract to be entered into by the Director and the Company, which must contain all categories in which the Director may obtain compensation for the performance of executive functions.*

*This contract must be approved in advance by the Board of Directors with the favorable vote of two thirds of its members, and must be attached as an annex to the minutes of the meeting. The affected Director must refrain from attendance, deliberation and participation in voting.*

*The contract must contain all references required by law and be consistent with the Company's compensation policy."*

### **5.5. Amendment of Article 26 on replacements and appointments to the Board of Directors, in order to remove the requirement that a person can only be appointed to the Board by cooptation if he or she is a shareholder, in accordance with the Capital Companies Act.**

Renumbering of Article 26, which becomes Article 31, adaptation of its wording to that of the proposed amendment of Article 24.2 of the Articles of Association, and removal of the requirement for a person who is appointed to the Board by cooptation to be a shareholder, in accordance with the provisions of Article 529 decies of the Capital Companies Act.

Article 31 will henceforth have the following wording:

#### ***“Article 31.- Replacements and Appointments.***

- 1. In the event of temporary absence, temporary disability of the Chairman, or express delegation from the Chairman, the Deputy Chairman, if any, will assume the functions of the Chairman. Otherwise they will be assumed by the Director designated by the Board. Under the same circumstances as regards the Secretary, its functions will be assumed by the Deputy Secretary, if any, and in the absence thereof, the Director designated by the Board. In the minutes prepared the replaced position will be stated, adding the word “interim”, and the reason for acting on an interim basis.*
- 2. Vacancies occurring on the Board may be filled temporarily by the persons the Board appoints by co-option, until the next General Meeting.”*

**5.6. Amendment of Articles 1, 3, 4 and 5 (relating to “General Provisions”); Articles 6, 7, 8 and 9 (relating to “Share Capital and Shares”); Article 11 (“Bodies”); Article 16 (“Implementation of Corporate Resolutions”); Articles 29 bis and 29 ter (“Annual Corporate Governance Report and Website”); Articles 32, 33 and 34 (“The Company’s Financial and Administrative Regime”); Articles 35, 36 and 38 (relating to “Winding Up and Liquidation”); and Article 39 (“Referral to the Act”), in order to make technical, formal, systematic or grammatical improvements.**

*(Free translation from the original in Spanish language)*

- Amendment of the wording of Articles 1 and 8 to replace the references to specific rules and provisions with a general reference to the laws or regulations applicable from time to time.
- Adaptation of the wording of Article 4 to that of Article 285.2 of the Capital Companies Act in relation to the acknowledgement of the Board of Directors' power to change the registered office within the same municipality.
- Amendment of the wording of Articles 3, 5 and 34 in order to make purely technical improvements. Article 34 is also renumbered and becomes Article 40.
- Amendment of Article 6 to remove the reference to Class A shares because, following the mandatory conversion of non-voting Class B shares, there is only one class of ordinary shares.
- Listing of the paragraphs of Article 7.
- Renumbering of Articles 9, 11 and 33, which become Articles 10, 12 and 39, respectively, and amendment of their wording in order to replace all references to the "Management Board" contained in those Articles with references to the "Board of Directors", on the basis that, under Article 529 bis of the Capital Companies Act, the management board of listed companies must in any event take the form of a Board of Directors, and to replace all references to specific rules and provisions with general references to the laws or regulations applicable from time to time.
- Renumbering of Articles 16, 29 bis, 29 ter, 32, 35, 38 and 39, which become, respectively, Articles 18, 34, 35, 38, 41, 44 and 45, and amendment of their wording to replace all references to specific rules and provisions with general references to the Act or to the laws or regulations applicable from time to time.
- Renumbering of Article 36, which becomes Article 42, and removal from its wording of the requirement for the number of liquidators to be an odd number, which was removed from Article 376 of the Capital Companies Act by Law 25/2011 of 1 August 2011.

The new wording of Articles 1, 3, 4, 5, 6, 7, 8, 10, 12, 18, 34, 35, 38, 39, 40, 41, 42, 44 and 45 will be as follows:

***"Article 1.- Name and Applicable Law.***

*The name of the Company is Promotora de Informaciones, S.A. (hereinafter "PRISA" or the "Company"). It is governed by the legal or regulatory provisions applicable from time to time and by these Articles."*

***"Article 3.- Duration of Company.***

*The Company commenced operations from the time of execution of the public deed of establishment. Its duration will be indefinite. If the law for commencement of any of the operations enumerated in the preceding article requires obtaining an administrative licence, registration in a public registry, or satisfaction of any other requirement, the Company may not initiate the aforesaid specific activity until the requirement has been satisfied."*

*(Free translation from the original in Spanish language)*

***“Article 4.- Nationality and Registered Office.***

*The Company is of Spanish nationality and has its registered office in Madrid at Gran Vía, no 32. The Board of Directors is the body having competence to establish, close or transfer such branches, agencies or offices as it may deem to be appropriate, and to change the registered office within the same municipality.”*

***“Article 5.- Submission to Jurisdiction***

*For all such disputed questions as may arise between the Company and the shareholders by reason of corporate matters, both the Company and the shareholders, waiving their own forums, expressly submit to the judicial forum for the location of the registered office of the Company, except in those cases in which another forum is legally imposed.”*

***“Article 6.- Share Capital.***

- 1. The capital is 215,807,875.30 €. It is represented by 2,158,078,753 ordinary shares, all of the same class and series, having a nominal value of TEN CENTS ON THE EURO (€0.10) each, consecutively numbered from 1 to 2,158,078,753.*
- 2. The capital is totally subscribed and paid up.*
- 3. The Company may issue various classes of shares. Each class may have a different nominal value. Where more than one series of shares is created within the same class, all the shares making up a series will have the same nominal value.”*

***“Article 7.- Representation of Shares.***

- 1. The shares are represented by book entries and exist as such by virtue of their registration in the corresponding accounting records, which will reflect the matters set forth in the deed of issuance and whether or not they are fully paid up.*
- 2. Standing to exercise the rights of a shareholder, if applicable including transfer, is obtained by registration in the book entry records, which establishes a presumption of lawful ownership and entitles the registered holder to demand that the Company recognise it as a shareholder. Such standing may be demonstrated by showing the appropriate certificates, issued by the entity responsible for the book entry records.*
- 3. If the Company confers any benefit on the one presumed to have standing, it will be released from the corresponding obligation, even if that person is not the actual owner of the share, provided that it does so in good faith and without gross negligence.*
- 4. If the person or entity appearing as having standing from the entries in the accounting records has said standing by virtue of a fiduciary relationship or another of a comparable nature, the Company may require it to disclose the identity of the actual owners of the shares, as well as the acts of transfer and encumbrance thereof.”*

***“Article 8.- Non-Voting Shares.***

- 1. The Company may issue non-voting shares for a nominal amount of no more than one half of paid-up capital. The legal scheme for non-voting shares will be as set forth in the applicable regulations, the Articles of Association and the resolution of the Board ordering the issue thereof.*
- 2. The holders of non-voting shares will be entitled to receive the annual minimum dividend established in the issue resolution. Once the minimum dividend is declared, the owners of non-voting shares will be entitled to the same dividend as that payable*

*(Free translation from the original in Spanish language)*

*on the ordinary shares. If there are distributable profits, the Company will be required to declare the minimum dividend referred to above.*

- 3. The non-voting shares will enjoy pre-emption rights on the same terms as voting shares. However, that right may be disapplied in accordance with the provisions of applicable law and these Articles.*
- 4. Subsequent issues of non-voting shares will require approval, by separate vote or special Meeting, of the existing non-voting shareholders.*
- 5. Until that minimum dividend has been paid, non-voting shares will have the same rights as ordinary shares and, in any event, maintain their economic advantages.*
- 6. The General Meeting may issue non-voting shares convertible at a fixed rate (determined or determinable) or a variable rate. The issue resolution will determine whether the authority to convert or exchange lies in the shareholders and/or the Company or, if applicable, the conversion will occur on a mandatory basis at a given time.”*

**“Article 10.- Issue, Subscription and Payment for Shares.**

- 1. The General Shareholders Meeting, complying with the legal requirements, may resolve to increase capital by issuing new shares or increasing the nominal value of those already existing. The General Shareholders Meeting will determine the terms and conditions of each new issue and the Board of Directors will have the authority necessary to implement the adopted resolutions, with the greatest breadth of discretion within the legal framework and the conditions established by the Meeting. If they have not been fixed by the Meeting, the Board of Directors may determine the form and the maximum term, which may not exceed five (5) years, in which pending payments on account of paid up capital, if any, are to be made, in accordance with law. In capital increases with issue of new shares, ordinary or preferred, against cash contributions, the shareholders, within the term given by the Board of Directors of the Company, which will not be less than fifteen (15) days after publication of the notice of the offer of subscription of the new issue in the Official Gazette of the Commercial Registry, will have a pre-emption right, proportional as legally provided, unless that right was disapplied in accordance with applicable regulations.*
- 2. The General Meeting, satisfying the requirements established for amendment of the Articles of Association, may delegate the legally contemplated authority regarding capital increases to the Board of Directors.”*

**“Article 12.- Bodies.**

*The Company will be governed by the General Shareholders Meeting and administered and represented by the Board of Directors.”*

**“Article 18.- Implementation of Corporate Resolutions.**

- 1. Competence. The Board of Directors will be responsible for implementation of all resolutions of the Meeting, without prejudice to such delegations or grants of powers of attorney as it may make in accordance with these Articles.*
- 2. Drafting and Approval of Minutes. The minutes of the Meeting may be drafted and approved in the manner determined in the applicable regulations, and signed by the Chairman and the Secretary. If the Meeting is held with the presence of a notary requested to prepare minutes by the Board of Directors, as provided by law, the notarial minutes will be deemed to be minutes of the Board, approval thereof therefore not being required.”*

*(Free translation from the original in Spanish language)*

**“Article 34.- Annual Corporate Governance Report.**

1. *The Board of Directors, after a report from the Corporate Governance Committee, annually will approve a corporate governance annual report of the Company, covering the matters legally contemplated together with such others as it deems to be appropriate.*
2. *The annual corporate governance report will be approved prior to publication of the notice of call of the ordinary General Meeting of the Company for the financial year in question, and will be made available to the shareholders together with the other documentation of the General Meeting.*
3. *In addition, the annual corporate governance report will be publicised as required in the regulations applicable from time to time.”*

**“Article 35.- Website.**

*The Company will maintain a website for the information of shareholders and investors ([www.prisa.com](http://www.prisa.com)) on which the documents and information contemplated by law will be included, and at least the following:*

- a) *The current Articles of Association.*
- b) *The General Shareholders Meeting Regulation.*
- c) *The Board of Directors Regulation.*
- d) *The annual financial report and other financial reports the Company regularly publishes and disseminates.*
- e) *The Internal Code for conduct on the securities markets.*
- f) *The corporate governance reports.*
- g) *The documents related to Ordinary and Extraordinary General Meetings, with information regarding the agenda, proposals made by the Board of Directors, and any other relevant information that may be needed by shareholders to cast their votes, as well as any other documentation required by applicable legislation.*
- h) *The information regarding the conduct of General Meetings, in particular regarding attendance at the General Meeting at the time it was held, resolutions adopted stating the number of votes cast and the sense thereof for each of the proposals on the Agenda.*
- i) *The communications channels existing between the Company and the shareholders, in particular the pertinent explanations regarding exercise of the shareholders’ information right, indicating the postal and e-mail addresses to which the shareholders may address them.*
- j) *The resources and procedures for granting proxies for the General Meeting.*
- k) *The resources and procedures for exercising remote voting, if applicable including those established to evidence attendance and voting by remote means at General Meetings.*
- l) *The material disclosures made to the National Securities Market Commission.”*

**“Article 38.- Allocation of Profits.**

1. *The General Meeting will decide upon the allocation of the profits for the financial year, in accordance with the approved Balance Sheet.*
2. *After covering the requirements established by law or the Articles, dividends may only be paid out of the profit for the financial year or unrestricted reserves, if net book value is not and will not become, as a result of the distribution, less than the company’s capital.*

*(Free translation from the original in Spanish language)*

*When there are losses from previous financial years causing the value of the net assets of the Company to be less than the company's capital, the profit will be used to offset these losses.*

*In addition, profits may not be distributed unless the unrestricted reserves are at least equal to the amount of research and development expenses recorded under assets on the balance sheet.*

*In any event, an unrestricted reserve must be set aside equal to the goodwill recorded under assets in the balance sheet. For this purpose, a part of the profit representing at least five percent (5%) of the said goodwill figure will be allocated. If there are no profits, or if they are insufficient, unrestricted reserves will be used.*

- 3. The legal reserve will be constituted in accordance with the provisions of law. Another reserve also will be constituted by subtracting at least ten percent (10%) from profits, after reduction by taxes, until establishing a fund equivalent to at least twenty percent (20%) but not more than fifty percent (50%) of paid up capital to cover such allocations as may be resolved by the General Meeting. The General Meeting in addition may establish such voluntary reserves as it deems to be appropriate."*

***"Article 39.- Distribution of Profits.***

- 1. If there are distributable profits, the Company is required to resolve to distribute a minimum dividend if there are non-voting shares in accordance with the provisions of law or these Articles.*
- 2. The net profits obtained by the Company in each financial year will be distributed among the shareholders in proportion to their shares, after covering the corporate obligations, the legal, articles and voluntary reserves, if any, and the emoluments of the Board of Directors, without prejudice to the provisions of section 1 above. The General Meeting will determine the time and form of payment in the resolution to distribute dividends. The Board of Directors may resolve to distribute amounts on account of dividends, with the limitations and requirements established by law."*

***"Article 40.- Prescription of Dividends.***

*Dividends for a financial year not received by a shareholder within five (5) years after the date indicated for payment will prescribe in favor of the Company."*

***"Article 41.- Winding Up of Company.***

- 1. The winding up of the Company will occur in the cases indicated by law.*
- 2. If the Company is to be wound up because the Company's assets have been reduced to an amount less than half of capital, the winding up may be avoided by way of a resolution to increase or reduce capital, in accordance with the provisions of law."*

***"Article 42.- Form of Liquidation.***

- 1. The General Shareholders Meeting having resolved to wind up the Company, the General Shareholders Meeting, on proposal of the Board, will open the liquidation period and appoint one or more liquidators, fixing the powers thereof. This appointment extinguishes the powers of the Board.*
- 2. The General Meeting during the liquidation period will retain the same authority as during the normal life of the Company. In particular it will have the authority to approve accounts and the final liquidation balance sheet."*

***"Article 44.- Liquidation Rules.***

*(Free translation from the original in Spanish language)*

1. *Without prejudice to the provisions of law, on a general basis all shares (ordinary and non-voting) will be entitled to the same liquidation share, if any exists.*
2. *Notwithstanding the foregoing, the holders of non-voting shares will, on the terms set forth from time to time by applicable law, be entitled to receive repayment of the paid-up value, before any amount is distributed to the other shares in the event of liquidation of the Company, if the liquidation share of all shares is less than the paid-up value of the non-voting shares.*
3. *Otherwise the provisions of law regarding the matter will apply.”*

**“Article 45.- Remittance to Law**

*For all matters not contemplated in these Articles the provisions of regulations applicable from time to time will be observed and applied.”*

**5.7. Renumbering of the articles and approval of a consolidated text of the Bylaws as a result of the above amendments.**

- Renumbering of Articles 8 bis, 10, 24, 27, 29, 30, 31 and 37, which become, respectively, Articles, 9, 11, 30, 32, 33, 36, 37 and 43, all of them with the previous wording.

- Approval of the following consolidated text of the Articles of Association, solely for the purposes of including the Articles that have been amended pursuant to the above resolutions and so that all the provisions of the Bylaws are included in a single public instrument:

**ARTICLES OF ASSOCIATION  
PROMOTORA DE INFORMACIONES, S.A.**

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**CHAPTER I  
GENERAL PROVISIONS**

**Article 1.- Name and Applicable Law.**

The name of the Company is Promotora de Informaciones, S.A. (hereinafter "**PRISA**" or the "**Company**"). It is governed by the legal or regulatory provisions applicable from time to time and by these Articles.

**Article 2.- Purpose.**

1. The purpose of the Company is:
  - a) The management and exploitation of all kinds of information and social communications media, its own or those of others, whatever the technical medium, inter alia including the publication of printed newspapers.
  - b) The promotion, planning and implementation, on its own behalf or on behalf of others, directly or through third parties, of all kinds of communications, industrial, commercial or services projects, businesses or undertakings.

*(Free translation from the original in Spanish language)*

- c) The constitution of companies, participation, even majority participation, in existing companies, and association with third parties in operations and businesses, by way of collaboration formulas.
  - d) The acquisition, direct or indirect holding, exploitation by way of lease or otherwise and disposition of all kinds of assets, personal and real properties and rights.
  - e) The engagement and rendering of consulting services, acquisitions and management of third party interests, whether by way of brokerage, representation or any other manner of collaboration, for its own account or for the account of others.
  - f) Acting in the capital and money markets by way of management thereof, purchase and sale of fixed income, equity or any other kind of securities, on its own behalf.
2. The described activities are understood to refer to companies and undertakings, operations or businesses, domestic or foreign, complying with the respective legal rules.
  3. The activities comprising the corporate purpose may be undertaken by the Company, in whole or in part, indirectly by way of interests in other companies having an analogous purpose.

#### **Article 3.- Duration of Company.**

The Company commenced operations from the time of execution of the public deed of establishment. Its duration will be indefinite. If the law for commencement of any of the operations enumerated in the preceding article requires obtaining an administrative licence, registration in a public registry, or satisfaction of any other requirement, the Company may not initiate the aforesaid specific activity until the requirement has been satisfied.

#### **Article 4.- Nationality and Registered Office.**

The Company is of Spanish nationality and has its registered office in Madrid at Gran Vía, no 32. The Board of Directors is the body having competence to establish, close or transfer such branches, agencies or offices as it may deem to be appropriate, and to change the registered office within the same municipality.

#### **Article 5.- Submission to Jurisdiction**

For all such disputed questions as may arise between the Company and the shareholders by reason of corporate matters, both the Company and the shareholders, waiving their own forums, expressly submit to the judicial forum for the location of the registered office of the Company, except in those cases in which another forum is legally imposed.

## **CHAPTER II**

### **CAPITAL AND SHARES**

#### **Article 6.- Share Capital.**

1. The capital is 215,807,875.30 €. It is represented by 2,158,078,753 ordinary shares, all of the same class and series, having a nominal value of TEN CENTS ON THE EURO (€0.10) each, consecutively numbered from 1 to 2,158,078,753.
2. The capital is totally subscribed and paid up.
3. The Company may issue various classes of shares. Each class may have a different nominal value. Where more than one series of shares is created within the same class, all the shares making up a series will have the same nominal value.

*(Free translation from the original in Spanish language)*

#### **Article 7.- Representation of Shares.**

1. The shares are represented by book entries and exist as such by virtue of their registration in the corresponding accounting records, which will reflect the matters set forth in the deed of issuance and whether or not they are fully paid up.
2. Standing to exercise the rights of a shareholder, if applicable including transfer, is obtained by registration in the book entry records, which establishes a presumption of lawful ownership and entitles the registered holder to demand that the Company recognise it as a shareholder. Such standing may be demonstrated by showing the appropriate certificates, issued by the entity responsible for the book entry records.
3. If the Company confers any benefit on the one presumed to have standing, it will be released from the corresponding obligation, even if that person is not the actual owner of the share, provided that it does so in good faith and without gross negligence.
4. If the person or entity appearing as having standing from the entries in the accounting records has said standing by virtue of a fiduciary relationship or another of a comparable nature, the Company may require it to disclose the identity of the actual owners of the shares, as well as the acts of transfer and encumbrance thereof.

#### **Article 8.- Non-Voting Shares.**

1. The Company may issue non-voting shares for a nominal amount of no more than one half of paid-up capital. The legal scheme for non-voting shares will be as set forth in the applicable regulations, the Articles of Association and the resolution of the Board ordering the issue thereof.
2. The holders of non-voting shares will be entitled to receive the annual minimum dividend established in the issue resolution. Once the minimum dividend is declared, the owners of non-voting shares will be entitled to the same dividend as that payable on the ordinary shares. If there are distributable profits, the Company will be required to declare the minimum dividend referred to above.
3. The non-voting shares will enjoy pre-emption rights on the same terms as voting shares. However, that right may be disapplied in accordance with the provisions of applicable law and these Articles.
4. Subsequent issues of non-voting shares will require approval, by separate vote or special Meeting, of the existing non-voting shareholders.
5. Until that minimum dividend has been paid, non-voting shares will have the same rights as ordinary shares and, in any event, maintain their economic advantages.
6. The General Meeting may issue non-voting shares convertible at a fixed rate (determined or determinable) or a variable rate. The issue resolution will determine whether the authority to convert or exchange lies in the shareholders and/or the Company or, if applicable, the conversion will occur on a mandatory basis at a given time.

#### **Article 9.- Redeemable Shares.**

The Company may issue redeemable shares for a nominal value not greater than a quarter of the share capital and in compliance with other legally established requirements.

#### **Article 10.- Issue, Subscription and Payment for Shares.**

1. The General Shareholders Meeting, complying with the legal requirements, may resolve to increase capital by issuing new shares or increasing the nominal value of those already existing. The General Shareholders Meeting will determine the terms and conditions of each new issue and the Board of Directors will have the authority necessary to implement the adopted resolutions, with the greatest breadth of discretion within the legal framework and  
*(Free translation from the original in Spanish language)*

the conditions established by the Meeting. If they have not been fixed by the Meeting, the Board of Directors may determine the form and the maximum term, which may not exceed five (5) years, in which pending payments on account of paid up capital, if any, are to be made, in accordance with law. In capital increases with issue of new shares, ordinary or preferred, against cash contributions, the shareholders, within the term given by the Board of Directors of the Company, which will not be less than fifteen (15) days after publication of the notice of the offer of subscription of the new issue in the Official Gazette of the Commercial Registry, will have a pre-emption right, proportional as legally provided, unless that right was disapplied in accordance with applicable regulations.

2. The General Meeting, satisfying the requirements established for amendment of the Articles of Association, may delegate the legally contemplated authority regarding capital increases to the Board of Directors.

#### **Article 11.- Free Transferability of Shares.**

The shares of the Company will be freely transferable by any legal means.

### **CHAPTER III**

#### **GOVERNANCE, ADMINISTRATION AND REPRESENTATION OF THE COMPANY**

#### **Article 12.- Bodies.**

The Company will be governed by the General Shareholders Meeting and administered and represented by the Board of Directors.

#### **GENERAL SHAREHOLDERS MEETING**

#### **Article 13.- Powers.**

1. The General Shareholders Meeting is the supreme corporate authority. The General Meeting will decide on the matters attributed to it by these Articles of Association, its own Regulation or the law, in particular regarding the following:
  - a) Approval of the annual accounts, consolidated annual accounts, corporate management and allocation of profits.
  - b) Determination of the number of members of the Board of Directors.
  - c) Appointment and removal of Directors, as well as ratification of Directors appointed by co-option by the Board of Directors.
  - d) Appointment, reelection and removal of the Statutory Auditors, as well as the liquidators.
  - e) Amendment of the Articles of Association.
  - f) Increase and reduction of the company's capital.
  - g) Disapplication or limitation of pre-emption rights.
  - h) Issue of bonds and, in general, securities of any kind, including preferred shares.
  - i) Transformation, merger, splitup or bulk transfer of assets and liabilities and transfer of the registered office abroad.
  - j) Acquisition, disposition or contribution to another company of essential assets, as well as transfer to subsidiary entities of essential activities up to that time undertaken by the Company, even if it maintains full ownership thereof.
  - k) Authorisation to the Board of Directors to increase capital, in accordance with law, and to issue bonds of any kind, and delegation to the Board of Directors of any other powers in accordance with law and the Articles.
  - l) Approval and amendment of the General Meeting Regulation, subject to the provisions of law and the Articles.

*(Free translation from the original in Spanish language)*

- m) Annual approval of compensation of the Board of Directors in accordance with article 22 of the Articles of Association.
  - n) Approval of the policy on compensation of Directors, in accordance with the provisions of applicable law and these Articles.
  - o) Authorisation of compensation of Directors consisting of the delivery of shares or options on shares or compensation indexed to the value of the shares.
  - p) Winding-up and liquidation of the Company, as well as transactions the effect of which is equivalent to that of liquidation of the Company.
  - q) Approval of the final liquidation balance sheet.
  - r) Exercise of any other competence attributed to it by law or the Articles and being apprised of or deciding regarding any other matter that the Board of Directors resolves is to be reported to or resolved by the Meeting because it is of special relevance to the interests of the company.
3. The Meeting may not give instructions to the Board of Directors or subject adoption by the Board of resolutions regarding management matters to its authorisation.

#### **Article 14.- Kinds of Meetings.**

- 1. General Meetings of shareholders may be ordinary or extraordinary. They will be called and held in the manner determined by law, these Articles and the General Meeting Regulation. The holding of an annual Ordinary Meeting on the date resolved by the Board of Directors, within the term established by law, is mandatory.
- 2. The Extraordinary General Meeting will meet when so resolved by the Board of Directors of the Company, or when so requested by a number of shareholders owning at least three percent (3%) of capital, in the request stating the matters to be considered at the meeting. In this case the Meeting must be called to be held within the two (2) months following the date of notarial demand on the administrators to call it, with the agenda necessarily to include the matters covered by the request.

#### **Article 15.- Preparation of the General Meeting.**

- 1. Every General Meeting will be called at the time and in the manner determined by law, the Articles and the General Shareholders Meeting Regulation.
- 2. The call will include references to the Company, the place, day and time of the meeting, the agenda including the matters to be considered, the position of the person or persons making the call and the other legally-required references.
- 3. Shareholders representing at least three percent (3%) of capital may request the publication of a supplement to the call of the Ordinary General Meeting including one or more points on the agenda, provided that the new points are accompanied by a explanation or, if applicable, an explained proposed resolution. That right may in no case be exercised in respect of the call of an Extraordinary General Meeting. Exercise of this right must be by certifiable notice, which must be received at the registered office within the five (5) days following publication of the call. The supplement to the call must be published at least fifteen (15) days before the scheduled Meeting date.
- 4. Shareholders representing at least three percent (3%) of capital may, within the same term as indicated in the preceding subsection, present supported proposed resolutions regarding matters already on or that should be on the agenda for the Meeting called. The Company will see to dissemination of these proposed resolutions and such documentation as may be attached thereto to the other shareholders, in accordance with the provisions of law and the General Meeting Regulation.
- 5. The shareholders prior to or during the meeting may request such reports, documents and clarifications as they deem to be necessary, in accordance with the provisions of law.

#### **Article 16.- Holding the General Meeting.**

*(Free translation from the original in Spanish language)*

1. Place. The place of holding the Meeting will be as designated in the call, outside or within the location of the registered office, on the day and at the time indicated.
2. Attendance. All shareholders owning at least sixty (60) shares, registered in the corresponding book entry accounting records five (5) days in advance of the date of holding the Meeting, and holding the corresponding attendance card, may attend the General Meeting.
3. The Board of Directors will attend the General Meeting. The Chairman of the General Meeting may authorise attendance of any other person he deems to be appropriate; however the Meeting may revoke that authorisation.
4. Proxies. Shareholders may grant proxies to another person, complying with the requirements and formalities imposed by these Articles of Association, by the General Meeting Regulation and by law. The proxy will be specific to the meeting in question. This requirement will not apply when the representative is the spouse, ascendant or descendent of the represented shareholder. Nor will it apply when the representative has a general power of attorney granted in a public document with authority to manage all property the represented shareholder has in the country. A proxy will evidenced in writing in any of the following documents, in all cases with a handwritten signature: (i) the attendance card issued by the custodians participating in Iberclear, (ii) a letter or (iii) the standard form made available by the Company for these purposes to the shareholders, and also may be granted by way of remote electronic means of communication. In the latter case the provisions for the voting using the aforesaid means will apply, to the extent not incompatible with the nature of the proxy.
5. The appointment of the representative by the shareholder and, if applicable, the revocation of that appointment, will be notified to the Company in the manner established in the General Meeting Regulation.
6. Number of shareholders for quorum. Without prejudice to the provisions of law for special cases, the quorum for a General Shareholders Meeting on first call will be the presence, in person or by proxy, of shareholders holding at least twenty-five percent (25%) of the subscribed voting capital. On second call there will be a quorum for the Meeting whatever the capital in attendance.
7. Notwithstanding the provisions of the preceding paragraph, in order for the General Meeting to validly resolve on an increase or reduction of capital, or on any other amendment of the Articles of Association, on an issue of bonds, the disapplication or limitation of pre-emption rights in respect of new shares, transformation, merger splitup or bulk transfer of assets and liabilities, or relocation of the registered office outside of Spain, it will be necessary, on first call, for shareholders holding at least fifty percent (50%) of the subscribed voting capital to be present in person or by proxy. At second call, the presence of twenty five percent (25%) of said capital will be sufficient.
8. Chairman of Meeting: The Chairman of the Meeting will be the person, if any, specified by the Board of Directors. In the absence of a specific decision by the Board, the Meeting will be chaired by the Chairman of the Board of Directors. In his absence, if any, it will be chaired by the Vice Chairman, and in the absence of both, by the attending Director with greatest seniority in the position and, in the absence of all of them, by the shareholder designated by the General Meeting.
9. The Chairman will submit the items on the agenda to deliberation and manage the discussions so that the meeting is held in an orderly manner. To that end he will have the appropriate powers of order and discipline.
10. The Chairman will be assisted by a Secretary, which will be the Secretary of the Board of Directors. In his absence, if any, the Deputy Secretary of the Board of Directors will act and, in his absence, the person designated by the Meeting.
11. The Meeting Officers will include the Chairman, the Secretary and the members of the Board of Directors in attendance.

*(Free translation from the original in Spanish language)*

12. Voting by mail or remote electronic means of communication. Votes on proposals on matters on the Agenda of any kind of General Meeting may be cast by shareholders by mail or remote electronic means of communication. The identity of the person voting must be assured, in accordance with the requirements established in the General Meeting Regulation. Votes by e-mail will be cast using a recognised electronic signature or other form that the Board of Directors concludes will be suitable to ensure the authenticity and identity of the shareholder exercising the voting right. The shareholders who vote using remote methods must be counted as being present for the purpose of establishing the quorum. Votes cast using these methods must be in the possession of the Company, at its headquarters, at least twenty-four (24) hours in advance of the time contemplated for holding the General Meeting on first call. Otherwise, the vote will be deemed not to have been cast. In the call for each General Meeting the Board of Directors may determine a shorter advance term.
13. The Board of Directors has authority to develop the foregoing provisions, establishing rules, resources and procedures consistent with the state of the art to implement electronic voting and grant of proxies. In particular, the Board of Directors may, inter alia, regulate the use of alternative guarantees of electronic signatures for electronic voting.
14. The procedural rules adopted by the Board of Directors by virtue of the provisions of this section will be published on the Company's website.
15. Voting. The Chairman will give details of the voting, summarise the number of votes in favor of and against the proposed resolution submitted to the General Meeting and announce the result aloud.
16. The General Shareholders Meeting Regulation will establish the procedures and systems for counting votes on proposed resolutions.

#### **Article 17.- Adoption of Resolutions.**

1. Each share with a right to vote present in person or by proxy at the General Meeting will be entitled to one vote.
2. Corporate resolutions will be adopted by simple majority of the votes of shareholders present at the Meeting in person or by proxy, a resolution being understood to have been adopted when it obtains more favorable than unfavorable votes.
3. Without prejudice to the provisions of law, the favorable vote of the absolute majority of the voting shares present in person or by proxy at the General Shareholders Meeting will be required if the capital present in person or by proxy is more than fifty percent (50%), or the favorable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent twenty-five percent (25%) or more of the subscribed voting capital without reaching fifty percent (50%), for approval of the following matters:
  - a. Articles amendments, including increase or reduction of capital, unless the law otherwise provides.
  - b. Issuance of bonds.
  - c. Transformation, merger or splitup in any of their forms, as well as bulk assignment of assets and liabilities and transfer of the Company's registered office abroad.
  - d. Disapplication or limitation of pre-emption rights for new shares.

#### **Article 18.- Implementation of Corporate Resolutions.**

1. Competence. The Board of Directors will be responsible for implementation of all resolutions of the Meeting, without prejudice to such delegations or grants of powers of attorney as it may make in accordance with these Articles.
2. Drafting and Approval of Minutes. The minutes of the Meeting may be drafted and approved in the manner determined in the applicable regulations, and signed by the

*(Free translation from the original in Spanish language)*

Chairman and the Secretary. If the Meeting is held with the presence of a notary requested to prepare minutes by the Board of Directors, as provided by law, the notarial minutes will be deemed to be minutes of the Board, approval thereof therefore not being required.

## **BOARD OF DIRECTORS**

### **Article 19.- Nature, Number of Members and Positions.**

1. The Board of Directors is responsible for management, administration and representation of the Company, without prejudice to such authority as may correspond to the General Meeting in accordance with law and the Articles.
2. The Board will be comprised of a minimum of three (3) and a maximum of seventeen (17) Directors, with the Meeting being responsible for their appointment and determination of their number. For that purpose, the Meeting may fix the number by express resolution, or indirectly by creating or not creating vacancies or appointing or not appointing new Directors, within the aforesaid minimum and maximum.
3. From among its members, the Board will appoint a Chairman and, subject to the same condition, may appoint one or more Deputy Chairmen. From among its members it also may appoint a Delegated Commission or one or more Chief Executive Officers, to which it may give the power of representation, jointly and severally or jointly but not severally. It will also appoint a Secretary, who need not be a Director, and may appoint an Deputy Secretary, who also need not be a member of the Board.

When the position of Chairman is to be held by an executive Director, the appointment of the Chairman will require the favorable vote of two thirds of the members of the Board of Directors.

4. Also, if the Chairman is an executive Director, the Board of Directors, with the abstention of the executive Directors and on proposal of the Corporate Governance Committee, must appoint a Coordinating Director from among the independent Directors, who will be specifically empowered to request a call of the Board of Directors or inclusion of new points on the agenda for a Meeting already called, to coordinate and meet with the non-executive Directors and, if applicable, to lead the periodic evaluation of the Chairman of the Board of Directors.
5. The Board of Directors will approve a Regulation to govern its organisation and functioning.

### **Article 20.- Kinds of Directors.**

1. The Board of Directors will be so comprised that proprietary and independent Directors represent a majority over executive Directors.
2. For purposes of the provisions of the preceding section, the Company will adjust the classes of Directors to the definitions and criteria set forth by the applicable laws from time to time .

### **Article 21.- Term of Office.**

The term of a Director's office will be four (4) years. A Director may be reelected indefinitely for terms of the same length.

### **Article 22.- Compensation of Directors.**

*(Free translation from the original in Spanish language)*

1. The Directors may take any other position, with or without compensation, with the Company or any other company belonging to its Group, absent incompatibility, whether legal or found in the discretion of the Board.
2. The compensation of Directors will consist of a fixed annual amount. The maximum amount of annual compensation of all Directors in their capacities as such must be approved by the General Meeting and will remain in effect until modification thereof is approved.
3. The compensation of the various Directors may vary based on the positions, duties and responsibilities given to them, and their serving on Board Committees, and may be in addition to payment of meeting attendance fees.
4. The Board will be responsible for fixing the exact amounts of the fees, as well as the individual compensation that each Director is to receive, in any case respecting the limits established by the General Meeting and the categories of compensation contemplated in these Articles.
5. Without prejudice to the aforesaid compensation, the compensation of the Directors also may consist of the delivery of shares, or options on shares or compensation indexed to the value of the shares. Use of this form of compensation will require a resolution of the General Meeting stating, if applicable, the maximum number of shares that can be allocated to this compensation scheme in each financial year, the exercise price or the calculation system for the exercise price of the share options, the value of the shares taken by way of reference if applicable, and the term of duration of this compensation scheme.
6. The Company will secure civil liability insurance for its Directors.
7. In addition, Directors who are assigned executive functions will be entitled to receive compensation for the performance of those functions, which will be determined by the Board of Directors in accordance with the provisions of the compensation policy for Directors approved by the General Meeting, and which will be included in a contract to be entered into by the Director and the Company, which must contain all categories in which the Director may obtain compensation for the performance of executive functions. This contract must be approved in advance by the Board of Directors with the favorable vote of two thirds of its members, and must be attached as an annex to the minutes of the meeting. The affected Director must refrain from attendance, deliberation and participation in voting.

The contract must contain all references required by law and be consistent with the Company's compensation policy.

### **Article 23.- Representation of Company.**

1. The management, administration and representation of the Company, judicially and extrajudicially, as regards all acts included within the corporate purpose, is the responsibility of the Board of Directors, which will act jointly, without prejudice to such delegations and powers of attorney as it may grant.
2. Authority that is non-delegable by law or in accordance with these Articles may not be delegated. Nor may such authority as the General Meeting has given to the Board without express authorisation of delegation. In any event the Board of Directors of the Company will reserve the following for its review and exclusive decision:
  - a) Determination of the general policies and strategies of the Company, in particular:
    - i. approval of the Strategic or Business Plan, as well as the annual budgets and management objectives;
    - ii. determination of investment and financing policy;
    - iii. definition of the structure of the Group of companies of which the Company is the controlling entity;
    - iv. determination of the corporate governance policy of the Company and the Group of which it is the controlling entity;
    - v. corporate social responsibility policy;

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- vi. the policy for management and control of risks, including tax risks, and supervision of the internal information and control systems;
  - vii. definition of the dividend policy; and
  - viii. determination of the tax strategy of the Company.
- b) Approval of financial projections, as well as strategic alliances of the Company or its controlled companies, and the policy regarding treasury shares.
  - c) Supervision of effective functioning of the committees it has constituted and the actions of the delegated bodies and executives it has appointed.
  - d) Authorisation or waiver of the obligations deriving from the duty of loyalty.
  - e) Any proposed amendment of the Company's corporate purpose.
  - f) Its organisation and functioning and, in particular, approval and amendment of the Board of Directors Regulation.
  - g) Preparation of the annual accounts and their presentation to the General Meeting.
  - h) Approval of the financial information that listed companies must periodically disclose.
  - i) Making any kind of report required by law to the Board of Directors, provided that the matter covered by the report is nondelegable.
  - j) Appointment and removal of Managing Directors of the Company, delegation of authority, as well as establishment of the terms of their contracts.
  - k) Appointment and removal of the executives reporting directly to the Board or to any of its members, as well as establishment of the basic terms of their contracts, including their compensation.
  - l) Proposal of the general compensation policy, and decisions related to compensation of Directors, within the framework of the Articles and the compensation policy approved by the General Meeting.
  - m) Calling general meetings and preparing the agenda and the proposed resolutions;
  - n) Approval of investments or transactions of any kind that by reason of their high amount or special characteristics are strategic or pose a special tax risk for the Company or the investee or controlled companies in question, unless approval thereof corresponds to the General Meeting, inter alia including the assumption of financial risks or making of derivative financial commitments, including but not limited to loans, credits, guarantees or other security..
  - o) Approval of the creation or acquisition of interests in special purpose vehicles or entities resident in countries or territories considered to be tax havens, and any other transactions or operations of a comparable nature the complexity of which might impair the transparency of the Company or its Group.
  - p) Those resolutions related to mergers, splitups and any relevant decision having to do with the status of the Company as a listed company, unless approval thereof corresponds to the General Meeting.
  - q) Approval, after a report from the Audit Committee, of related party transactions, on the terms contemplated in the Board Regulation.
  - r) Annual evaluation of the functioning of the Board of Directors, the functioning of its Committees, and proposal, based on the results, of an action plan correcting detected deficiencies.
  - s) Powers the General Meeting has delegated to the Board of Directors, unless expressly authorised by it to subdelegate them.
3. Resolutions related to the matters indicated in 2.n) and 2.o) above, the amount of which is not more than ten million (10,000,000) euros, may be adopted by the Delegated Commission in cases of urgency, duly justified, and must be ratified at the first Board meeting held after adoption of the resolution.

**Article 24.- Authority of Board Positions.**

*(Free translation from the original in Spanish language)*

1. Judicial and extrajudicial representation of the Company is held by the Chairman of the Board, as is the exercise of such functions, if any, as may be delegated to the Chairman by the Board of Directors. The Chairman, with the collaboration of the Secretary, also is responsible for ensuring that the Directors have the information necessary for deliberation and the adoption of resolutions, sufficiently in advance and in appropriate format, ensuring the good order of meetings of the Board, their call and review and oversight of all corporate resolutions, whatever the body from which they originate.
2. Any substitution for the Chairman as regards the functioning of the Board of Directors in the event of temporary absence, temporary disability or express delegation by the Chairman is the responsibility of the Deputy Chairmen.
3. The Secretary is responsible for entering a record of the conduct of meetings in the minute books and certifying their content and the resolutions adopted, retaining the documentation of the Board, seeing to it that the actions of the Board are consistent with applicable regulations and in accordance with the Articles and other internal rules, assisting the Chairman of the Board as appropriate.

#### **Article 25.- Audit Committee.**

1. The Board of Directors will establish an Audit Committee. The Audit Committee will have the functions corresponding to it pursuant to applicable law, the Articles and the Company's internal Regulations, without prejudice to any other function that may be given to it by the Board of Directors.
2. The Audit Committee will be comprised of the number of Directors from time to time determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) members. All members of the Audit Committee will be non-executive Directors. They further must comply with the other requirements established by law. At least two (2) of the Audit Committee members will be independent, and at least one of them will be appointed considering his accounting and/or audit knowledge and experience.  
The members of the Committee will be appointed by the Board of Directors on proposal of the Chairman, and will leave office when they do so in respect of their status as Directors, or when so resolved by the Board of Directors.
3. The Chairman will be elected by the Board of Directors, from among the members of the Committee having the status of independent Directors, and further must satisfy the other legal requirements. The Chairman of the Committee must be replaced every four (4) years, and may be re-elected after one year elapses since he left office.
4. The Secretary of the Board of Directors and, in his absence, the Deputy Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.
5. The Committee will meet periodically based on need, and at least four (4) times per year, after call by its Chairman.
6. The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Audit Committee, provided that they are compatible with the nature and functions of this Committee.

#### **Article 26.- Corporate Governance Committee.**

1. The Board of Directors will establish a Corporate Governance Committee, which will have the functions corresponding to it under the Articles and the Company's internal Regulations, without prejudice to any other function that may be assigned to it by the Board of Directors.
2. The Corporate Governance Committee will be comprised of a minimum of three (3) and a maximum of five (5) non-executive Directors, to be determined by resolution of the Board of Directors on proposal of its Chairman. At least two (2) of them must be independent Directors.

*(Free translation from the original in Spanish language)*

3. The Corporate Governance Committee may require the attendance of the Company's Managing Director at its meetings.
4. The members of the Corporate Governance Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.
5. The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.
6. The Secretary of the Board of Directors and, in his absence, the Assistant Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.
7. The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Committee, provided that they are compatible with the nature and functions of this Committee.

**Article 27.- Appointment and Remuneration Committee.**

1. The Board of Directors will establish an Appointment and Remuneration Committee, which will have the functions legally corresponding to it under applicable law, the Articles and the Company's internal Regulations, without prejudice to any other function that may be assigned to it by the Board of Directors.
2. The Appointment and Remuneration Committee will be comprised of a minimum of three (3) and a maximum of five (5) Directors. All members of the Committee will be non-executive Directors, to be determined by resolution of the Board of Directors on proposal of its Chairman. At least two (2) of the members of the Committee must be independent Directors.
3. The Appointment and Remuneration Committee may require the attendance of the Company's Managing Director at its meetings.
4. The members of the Appointment and Remuneration Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.
5. The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.
6. The Secretary of the Board of Directors and, in his absence, the Assistant Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.
7. The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Committee, provided that they are compatible with the nature and functions of this Committee.

**Article 28.- Board Meetings.**

1. The Board will meet at least once each quarter, provided that the Chairman deems that to be appropriate or it is requested by a third of the members of the Board. In the latter two cases, the Chairman may not delay the sending of the call for more than five (5) days from the date the request is received.
2. The Board will be called by the Chairman or the person acting as such, indicating the agenda, by fax, telegram, email or certified letter addressed to each and every one of the Directors, at least seven (7) days before the day set for the meeting of the Board. In the discretion of the Chairman, and in cases of urgency, the Board may be called, indicating the matters to be dealt with, without applying the term indicated above.
3. Directors comprising at least one third of the members of the Board may call it, indicating the agenda, to be held at the location of the registered office, if the Chairman, after a request to do so, without just cause has not made the call within a term of one month.

*(Free translation from the original in Spanish language)*

4. The Directors, sufficiently in advance, must have the information necessary for deliberation and adoption of resolutions on the matters to be covered at the meeting, unless the Board of Directors meets or is called exceptionally by reason of urgency.

**Article 29.- Quorum for Board Meetings.**

1. The Board will be validly constituted when the majority of its members attend the meeting, in person or by proxy.
2. Directors must attend meetings personally, preferably being physically present. However, if it is impossible for a Director to attend, the Director will grant a proxy to another Director. Non-executive Directors may do so only to another non-executive Director.
3. Resolutions will be adopted by majority vote of those present. In the case of a tie the Chairman will have a casting vote.
4. The Board may delegate approval of the minutes to two (2) Directors, who may be designated at the respective meeting.

**Article 30.- Minute Book.**

The resolutions of the Board will be entered in a Minute Book, which will be signed by the Chairman and the secretary or those replacing them. Certifications will be issued by the Secretary with the approval of the Chairman.

**Article 31.- Replacements and Appointments.**

1. In the event of temporary absence, temporary disability of the Chairman, or express delegation from the Chairman, the Deputy Chairman, if any, will assume the functions of the Chairman. Otherwise they will be assumed by the Director designated by the Board. Under the same circumstances as regards the Secretary, its functions will be assumed by the Deputy Secretary, if any, and in the absence thereof, the Director designated by the Board. In the minutes prepared the replaced position will be stated, adding the word "interim", and the reason for acting on an interim basis.
2. Vacancies occurring on the Board may be filled temporarily by the persons the Board appoints by co-option, until the next General Meeting.

**Article 32.- Removal and Termination.**

In addition to the legal grounds for termination, Directors will leave their positions by revocation of their appointments by the General Meeting or by their own resignation.

**OTHER ATTORNEYS IN FACT**

**Article 33.- Attorneys in Fact for Specific Matters.**

The Board may grant powers of attorney for specific matters to other persons, in this regard executing the corresponding deeds of power of attorney.

**D. ANNUAL CORPORATE GOVERNANCE REPORT AND WEBSITE**

**Article 34.- Annual Corporate Governance Report.**

*(Free translation from the original in Spanish language)*

1. The Board of Directors, after a report from the Corporate Governance Committee, annually will approve a corporate governance annual report of the Company, covering the matters legally contemplated together with such others as it deems to be appropriate.
2. The annual corporate governance report will be approved prior to publication of the notice of call of the ordinary General Meeting of the Company for the financial year in question, and will be made available to the shareholders together with the other documentation of the General Meeting.
3. In addition, the annual corporate governance report will be publicised as required in the regulations applicable from time to time.

#### **Article 35.- Website.**

The Company will maintain a website for the information of shareholders and investors ([www.prisa.com](http://www.prisa.com)) on which the documents and information contemplated by law will be included, and at least the following:

- a) The current Articles of Association.
- b) The General Shareholders Meeting Regulation.
- c) The Board of Directors Regulation.
- d) The annual financial report and other financial reports the Company regularly publishes and disseminates.
- e) The Internal Code for conduct on the securities markets.
- f) The corporate governance reports.
- g) The documents related to Ordinary and Extraordinary General Meetings, with information regarding the agenda, proposals made by the Board of Directors, and any other relevant information that may be needed by shareholders to cast their votes, as well as any other documentation required by applicable legislation.
- h) The information regarding the conduct of General Meetings, in particular regarding attendance at the General Meeting at the time it was held, resolutions adopted stating the number of votes cast and the sense thereof for each of the proposals on the Agenda.
- i) The communications channels existing between the Company and the shareholders, in particular the pertinent explanations regarding exercise of the shareholders' information right, indicating the postal and e-mail addresses to which the shareholders may address them.
- j) The resources and procedures for granting proxies for the General Meeting.
- k) The resources and procedures for exercising remote voting, if applicable including those established to evidence attendance and voting by remote means at General Meetings.
- l) The material disclosures made to the National Securities Market Commission.

### **CHAPTER IV**

#### **THE COMPANY'S ECONOMIC AND ADMINISTRATIVE SCHEME**

#### **Article 36.- Financial Year.**

The financial year begins on the first of January and ends on 31 December.

#### **Article 37.- Annual Accounts and Statutory Auditors.**

1. The Board of Directors, within the term established by law, will prepare the Annual Accounts, the Management Report and the Proposal for Allocation of Profits and, if applicable, the consolidated Accounts and Management Report.

*(Free translation from the original in Spanish language)*

2. The Company's Annual Accounts and Management Report, as well as the consolidated Annual Accounts and Management Report, must be reviewed by the Statutory Auditors.

**Article 38.- Allocation of Profits.**

1. The General Meeting will decide upon the allocation of the profits for the financial year, in accordance with the approved Balance Sheet.
2. After covering the requirements established by law or the Articles, dividends may only be paid out of the profit for the financial year or unrestricted reserves, if net book value is not and will not become, as a result of the distribution, less than the company's capital. When there are losses from previous financial years causing the value of the net assets of the Company to be less than the company's capital, the profit will be used to offset these losses. In addition, profits may not be distributed unless the unrestricted reserves are at least equal to the amount of research and development expenses recorded under assets on the balance sheet. In any event, an unrestricted reserve must be set aside equal to the goodwill recorded under assets in the balance sheet. For this purpose, a part of the profit representing at least five percent (5%) of the said goodwill figure will be allocated. If there are no profits, or if they are insufficient, unrestricted reserves will be used.
3. The legal reserve will be constituted in accordance with the provisions of law. Another reserve also will be constituted by subtracting at least ten percent (10%) from profits, after reduction by taxes, until establishing a fund equivalent to at least twenty percent (20%) but not more than fifty percent (50%) of paid up capital to cover such allocations as may be resolved by the General Meeting. The General Meeting in addition may establish such voluntary reserves as it deems to be appropriate.

**Article 39.- Distribution of Profits.**

1. If there are distributable profits, the Company is required to resolve to distribute a minimum dividend if there are non-voting shares in accordance with the provisions of law or these Articles.
2. The net profits obtained by the Company in each financial year will be distributed among the shareholders in proportion to their shares, after covering the corporate obligations, the legal, articles and voluntary reserves, if any, and the emoluments of the Board of Directors, without prejudice to the provisions of section 1 above.
3. The General Meeting will determine the time and form of payment in the resolution to distribute dividends. The Board of Directors may resolve to distribute amounts on account of dividends, with the limitations and requirements established by law.

**Article 40.- Prescription of Dividends.**

Dividends for a financial year not received by a shareholder within five (5) years after the date indicated for payment will prescribe in favor of the Company.

**CHAPTER V**

**WINDING UP AND LIQUIDATION**

**Article 41.- Winding Up of Company.**

1. The winding up of the Company will occur in the cases indicated by law.

*(Free translation from the original in Spanish language)*

2. If the Company is to be wound up because the Company's assets have been reduced to an amount less than half of capital, the winding up may be avoided by way of a resolution to increase or reduce capital, in accordance with the provisions of law.

**Article 42.- Form of Liquidation.**

1. The General Shareholders Meeting having resolved to wind up the Company, the General Shareholders Meeting, on proposal of the Board, will open the liquidation period and appoint one or more liquidators, fixing the powers thereof. This appointment extinguishes the powers of the Board.
2. The General Meeting during the liquidation period will retain the same authority as during the normal life of the Company. In particular it will have the authority to approve accounts and the final liquidation balance sheet.

**Article 43.- Compensation of Liquidators.**

The General Meeting, when providing for appointment of the liquidators, will determine the fees or compensation they are to receive for their management.

**Article 44.- Liquidation Rules.**

1. Without prejudice to the provisions of law, on a general basis all shares (ordinary and non-voting) will be entitled to the same liquidation share, if any exists.
2. Notwithstanding the foregoing, the holders of non-voting shares will, on the terms set forth from time to time by applicable law, be entitled to receive repayment of the paid-up value, before any amount is distributed to the other shares in the event of liquidation of the Company, if the liquidation share of all shares is less than the paid-up value of the non-voting shares.
3. Otherwise the provisions of law regarding the matter will apply.

**CHAPTER VI  
REMITTANCE TO LAW**

**Article 45.- Remittance to Law**

For all matters not contemplated in these Articles the provisions of regulations applicable from time to time will be observed and applied.

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## SIX

**Amendment of the following articles of the General Shareholders Meeting Regulation to adapt them to the new wording of Capital Companies Act given by Act 31/2014 of 3 December 2014, and to make improvements and corrections of a purely technical, formal, systematic or grammatical nature: Article 1 (The General Meeting), Article 2 (Powers of the Board), Article 3 (Kinds of Meetings), Article 4 (Call), Article 5 (Publication of Call ), Article 6 (Shareholders' Right to Information Prior to Meeting), Article 7 ( Right of Attendance), Article 8 (Proxies), Article 9 ( Public Proxy Solicitation), Article 11 (Formal Requirements and Terms for Voting by Mail or Remote Electronic Means of Communication), Article 12 (Place of Meeting), Article 13 (Security and Logistics), Article 14 (Meeting Officers, Chairman and Secretary of the General Meeting), Article 15 (Required Presence of Notary), Article 17 (Quorum), Article 18 (Conduct of General Meeting), Article 19 ( Request for Information during General Meeting), Article 20 (Voting), Article 21 ( Scheme for Adoption of Resolutions), Article 23 ( Minutes of Meeting), Article 24 ( Publicity of Resolutions ), Article 25 (Dissemination of Meeting Regulation), Article 26 (Interpretation and Amendment), Article 27 (Approval and Effectiveness). Approval, if any, as a result of the above changes, a consolidated text of the General Shareholders Meeting Regulation.**

Amendment of the following articles of the General Shareholders Meeting Regulation, to adapt them to the new wording of the Capital Companies Act given by Act 31/2014 of 3 December 2014, and to make improvements and corrections of a purely technical, formal, systematic or grammatical nature, which shall read as follows:

### **Article 1. The General Meeting.**

The General Meeting is the supreme corporate authority. Its resolutions are binding on all shareholders.

### **Article 2. Powers of the Board.**

1. The following powers in particular are reserved to the General Meeting:
  - a) Approval of the annual accounts, the consolidated annual accounts, corporate management and allocation of profits.
  - b) Determination of the number of members of the Board of Directors.
  - c) Appointment and removal of Directors, as well as ratification of the Directors appointed by the Board of Directors by way of co-option.
  - d) Appointment, re-election and removal of the Statutory Auditors, as well as the liquidators.
  - e) Amendment of the Articles of Association.
  - f) Increase and reduction of the company's capital.
  - g) Disapplication or limitation of pre-emption rights.
  - h) Issuance of bonds and, in general, securities of any kind, including preferred shares.
  - i) Transformation, merger, splitup or bulk transfer of assets and liabilities and transfer of the registered office abroad.

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- j) Acquisition, disposition or contribution to another company of essential assets, as well as transfer to subsidiaries of essential activities theretofore undertaken by the Company, even if it maintains full ownership thereof.
  - k) Authorisation to the Board of Directors to increase capital, in accordance with law, and to issue bonds of any kind, and delegation to the Board of Directors of any other powers in accordance with law and the Articles.
  - l) Approval and amendment of the General Meeting Regulation, subject to the provisions of law and the Articles.
  - m) Annual approval of the compensation of the Board of Directors, in accordance with article 22 of the Articles of Association.
  - n) Approval of the compensation policy for Directors, in accordance with the provisions of applicable legislation and the Articles.
  - o) Authorisation of compensation of Directors consisting of delivery of shares or options on shares or compensation indexed to the value of the shares.
  - p) Winding-up and liquidation of the Company, as well as transactions the effect of which is equivalent to that of liquidation of the Company.
  - q) Approval of the final liquidation balance sheet.
  - r) The exercise of any other authority given to it by law or the Articles and being advised of or deciding any other matter the Board of Directors resolves to report to or have decided by the Meeting because it is of special relevance to the interests of the company.
2. The Meeting may not give instructions to the Board of Directors or submit adoption by it of resolutions regarding management matters to authorisation of the Meeting.
  3. The Board of Directors may interpret, correct, implement and develop the resolutions adopted by the General Meeting and appoint the persons that are to execute the corresponding public or private documents

### **Article 3. Kinds of Meetings**

1. General Shareholders' Meetings may be either Ordinary or Extraordinary.
2. The Ordinary General Meeting, which will necessarily meet within the first six months of each financial year, will be the one the purpose of which is, if applicable, to approve corporate management and the accounts for the preceding financial year and to resolve on allocation of profits, and to decide regarding any other matter appearing on the agenda.
3. The other Meetings held by the Company will be considered to be Extraordinary General Meetings.

### **Article 4. Call.**

1. The General Meetings will be called by the Board of Directors, which will establish the agenda therefor.  
The Board of Directors must call the Ordinary Meeting on the terms contemplated by law, and the Extraordinary Meeting whenever it has been requested through a notary by a number of shareholders holding at least three percent (3%) of capital. Under such circumstances the Board of Directors will call the Meeting to be held within the two (2) months following the date it is requested to do so through a notary, advising of this circumstance in the notice calling it, and will prepare an agenda that necessarily will include the matters included in the request.

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2. If the Ordinary or Extraordinary General Meeting is not called within the prescribed term, as contemplated in the preceding point, it may be called by the commercial judge having jurisdiction over the registered office, on the terms contemplated by law.

#### **Article 5. Publication of Call.**

1. The General Meetings, both Ordinary and Extraordinary, must be called by the Board of Directors by notice published in at least the following media: a) the Official Commercial Registry Gazette or one of the newspapers of broad circulation in Spain, b) the website of the National Securities Market Commission and c) the Company's website.

There must be a term of at least one month between the call and the date contemplated for holding the meeting. The date, if any, when the Meeting will be held on second call will be stated in the call. In this case, between the first and second meeting there must be a term of at least twenty-four (24) hours.

2. Shareholders representing at least three percent (3%) of capital may request the publication of a supplement to the call of the ordinary General Meeting, including one or more points on the agenda, provided that the new points are accompanied by an explanation or, if applicable, an explained proposed resolution. That right may in no case be exercised in respect of the call of Extraordinary General Meetings. Exercise of this right must be by certifiable notice, which must be received at the registered office within the five (5) days following publication of the call. The supplement to the call must be published at least fifteen (15) days before the scheduled Meeting date.
3. Shareholders representing at least three percent (3%) of capital may, within the same term as indicated in section 2 above, present supported proposed resolutions regarding matters already included or that should be included on the agenda for the Meeting called. The Company will see to dissemination of these proposed resolutions and such documentation as may be attached thereto to the other shareholders, in accordance with the provisions of article 6.6 of this Regulation.
4. The notice of call will state the name of the Company, the place, date and time of the meeting on first and, if applicable, on second call, the agenda for the meeting (which will include the matters to be considered), the position of the person or persons issuing the call, the date a shareholder must have shares registered in its name in order to be able to participate and vote in the General Meeting, and the other requirements imposed by law, the Articles and this Regulation.
5. The notice of call of the General Meeting will state the right of the shareholders to obtain, from the date of its publication, immediately and without charge, the documentation required by law and the Articles of Association, and the address of the Company's website on which the information will be available.  
It also will include the necessary details on the Shareholder Services Office, indicating the telephone numbers, email address, offices and hours they are open.  
In addition, the notice will contain clear and accurate information on the steps shareholders must take to participate and cast votes in the General Meeting, in particular including the matters contemplated in the applicable regulations regarding procedures for remote or proxy voting.

#### **Article 6. Shareholders' Right to Information Prior to Meeting.**

*(Free translation from the original in Spanish language)*

1. The shareholders, in writing, until the fifth (5th) day prior to the day set for the Meeting, may request information or clarifications, or pose questions regarding the matters included on the agenda and the public information provided by the Company to the National Securities Market Commission since the holding of the most recent General Meeting, and regarding the auditor's report.  
Valid requests for information or clarification or questions made in writing, and the Directors' answers provided in writing, will be included on the Company's website.
2. The information requested pursuant to the provisions of this article will be provided to the one requesting it by the Board of Directors or, by its delegation, by any of its members authorised to do so, by the Chief Executive Officer, by Its Secretary or by any employee or expert in the subject matter. The information will be provided in writing, within the term up to the day the General Meeting is held, through the Shareholder Services Office.
3. Nonetheless, the information requested may be denied in the cases contemplated in article 19.3 of this Regulation.
4. The person making the request must prove his identity in the case of a written request by means of a photocopy of his National Identity Document or Passport and, in the case of legal persons, a document that sufficiently proves his representative capacity.  
In addition the person making the request must prove his status as a shareholder or provide sufficient details (number of shares, custodian, etc.) to allow verification by the Company.
5. If the right to information is exercised by way of electronic correspondence or other online means of communication, a procedure similar to the one contemplated in article 11.2 of this Regulation will be used and the identity of the shareholder will be shown subject to the same requirements as established in the aforesaid article 11.2.
6. From the date of publication of the notice of call until the General Meeting is held, the following will be included on the Company's website, without interruption, in addition to any other required documentation:
  - a) The notice of call.
  - b) The total number of shares and voting rights on the date of the call, broken down by classes of shares, if any.
  - c) The documents that must be presented to the General Meeting, in particular the reports of administrators, statutory auditors and independent experts.
  - d) The complete texts of the proposed resolutions regarding each and every one of the points on the agenda or, as regards those points that are of a merely informative nature, a report of the competent bodies, commenting on each of those points. To the extent they have been received, proposed resolutions presented by shareholders also will be included.
  - e) In the event of appointment, ratification or re-election of members of the Board of Directors, the identity, résumé and category to which each of them belongs, as well as the required proposals and reports of the Appointment and Remuneration Committee. In the case of a legal person, the information must include information on the individual that is to be appointed for permanent exercise of the functions inherent in the position.
  - f) The forms that must be used for proxy and remote voting.

The documentation contemplated in a), c), d) and e) above also will be communicated to the National Securities Market Commission.

*(Free translation from the original in Spanish language)*

The publication of the proposed resolutions will not exclude their modification prior to the General Meeting, if legally possible.

7. Upon call of the General Meeting, to the extent provided by applicable legislation, and on the terms upon which the legislation is technically and legally developed, on the Company's website there will be an Electronic Shareholder Forum, which may be accessed with the due guarantees by both individual shareholders and such voluntary associations as may be established, in order to facilitate their communication prior to the holding of General Meetings. Any supplementary proposals to the agenda announced in the notice of the general meeting may be posted on the Forum, together with requests for support for such proposals, initiatives to reach the percentage required to exercise statutory non-controlling shareholder rights and any offers or requests to act as a voluntary proxy. The Board of Directors of the Company will set the rules that from time to time will govern the functioning of the Forum established for the General Meeting, which will be publicised on the website.

#### **Article 7. Right of Attendance.**

1. Those holding at least sixty (60) shares may attend General Shareholders Meetings, provided that, five (5) days prior to the day the meeting is to be held, they are registered in the corresponding books and remain so until the meeting is held.  
The holders of a smaller number of shares may group together to reach sixty (60) shares, appointing their representative.
2. To exercise the right of attendance, a shareholder must be previously authorised by way of the corresponding attendance card issued by any of the affiliated participants in Iberclear, or in any other manner permitted by applicable legislation.
3. The Board of Directors will attend the Meeting, and the Officers, Managers and Technicians of the Company and the companies in which it holds interests may attend, as may any other person whose attendance is authorised by the Chairman of the Meeting, without prejudice to the right of the Meeting to revoke that authorisation.  
Nonetheless the attendance of the Board of Directors will not be required for the establishment of a quorum for the Meeting.
4. For purposes of showing the identity of the shareholders, or those validly representing them, at the entry to the premises where the General Meeting is held the National Identity Document or any other generally-accepted official document may be requested, together with presentation of the attendance card.  
Legal persons will act through those legally representing them, , which representation must be evidenced.

#### **Article 8. Proxies**

1. A shareholder may grant a proxy to another person. The proxy will be specific to the Meeting in question. A proxy will be evidenced in any of the following documents, in all cases with a handwritten signature: (i) the attendance card issued by the custodians participating in Iberclear, (ii) a letter or (iii) the standard form made available by the Company for these purposes to the shareholders.  
The document evidencing the proxy must contain or attach the agenda.

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2. When the representative is the spouse, ascendant or descendent of the represented shareholder, or when the representative has a general power of attorney granted in a public document with authority to manage all property the represented shareholder has in the country, it will not be necessary for the proxy to be granted specifically for a given Meeting, or for the proxy to be evidenced by a handwritten signature on one of the documents contemplated in the first section of this article. However, the representative must attach the attendance card issued by the custodian participants in Iberclear in favour of the represented shareholder.
3. If a proxy is extended in favour of the Board of Directors, or if the proxy does not state the name of the person to which the proxy is granted, it will be understood to have been granted to the Chairman of the Board of Directors, or, if applicable, to the person chairing the General Meeting.
4. If the represented shareholder has not given voting instructions, it will be understood that the representative may vote in the sense it deems to be most appropriate to the interests of the shareholder.
5. If the appointed representative is in a conflict of interests in voting on any of the proposals that, whether or not on the Agenda, are submitted for approval of the General Meeting, and the represented shareholder has not given precise voting instructions, the representative must refrain from voting on the matters that, having a conflict of interest, it is to vote on on behalf of the shareholder.  
Without prejudice to the foregoing, if the designated representative is the Chairman of the Board or any member of the Board of Directors, is in a conflict of interests and has not received precise voting instructions, it will be replaced as representative by the Secretary of the Board of Directors.  
If the Secretary also is in a conflict of interests, it must refrain from voting on the matters that, having a conflict of interest, it is to vote on on behalf of the shareholder.
6. A proxy granted to one who by law cannot act as such will not be valid or effective.
7. A proxy also may be granted by remote electronic means of communication. For this purpose the procedure contemplated in article 11.2 of this Regulation will be used, to the extent not incompatible with the nature of a proxy. The identity of the shareholder will be shown subject to the same requirements as established in the aforesaid article 11.2, with the term established in article 11.3 of this Regulation also being applicable to valid receipt of the proxy. For identification of the representative appointed by the shareholder, the identifying information required for such purposes must be entered in the electronic form.
8. Proxies are always revocable, and considered to be revoked by casting a remote vote or personal attendance at the Meeting by the represented shareholder.
9. The representative may represent more than one shareholder, with no limit regarding the number of shareholders represented. When a representative represents multiple shareholders, it may cast conflicting votes based on the instructions given by each shareholder.
10. In any event, the number of represented shares will be used in the calculation of a quorum for the Meeting.
11. The Board of Directors is authorised to develop the foregoing provisions, establishing the rules, resources and procedures appropriate to the state of the art to implement voting and grant of proxies using electronic means, if applicable in compliance with the rules issued in this regard and the Articles of Association.

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In particular, the Board of Directors may (i) regulate the use of guarantees of electronic signatures for the grant of proxies by electronic correspondence and (ii) reduce the advance term established above for receipt by the Company of proxies granted by mail or email.

12. The Chairman and the Secretary of the General Meeting will have the broadest authority to accept the validity of the document or form of evidencing representation.
13. Also, entities having status as shareholders, by virtue of the share registry records, that act on behalf of multiple persons may, in any event, divide votes and exercise them in different senses, in compliance with differing voting instructions, if they have received them.

The intermediary entities referred to in the preceding paragraph may grant proxies to each of the indirect holders or the third parties designated by them, with no limitation on the number of proxies granted.

### **Article 9. Public Proxy Solicitation**

1. A public proxy solicitation in all cases must be made in accordance with the rules in effect from time to time.
2. In addition to complying with the duties provided for that purpose by law, if a proxy is granted in response to a public solicitation and the represented shareholder has not given voting instructions, it will be understood that the proxy (i) refers to all points on the Agenda for the General Meeting, (ii) requires a favourable vote on all resolutions proposed by the Board of Directors and (iii) also extends to such matters as may arise apart from the agenda, in respect of which the representative will vote in the sense it deems to be most appropriate to the interests of the shareholder. If the Director is in a conflict of interests in voting on any of the proposals, whether or not on the Agenda, the provisions of article 8.5 of this Regulation will apply.

In any event, a Director will be deemed to have a conflict of interests in respect of the following decisions:

- His appointment, re-election or ratification as a Director.
- His removal, withdrawal or dismissal as a Director.
- Exercise of the corporate action for liability against the Director.
- Approval or ratification, when applicable, of transactions of the Company with the Director in question, companies controlled thereby or persons representing or acting on behalf thereof.

### **Article 11. Formal Requirements and Terms for Voting by Mail or Remote Electronic Means of Communication.**

1. Voting by mail:
  - a) To cast votes by mail shareholders must complete and sign a standard form to be provided by the Company for these purposes, which will include the information necessary to evidence status as a shareholder, the signature of the shareholder being required to be attested by a notary or acknowledged by a custodian participating in Iberclear or shown by other means considered to be sufficient by the Board of Directors. In the case of legal persons, the form must be accompanied by the corresponding document sufficiently showing the representative capacity in which the signatory acts.

*(Free translation from the original in Spanish language)*

- b) The form will be available on the Company's website from the date of publication of the notice of call of the General Meeting. Also, shareholders so wishing may, from the date of publication of the notice of call of the General Meeting, through the Shareholder Services Office, request that the aforesaid form be sent by mail.
    - c) The shareholder must send the duly completed form to the Company, for processing and computation.
  2. Voting by way of remote electronic means of communication:
    - a) To cast a vote by remote electronic means of communication, shareholders must complete a standard form to be provided by the Company for these purposes, which will include the information necessary to evidence status as a shareholder.
    - b) The form will be available on the Company's website from the date of publication of the notice of call of the General Meeting.
    - c) The shareholder must send the duly completed form to the Company, for processing and computation, by way of an electronic document that must include a recognised electronic signature, used by the shareholder, or another kind of electronic signature that the Board of Directors, based on the state of the art and the legal rules applicable from time to time, has declared to be sufficient by prior resolution adopted for that purpose, because it has adequate guarantees of authenticity and identification of the shareholder exercising its voting right.
  3. A vote cast by any of the means contemplated in preceding sections 11.1 and 11.2 must be in the possession of the Company, at its headquarters, at least twenty-four (24) hours in advance of the time contemplated for holding the General Meeting on first call. Otherwise, the vote will be deemed not to have been cast. The Board of Directors in the call of each General Meeting may specify a shorter advance term.
  4. It is the shareholder that must, if applicable, show that the vote was received by the Company within the indicated term and it complied with all requirements established for that purpose.
  5. The casting by a shareholder of a remote vote will result in prior proxies issued by the shareholder being deemed to be revoked, and those granted subsequently being taken as not having been granted. A vote cast remotely will be of no effect if the shares the ownership of which gave the transferor voting rights are transferred, when that resulted in the appropriate registration in the accounting book entry record, at least five (5) days in advance of the holding of the Meeting, if the new holder of the shares exercises its voting right.
  6. The Board of Directors is authorised to develop the foregoing provisions, establishing the rules, resources and procedures appropriate to the state of the art to implement voting and grant of proxies using electronic means, if applicable in compliance with the rules issued in this regard and the Articles of Association.

In particular, the Board of Directors may (i) regulate the use of alternative guarantees of electronic signatures for the casting of electronic votes and (ii) reduce the advance term established above for receipt by the Company of votes cast by mail or email.
  7. In any event, the Board of Directors will adopt the measures necessary to avoid possible duplication and ensure that one voting or granting a proxy by mail or electronically is duly authorised to do so in accordance with the provisions of the Articles of Association and this Regulation.
  8. The procedural rules adopted by the Board of Directors by virtue of the provisions of this section will be published on the Company's website.

*(Free translation from the original in Spanish language)*

**Article 12. Place of Meeting.**

1. General Meetings will be held in the location where the Company has its registered office, or the place resolved by the Board of Directors as provided in the Articles of Association, in the place and on the date indicated in the call. Sessions of the General Meeting may be postponed for one or more consecutive days on proposal of the General Meeting Officers, or on request of a number of shareholders representing at least one fourth of capital, present at the Meeting.
2. By way of exception, if anything occurs that substantially changes the proper order of the General Meeting, or there are other extraordinary circumstances preventing normal conduct thereof, the Chairman of the Board may order suspension thereof for such time as may be necessary to re-establish conditions permitting its continuation. If such circumstances persist the Meeting Officers will propose postponement of the General Meeting to the following day, as contemplated in the preceding paragraph.

**Article 13. Security and Logistics.**

1. To ensure security and order in the conduct of the General Meeting, surveillance and protection measures will be established, including systems for control of access and the measures required to guarantee security, good order and conduct of the meeting.
2. There may be provisions for direct retransmission of the Meeting, audio-visual recording thereof, presence of the media and, in general, such measures as may contribute to publicity of the General Meeting.

**Article 14. Meeting Officers, Chairman and Secretary of the General Meeting.**

1. The General Meeting Officers will be the Chairman and the Secretary of the General Meeting, as well as any members of the Board of Directors who may be in attendance.
2. The General Meeting will be chaired by the person, if any, determined by the Board of Directors. In the absence of a specific decision by the Board, the Meeting will be chaired by the Chairman of the Board of Directors. In his absence, if any, it will be chaired by the Deputy Chairman, and in the absence of both, by the attending Director with greatest seniority in the position and, in the absence of all of them, by the shareholder in each case chosen by the shareholders attending the meeting.
3. The Secretary of the Board of Directors of the Company or, in his absence, if any, the Deputy Secretary of the Board of Directors and, in his absence, the person chosen by the shareholders attending the Meeting will act as Secretary of the General Meeting.
4. It is the duty of the Chairman to open the meeting when a quorum is present; direct the discussion and establish the order of speakers; terminate discussions when a matter is deemed to have been sufficiently discussed; set time limits for speeches and, optionally, bring the debate to an end in respect of the resolution in question; set the order of voting; decide any questions that may be raised about the agenda; and, in general, exercise the powers vested in the office of Chairman to ensure that the meeting is conducted in an orderly manner, where necessary interpreting the provisions of this Regulation, with the assistance of the Secretary.

**Article 15. Required Presence of Notary**

*(Free translation from the original in Spanish language)*

1. The Board of Directors may require the presence of a notary to prepare the Minutes of the Meeting, and will be required to do so if, five (5) days in advance of the date set for holding the General Meeting shareholders representing at least one percent (1%) of capital so request.
2. When the Meeting is held without having required the presence of a notary, references made thereto in this Regulation will be understood to be made to the Secretary of the Board.

#### **Article 16. List of Attendees**

1. At least a half-hour in advance of the time set in the call of the General Meeting, unless otherwise indicated in that notice, the shareholders and representatives will be given access to the facilities at the indicated place, in order for the Meeting organisation services to verify the attendance cards and proxies and, if applicable, the documents evidencing them.
2. Shareholders or their representatives who arrive late, once the doors have been closed, may enter the hall if the Company so decides, but under no circumstances may they be included in the attendance list nor may they vote.
3. The list of attendees will be prepared before commencing deliberation of matters on the agenda.
4. The Secretary of the General Meeting is responsible for preparing the list of attendees, subject to the judgment of the Chairman regarding recognition and admission of the shareholders to the General Meeting, as well as regarding admission of the votes cast by mail and electronic means and the representation of shareholders. For preparation of the list, the Secretary of the Board will have the assistance of the organisation services of the Company.
5. The list of attendees will be made available to the shareholders so requesting at the beginning of the General Meeting.
6. The list of those attending will be attached to the minutes of the General Meeting, as an annex signed by the Secretary with the approval of the Chairman.
7. The list of those attending may also be prepared as a file or placed on computer media. In these cases, the media used will be stated in the minutes, and the sealed cover of the file or media will bear the relevant identification note signed by the Secretary with the approval of the Chairman.

#### **Article 17. Quorum**

1. The quorum, on first call, for both Ordinary and Extraordinary General Meetings will be the presence in person or by proxy of shareholders holding at least twenty-five percent (25%) of the subscribed voting capital. On second call, the Meeting will be validly constituted whatever the percentage of capital in attendance.
2. The quorum, on first call, for resolutions of the Ordinary or Extraordinary General Meeting authorising the issue of bonds, increase or reduction of capital, transformation, merger, splitup or bulk assignment of assets and liabilities, transfer of domicile abroad, disapplication or limitation of pre-emption rights for new shares and, in general, any amendment of the Articles of Association, will be the presence in person or by proxy of shareholders owning at least fifty percent (50%) of the subscribed voting capital.

*(Free translation from the original in Spanish language)*

On second call, the presence of twenty-five percent (25%) of the said capital will be sufficient.

3. If the required capital is not in attendance on first call, the Meeting will be held on second call.
4. Shareholders who cast remote votes will be treated for purposes of constitution of a quorum for the General Meeting as being present, this Regulation being applicable as regards the requirements and guarantees imposed for their validity.
5. For purposes of determining the quorum for the General Meeting as provided by law, treasury shares of the Company will be included within capital for purposes of calculating the amounts necessary for establishment of a quorum and adoption of resolutions, although the exercise of voting rights and other political rights incorporated in the treasury shares of the Company will be in suspense.
6. Before considering the agenda, the Secretary will report the number of shareholders in attendance, both in person and by proxy, the number of shares, the nominal amount of capital and the percentage thereof present in person and by proxy.
7. This information having been publicly disclosed, the Chairman will declare the General Shareholders Meeting to have been duly and validly constituted, on first or second call, as applicable.
8. Shareholders present may state to the notary, for due reflection in the minutes of the Meeting, any reservation or protest they may have regarding the quorum for the Meeting or the general details of the list of attendees that have been read in public.

#### **Article 18. Conduct of General Meeting**

1. After such reports and communications to the Meeting as the Chair deems to be appropriate, presentations of shareholders regarding matters on the agenda will begin.
2. Shareholders wishing to speak at the Meeting will identify themselves to the notary or, at the direction of the notary, to the personnel assisting the notary, stating their names, the number of shares they hold and those they represent and the points of the agenda in respect of which they will speak. If they intend to request that their presentation be reflected literally in the minutes of the Meeting, they must deliver it in writing, at that time, to the notary, so that the notary will be in a position to check the shareholder's presentation against the written version when the presentation is made.
3. Once the Chairman or Secretary has the list of shareholders wishing to participate, and before the voting on the matters on the agenda, the presentations of shareholders will begin, with the shareholders appearing in the order in which they are called.
4. Considering the number of such requests and other circumstances, the Chairman will decide how much time to allocate to each speaker, each speaker being given the same amount of time.

The Chairman has the right to allow shareholders to speak beyond their allotted time or cut their presentations short; to take such measures or decisions as may be necessary in order to maintain or re-establish order at the General Meeting when participants flout the rules or abuse their rights; and, for the benefit of the General Meeting as a whole, even to ask unruly members to leave the premises and, if necessary, take the necessary steps to ensure that they do so.

#### **Article 19. Request for Information during General Meeting**

*(Free translation from the original in Spanish language)*

1. When it is their turn to speak, shareholders may verbally request such information or clarifications as they deem to be appropriate regarding the matters on the agenda as well as on the information available to the public that has been provided by the company to the National Securities Market Commission since the last General Meeting, and on the auditor's report.
2. The administrators will be required to provide the requested information, unless it is not available at the Meeting, in which case the administrators will be required to provide the information in writing within the seven (7) days following the end of the Meeting, without prejudice to the provisions of the following section.
3. Information need not be delivered when it is not necessary for the protection of the rights of the shareholder, or there are objective reasons to believe that it could be used other than for corporate purposes, or its disclosure would harm the Company or related companies. The request for information may not be refused for this reason if it is supported by shareholders representing at least twenty-five per cent (25%) of capital.  
Also, when, prior to the request, the information requested is available in a clear, express and direct manner to all shareholders on the Company's website in question and answer format, the administrators may limit their answer to remitting to the information provided in that format.
4. The information or clarification requested of members of the Board will be provided by the Chairman, by the Chief Executive Officer, by the Secretary or, on direction of the Chairman, by a Director, by the Chairman of the Audit Committee or by any employee or expert in the subject matter.
5. The Chairman will decide the order of responses to shareholders and whether they will be given after each presentation, or collectively after the last of the presentations. Shareholders have no right of reply, unless the Chairman grants it based on the importance of the matter.

#### **Article 20. Voting**

1. Once all shareholder questions and comments have concluded and answers have been provided as contemplated in this Regulation, the shareholders will vote on the resolutions proposed on the matters on the agenda, and such others as are not required by law to be included thereon.
2. The reading of proposed resolutions by the Secretary of the Meeting may be dispensed with, resumed or provided in extracted form, in the discretion of the Chairman, absent express opposition of shareholders representing at least one percent (1%) of capital.
3. Full reading of proposals will however be necessary if the text thereof has not been made available to shareholders at least fifteen days before the date set for holding the Meeting, on the terms set forth in this Regulation.
4. If any of the proposals made available or provided to the shareholders was modified by the Board of Directors, the aforesaid modification must be read before voting on the proposal.
5. Those matters that are substantially independent of each other must be voted on separately. In any event, the following must be voted on separately:
  - a) the appointment, ratification, re-election or separation of each Director, and
  - b) when amending the Articles of Association, each section or group of articles that are independent of the others.

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6. The voting on proposals will be made, as regards votes cast at the Meeting, in accordance with the following procedure:
  - a) When dealing with resolutions proposed by the Board of Directors, regarding matters included on the agenda:
    - (i) the votes corresponding to all shares physically present at the Meeting and represented (absent other instructions from the represented shareholder), plus affirmative votes cast remotely will be treated as votes in favour of the proposal.
    - (ii) the votes corresponding to shares the holders of or representatives for which state that they vote against, by communication or statement of their vote to the notary at the Meeting, for reflection in the minutes, as well as negative votes cast remotely will be treated as votes against the proposal.
  - b) When dealing with resolutions proposed other than by the Board of Directors, on matters included on the agenda:
    - (i) the votes corresponding to all shares physically present at the Meeting and represented (absent other instructions from the represented shareholder), plus negative votes cast remotely will be treated as votes against the proposal.
    - (ii) the votes corresponding to shares the holders of or proxies for which state that they vote in favour, by communication or statement of their vote to the notary at the Meeting, for reflection in the minutes, plus affirmative votes cast remotely will be treated as votes in favour of the proposal.
  - c) In the case of proposed resolutions regarding matters not included on the agenda, the same scheme as established in b) above (excluding the reference to votes cast remotely) will be used.
7. Blank votes and abstentions also must be communicated to the notary for reflection in the minutes.
8. However, by decision of the Meeting Officers, other voting schemes may be established for the adoption of resolutions that allow evidencing the sense of votes and reflection of the results of voting in the minutes.
9. In any event, the proposed resolutions prepared by the Board of Directors will be voted on first. Once a proposed resolution is approved, the others in respect of to the same matter will fail, without, therefore, proceeding to vote on them.
10. Division of votes will be permitted so that entities having status as shareholders, by virtue of the share registry records, that act on behalf of multiple persons may, in any event, cast votes in different senses, in compliance with differing voting instructions, if they have received them. In particular, division of votes will be permitted by a custodian of shares issued by the Company within the framework of a programme of American Depositary Shares (ADS) represented by American Depositary Receipts (ADRs).

## **Article 21. Scheme for Adoption of Resolutions**

1. The General Meeting, whether ordinary or extraordinary, will adopt its resolutions with the majorities of votes present in person or by proxy as required by the Articles of Association or by law. Each share with a right to vote, present in person or by proxy at the General Meeting, gives the right to one vote.

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2. Corporate resolutions will be adopted by simple majority of the votes of shareholders present at the Meeting in person or by proxy, a resolution being understood to have been adopted when it obtains more favourable than unfavourable votes.
3. Without prejudice to the provisions of law, the favourable vote of the absolute majority of the voting shares present in person or by proxy at the General Meeting of shareholders will be required if the capital present in person or by proxy is more than fifty percent (50%), or the favourable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent twenty-five percent (25%) or more of the subscribed voting capital without reaching fifty percent (50%), for approval of the following matters:
  - a. Articles amendments, including increase or reduction of capital, unless the law otherwise provides.
  - b. Issuance of bonds.
  - c. Transformation, merger or splitup in any of their forms, as well as bulk assignment of assets and liabilities and transfer of the Company's registered office abroad.
  - d. Disapplication or limitation of pre-emption rights for new shares.

#### **Article 23. Minutes of Meeting**

1. If the Board of Directors has appointed a notary to prepare the minutes of the meeting, the notarial minutes will be considered to be an act of the Board, and its approval thereof will not be necessary.
2. Otherwise the Secretary of the Meeting will prepare minutes of the meeting, which will be entered in the Minute Book, and may be approved by the Meeting at the end thereof or, if not, within the term of fifteen (15) days, by the Chairman of the Meeting and two (2) participants, proposed by the Meeting Officers, one representing the majority and the other the minority. The minutes will be signed by the Secretary with the approval of the Chairman.

#### **Article 24. Publicity of Resolutions**

Without prejudice to registration of registrable resolutions in the Commercial Registry and such legal provisions regarding publicity of corporate resolutions as may be applicable, on the same day as the holding of the Meeting or the immediately following business day the Company will send the text of the approved resolutions to the National Securities Market Commission, by way of the corresponding material disclosure. The full text of the resolutions and results of votes will be published on the Company's website within the five (5) days following the end of the Meeting.

#### **Article 25. Dissemination of Meeting Regulation**

The Board of Directors will adopt the measures necessary to ensure dissemination of this Regulation among the shareholders, by communicating it to the National Securities

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Market Commission, registering it in the Commercial Registry and publishing it on the Company's website.

#### **Article 26. Interpretation and Amendment**

1. This Regulation completes and develops the provisions of the Articles of Association regarding the General Meeting. It therefore must be interpreted by the Board of Directors consistently with the Articles and the applicable legal provisions. Such doubts as may arise during the holding of the General Meeting regarding interpretation of this Regulation will be resolved by the Chairman of the Meeting with the assistance of the Secretary of the Meeting.
2. Any amendment of this Regulation must be approved by the General Meeting, meeting with the quorum under article 17.1 above, with the required report of the administrators or shareholders making the amendment proposal, explaining it.

#### **Article 27. Approval and Effectiveness**

This Regulation will apply once it is approved by the General Shareholders Meeting of the Company, communicated to the National Securities Market Commission and registered in the Commercial Registry.

The effectiveness of these amendments is conditional upon the approval of the amendments to the Bylaws proposed in item five on the agenda of this General Meeting and their registration in the Companies Register.

To approve the following consolidated text of the Regulation of the General Meeting of Shareholders, solely for the purposes of including the articles that have been amended in this resolution and ensuring that all the provisions of the Regulation of the General Meeting of Shareholders are incorporated into a single public document:

### **GENERAL MEETING REGULATION OF PROMOTORA DE INFORMACIONES, S.A. (PRISA)**

#### **Article 1. The General Meeting.**

The General Meeting is the supreme corporate authority. Its resolutions are binding on all shareholders.

#### **Article 2. Powers of the Board.**

1. The following powers in particular are reserved to the General Meeting:
  - a) Approval of the annual accounts, the consolidated annual accounts, corporate management and allocation of profits.
  - b) Determination of the number of members of the Board of Directors.
  - c) Appointment and removal of Directors, as well as ratification of the Directors appointed by the Board of Directors by way of co-option.
  - d) Appointment, re-election and removal of the Statutory Auditors, as well as the liquidators.

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- e) Amendment of the Articles of Association.
  - f) Increase and reduction of the company's capital.
  - g) Disapplication or limitation of pre-emption rights.
  - h) Issuance of bonds and, in general, securities of any kind, including preferred shares.
  - i) Transformation, merger, splitup or bulk transfer of assets and liabilities and transfer of the registered office abroad.
  - j) Acquisition, disposition or contribution to another company of essential assets, as well as transfer to subsidiaries of essential activities theretofore undertaken by the Company, even if it maintains full ownership thereof.
  - k) Authorisation to the Board of Directors to increase capital, in accordance with law, and to issue bonds of any kind, and delegation to the Board of Directors of any other powers in accordance with law and the Articles.
  - l) Approval and amendment of the General Meeting Regulation, subject to the provisions of law and the Articles.
  - m) Annual approval of the compensation of the Board of Directors, in accordance with article 22 of the Articles of Association.
  - n) Approval of the compensation policy for Directors, in accordance with the provisions of applicable legislation and the Articles.
  - o) Authorisation of compensation of Directors consisting of delivery of shares or options on shares or compensation indexed to the value of the shares.
  - p) Winding-up and liquidation of the Company, as well as transactions the effect of which is equivalent to that of liquidation of the Company.
  - q) Approval of the final liquidation balance sheet.
  - r) The exercise of any other authority given to it by law or the Articles and being advised of or deciding any other matter the Board of Directors resolves to report to or have decided by the Meeting because it is of special relevance to the interests of the company.
2. The Meeting may not give instructions to the Board of Directors or submit adoption by it of resolutions regarding management matters to authorisation of the Meeting.

3. The Board of Directors may interpret, correct, implement and develop the resolutions adopted by the General Meeting and appoint the persons that are to execute the corresponding public or private documents

### **Article 3. Kinds of Meetings**

- 1. General Shareholders' Meetings may be either Ordinary or Extraordinary.
- 2. The Ordinary General Meeting, which will necessarily meet within the first six months of each financial year, will be the one the purpose of which is, if applicable, to approve corporate management and the accounts for the preceding financial year and to resolve on allocation of profits, and to decide regarding any other matter appearing on the agenda.
- 3. The other Meetings held by the Company will be considered to be Extraordinary General Meetings.

### **Article 4. Call.**

- 1. The General Meetings will be called by the Board of Directors, which will establish the agenda therefor.

The Board of Directors must call the Ordinary Meeting on the terms contemplated by law, and the Extraordinary Meeting whenever it has been requested through a notary by a number of shareholders holding at least three percent (3%) of capital. Under such circumstances the Board of Directors will call the Meeting to be held within the two (2) months following the date it is

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requested to do so through a notary, advising of this circumstance in the notice calling it, and will prepare an agenda that necessarily will include the matters included in the request.

2. If the Ordinary or Extraordinary General Meeting is not called within the prescribed term, as contemplated in the preceding point, it may be called by the commercial judge having jurisdiction over the registered office, on the terms contemplated by law.

#### **Article 5. Publication of Call.**

1. The General Meetings, both Ordinary and Extraordinary, must be called by the Board of Directors by notice published in at least the following media: a) the Official Commercial Registry Gazette or one of the newspapers of broad circulation in Spain, b) the website of the National Securities Market Commission and c) the Company's website.

There must be a term of at least one month between the call and the date contemplated for holding the meeting. The date, if any, when the Meeting will be held on second call will be stated in the call. In this case, between the first and second meeting there must be a term of at least twenty-four (24) hours.

2. Shareholders representing at least three percent (3%) of capital may request the publication of a supplement to the call of the ordinary General Meeting, including one or more points on the agenda, provided that the new points are accompanied by an explanation or, if applicable, an explained proposed resolution. That right may in no case be exercised in respect of the call of Extraordinary General Meetings. Exercise of this right must be by certifiable notice, which must be received at the registered office within the five (5) days following publication of the call. The supplement to the call must be published at least fifteen (15) days before the scheduled Meeting date.

3. Shareholders representing at least three percent (3%) of capital may, within the same term as indicated in section 2 above, present supported proposed resolutions regarding matters already included or that should be included on the agenda for the Meeting called. The Company will see to dissemination of these proposed resolutions and such documentation as may be attached thereto to the other shareholders, in accordance with the provisions of article 6.6 of this Regulation.

4. The notice of call will state the name of the Company, the place, date and time of the meeting on first and, if applicable, on second call, the agenda for the meeting (which will include the matters to be considered), the position of the person or persons issuing the call, the date a shareholder must have shares registered in its name in order to be able to participate and vote in the General Meeting, and the other requirements imposed by law, the Articles and this Regulation.

5. The notice of call of the General Meeting will state the right of the shareholders to obtain, from the date of its publication, immediately and without charge, the documentation required by law and the Articles of Association, and the address of the Company's website on which the information will be available.

It also will include the necessary details on the Shareholder Services Office, indicating the telephone numbers, email address, offices and hours they are open.

In addition, the notice will contain clear and accurate information on the steps shareholders must take to participate and cast votes in the General Meeting, in particular including the matters contemplated in the applicable regulations regarding procedures for remote or proxy voting.

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## **Article 6. Shareholders' Right to Information Prior to Meeting.**

1. The shareholders, in writing, until the fifth (5th) day prior to the day set for the Meeting, may request information or clarifications, or pose questions regarding the matters included on the agenda and the public information provided by the Company to the National Securities Market Commission since the holding of the most recent General Meeting, and regarding the auditor's report.

Valid requests for information or clarification or questions made in writing, and the Directors' answers provided in writing, will be included on the Company's website.

2. The information requested pursuant to the provisions of this article will be provided to the one requesting it by the Board of Directors or, by its delegation, by any of its members authorised to do so, by the Chief Executive Officer, by Its Secretary or by any employee or expert in the subject matter. The information will be provided in writing, within the term up to the day the General Meeting is held, through the Shareholder Services Office.

3. Nonetheless, the information requested may be denied in the cases contemplated in article 19.3 of this Regulation.

4. The person making the request must prove his identity in the case of a written request by means of a photocopy of his National Identity Document or Passport and, in the case of legal persons, a document that sufficiently proves his representative capacity.

In addition the person making the request must prove his status as a shareholder or provide sufficient details (number of shares, custodian, etc.) to allow verification by the Company.

5. If the right to information is exercised by way of electronic correspondence or other online means of communication, a procedure similar to the one contemplated in article 11.2 of this Regulation will be used and the identity of the shareholder will be shown subject to the same requirements as established in the aforesaid article 11.2.

6. From the date of publication of the notice of call until the General Meeting is held, the following will be included on the Company's website, without interruption, in addition to any other required documentation:

- a) The notice of call.
- b) The total number of shares and voting rights on the date of the call, broken down by classes of shares, if any.
- c) The documents that must be presented to the General Meeting, in particular the reports of administrators, statutory auditors and independent experts.
- d) The complete texts of the proposed resolutions regarding each and every one of the points on the agenda or, as regards those points that are of a merely informative nature, a report of the competent bodies, commenting on each of those points. To the extent they have been received, proposed resolutions presented by shareholders also will be included.
- e) In the event of appointment, ratification or re-election of members of the Board of Directors, the identity, résumé and category to which each of them belongs, as well as the required proposals and reports of the Appointment and Remuneration Committee. In the case of

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a legal person, the information must include information on the individual that is to be appointed for permanent exercise of the functions inherent in the position.

f) The forms that must be used for proxy and remote voting.

The documentation contemplated in a), c), d) and e) above also will be communicated to the National Securities Market Commission.

The publication of the proposed resolutions will not exclude their modification prior to the General Meeting, if legally possible.

7. Upon call of the General Meeting, to the extent provided by applicable legislation, and on the terms upon which the legislation is technically and legally developed, on the Company's website there will be an Electronic Shareholder Forum, which may be accessed with the due guarantees by both individual shareholders and such voluntary associations as may be established, in order to facilitate their communication prior to the holding of General Meetings. Any supplementary proposals to the agenda announced in the notice of the general meeting may be posted on the Forum, together with requests for support for such proposals, initiatives to reach the percentage required to exercise statutory non-controlling shareholder rights and any offers or requests to act as a voluntary proxy. The Board of Directors of the Company will set the rules that from time to time will govern the functioning of the Forum established for the General Meeting, which will be publicised on the website.

#### **Article 7. Right of Attendance.**

1. Those holding at least sixty (60) shares may attend General Shareholders Meetings, provided that, five (5) days prior to the day the meeting is to be held, they are registered in the corresponding books and remain so until the meeting is held.

The holders of a smaller number of shares may group together to reach sixty (60) shares, appointing their representative.

2. To exercise the right of attendance, a shareholder must be previously authorised by way of the corresponding attendance card issued by any of the affiliated participants in Iberclear, or in any other manner permitted by applicable legislation.

3. The Board of Directors will attend the Meeting, and the Officers, Managers and Technicians of the Company and the companies in which it holds interests may attend, as may any other person whose attendance is authorised by the Chairman of the Meeting, without prejudice to the right of the Meeting to revoke that authorisation.

Nonetheless the attendance of the Board of Directors will not be required for the establishment of a quorum for the Meeting.

4. For purposes of showing the identity of the shareholders, or those validly representing them, at the entry to the premises where the General Meeting is held the National Identity Document or any other generally-accepted official document may be requested, together with presentation of the attendance card.

Legal persons will act through those legally representing them, , which representation must be evidenced.

#### **Article 8. Proxies**

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1. A shareholder may grant a proxy to another person. The proxy will be specific to the Meeting in question. A proxy will be evidenced in any of the following documents, in all cases with a handwritten signature: (i) the attendance card issued by the custodians participating in Iberclear, (ii) a letter or (iii) the standard form made available by the Company for these purposes to the shareholders.

The document evidencing the proxy must contain or attach the agenda.

2. When the representative is the spouse, ascendant or descendent of the represented shareholder, or when the representative has a general power of attorney granted in a public document with authority to manage all property the represented shareholder has in the country, it will not be necessary for the proxy to be granted specifically for a given Meeting, or for the proxy to be evidenced by a handwritten signature on one of the documents contemplated in the first section of this article. However, the representative must attach the attendance card issued by the custodian participants in Iberclear in favour of the represented shareholder.

3. If a proxy is extended in favour of the Board of Directors, or if the proxy does not state the name of the person to which the proxy is granted, it will be understood to have been granted to the Chairman of the Board of Directors, or, if applicable, to the person chairing the General Meeting.

4. If the represented shareholder has not given voting instructions, it will be understood that the representative may vote in the sense it deems to be most appropriate to the interests of the shareholder.

5. If the appointed representative is in a conflict of interests in voting on any of the proposals that, whether or not on the Agenda, are submitted for approval of the General Meeting, and the represented shareholder has not given precise voting instructions, the representative must refrain from voting on the matters that, having a conflict of interest, it is to vote on on behalf of the shareholder.

Without prejudice to the foregoing, if the designated representative is the Chairman of the Board or any member of the Board of Directors, is in a conflict of interests and has not received precise voting instructions, it will be replaced as representative by the Secretary of the Board of Directors.

If the Secretary also is in a conflict of interests, it must refrain from voting on the matters that, having a conflict of interest, it is to vote on on behalf of the shareholder.

6. A proxy granted to one who by law cannot act as such will not be valid or effective.

7. A proxy also may be granted by remote electronic means of communication. For this purpose the procedure contemplated in article 11.2 of this Regulation will be used, to the extent not incompatible with the nature of a proxy. The identity of the shareholder will be shown subject to the same requirements as established in the aforesaid article 11.2, with the term established in article 11.3 of this Regulation also being applicable to valid receipt of the proxy. For identification of the representative appointed by the shareholder, the identifying information required for such purposes must be entered in the electronic form.

8. Proxies are always revocable, and considered to be revoked by casting a remote vote or personal attendance at the Meeting by the represented shareholder.

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9. The representative may represent more than one shareholder, with no limit regarding the number of shareholders represented. When a representative represents multiple shareholders, it may cast conflicting votes based on the instructions given by each shareholder.

10. In any event, the number of represented shares will be used in the calculation of a quorum for the Meeting.

11. The Board of Directors is authorised to develop the foregoing provisions, establishing the rules, resources and procedures appropriate to the state of the art to implement voting and grant of proxies using electronic means, if applicable in compliance with the rules issued in this regard and the Articles of Association.

In particular, the Board of Directors may (i) regulate the use of guarantees of electronic signatures for the grant of proxies by electronic correspondence and (ii) reduce the advance term established above for receipt by the Company of proxies granted by mail or email.

12. The Chairman and the Secretary of the General Meeting will have the broadest authority to accept the validity of the document or form of evidencing representation.

13. Also, entities having status as shareholders, by virtue of the share registry records, that act on behalf of multiple persons may, in any event, divide votes and exercise them in different senses, in compliance with differing voting instructions, if they have received them.

The intermediary entities referred to in the preceding paragraph may grant proxies to each of the indirect holders or the third parties designated by them, with no limitation on the number of proxies granted.

#### **Article 9. Public Proxy Solicitation**

1. A public proxy solicitation in all cases must be made in accordance with the rules in effect from time to time.

2. In addition to complying with the duties provided for that purpose by law, if a proxy is granted in response to a public solicitation and the represented shareholder has not given voting instructions, it will be understood that the proxy (i) refers to all points on the Agenda for the General Meeting, (ii) requires a favourable vote on all resolutions proposed by the Board of Directors and (iii) also extends to such matters as may arise apart from the agenda, in respect of which the representative will vote in the sense it deems to be most appropriate to the interests of the shareholder. If the Director is in a conflict of interests in voting on any of the proposals, whether or not on the Agenda, the provisions of article 8.5 of this Regulation will apply.

In any event, a Director will be deemed to have a conflict of interests in respect of the following decisions:

- His appointment, re-election or ratification as a Director.
- His removal, withdrawal or dismissal as a Director.
- Exercise of the corporate action for liability against the Director.
- Approval or ratification, when applicable, of transactions of the Company with the Director in question, companies controlled thereby or persons representing or acting on behalf thereof.

#### **Article 10. Voting by Mail or Remote Electronic Means of Communication**

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Voting on proposals on points on the agenda of any kind of General Meeting may be exercised by the shareholder by mail or remote electronic means of communication, provided that the identity of the person exercising the voting right is duly guaranteed in accordance with the requirements established in article 11 of this Regulation.

**Article 11. Formal Requirements and Terms for Voting by Mail or Remote Electronic Means of Communication.**

1. Voting by mail:

a) To cast votes by mail shareholders must complete and sign a standard form to be provided by the Company for these purposes, which will include the information necessary to evidence status as a shareholder, the signature of the shareholder being required to be attested by a notary or acknowledged by a custodian participating in Iberclear or shown by other means considered to be sufficient by the Board of Directors. In the case of legal persons, the form must be accompanied by the corresponding document sufficiently showing the representative capacity in which the signatory acts.

b) The form will be available on the Company's website from the date of publication of the notice of call of the General Meeting. Also, shareholders so wishing may, from the date of publication of the notice of call of the General Meeting, through the Shareholder Services Office, request that the aforesaid form be sent by mail.

c) The shareholder must send the duly completed form to the Company, for processing and computation.

2. Voting by way of remote electronic means of communication:

a) To cast a vote by remote electronic means of communication, shareholders must complete a standard form to be provided by the Company for these purposes, which will include the information necessary to evidence status as a shareholder.

b) The form will be available on the Company's website from the date of publication of the notice of call of the General Meeting.

c) The shareholder must send the duly completed form to the Company, for processing and computation, by way of an electronic document that must include a recognised electronic signature, used by the shareholder, or another kind of electronic signature that the Board of Directors, based on the state of the art and the legal rules applicable from time to time, has declared to be sufficient by prior resolution adopted for that purpose, because it has adequate guarantees of authenticity and identification of the shareholder exercising its voting right.

3. A vote cast by any of the means contemplated in preceding sections 11.1 and 11.2 must be in the possession of the Company, at its headquarters, at least twenty-four (24) hours in advance of the time contemplated for holding the General Meeting on first call. Otherwise, the vote will be deemed not to have been cast. The Board of Directors in the call of each General Meeting may specify a shorter advance term.

4. It is the shareholder that must, if applicable, show that the vote was received by the Company within the indicated term and it complied with all requirements established for that purpose.

5. The casting by a shareholder of a remote vote will result in prior proxies issued by the shareholder being deemed to be revoked, and those granted subsequently being taken as not

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having been granted. A vote cast remotely will be of no effect if the shares the ownership of which gave the transferor voting rights are transferred, when that resulted in the appropriate registration in the accounting book entry record, at least five (5) days in advance of the holding of the Meeting, if the new holder of the shares exercises its voting right.

6. The Board of Directors is authorised to develop the foregoing provisions, establishing the rules, resources and procedures appropriate to the state of the art to implement voting and grant of proxies using electronic means, if applicable in compliance with the rules issued in this regard and the Articles of Association.

In particular, the Board of Directors may (i) regulate the use of alternative guarantees of electronic signatures for the casting of electronic votes and (ii) reduce the advance term established above for receipt by the Company of votes cast by mail or email.

7. In any event, the Board of Directors will adopt the measures necessary to avoid possible duplication and ensure that one voting or granting a proxy by mail or electronically is duly authorised to do so in accordance with the provisions of the Articles of Association and this Regulation.

8. The procedural rules adopted by the Board of Directors by virtue of the provisions of this section will be published on the Company's website.

#### **Article 12. Place of Meeting.**

1. General Meetings will be held in the location where the Company has its registered office, or the place resolved by the Board of Directors as provided in the Articles of Association, in the place and on the date indicated in the call. Sessions of the General Meeting may be postponed for one or more consecutive days on proposal of the General Meeting Officers, or on request of a number of shareholders representing at least one fourth of capital, present at the Meeting.

2. By way of exception, if anything occurs that substantially changes the proper order of the General Meeting, or there are other extraordinary circumstances preventing normal conduct thereof, the Chairman of the Board may order suspension thereof for such time as may be necessary to re-establish conditions permitting its continuation. If such circumstances persist the Meeting Officers will propose postponement of the General Meeting to the following day, as contemplated in the preceding paragraph.

#### **Article 13. Security and Logistics.**

1. To ensure security and order in the conduct of the General Meeting, surveillance and protection measures will be established, including systems for control of access and the measures required to guarantee security, good order and conduct of the meeting.

2. There may be provisions for direct retransmission of the Meeting, audio-visual recording thereof, presence of the media and, in general, such measures as may contribute to publicity of the General Meeting.

#### **Article 14. Meeting Officers, Chairman and Secretary of the General Meeting.**

1. The General Meeting Officers will be the Chairman and the Secretary of the General Meeting, as well as any members of the Board of Directors who may be in attendance.

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2. The General Meeting will be chaired by the person, if any, determined by the Board of Directors. In the absence of a specific decision by the Board, the Meeting will be chaired by the Chairman of the Board of Directors. In his absence, if any, it will be chaired by the Deputy Chairman, and in the absence of both, by the attending Director with greatest seniority in the position and, in the absence of all of them, by the shareholder in each case chosen by the shareholders attending the meeting.

3. The Secretary of the Board of Directors of the Company or, in his absence, if any, the Deputy Secretary of the Board of Directors and, in his absence, the person chosen by the shareholders attending the Meeting will act as Secretary of the General Meeting.

4. It is the duty of the Chairman to open the meeting when a quorum is present; direct the discussion and establish the order of speakers; terminate discussions when a matter is deemed to have been sufficiently discussed; set time limits for speeches and, optionally, bring the debate to an end in respect of the resolution in question; set the order of voting; decide any questions that may be raised about the agenda; and, in general, exercise the powers vested in the office of Chairman to ensure that the meeting is conducted in an orderly manner, where necessary interpreting the provisions of this Regulation, with the assistance of the Secretary.

#### **Article 15. Required Presence of Notary**

1. The Board of Directors may require the presence of a notary to prepare the Minutes of the Meeting, and will be required to do so if, five (5) days in advance of the date set for holding the General Meeting shareholders representing at least one percent (1%) of capital so request.

2. When the Meeting is held without having required the presence of a notary, references made thereto in this Regulation will be understood to be made to the Secretary of the Board.

#### **Article 16. List of Attendees**

1. At least a half-hour in advance of the time set in the call of the General Meeting, unless otherwise indicated in that notice, the shareholders and representatives will be given access to the facilities at the indicated place, in order for the Meeting organisation services to verify the attendance cards and proxies and, if applicable, the documents evidencing them.

2. Shareholders or their representatives who arrive late, once the doors have been closed, may enter the hall if the Company so decides, but under no circumstances may they be included in the attendance list nor may they vote.

3. The list of attendees will be prepared before commencing deliberation of matters on the agenda.

4. The Secretary of the General Meeting is responsible for preparing the list of attendees, subject to the judgment of the Chairman regarding recognition and admission of the shareholders to the General Meeting, as well as regarding admission of the votes cast by mail and electronic means and the representation of shareholders.

For preparation of the list, the Secretary of the Board will have the assistance of the organisation services of the Company.

5. The list of attendees will be made available to the shareholders so requesting at the beginning of the General Meeting.

*(Free translation from the original in Spanish language)*

6. The list of those attending will be attached to the minutes of the General Meeting, as an annex signed by the Secretary with the approval of the Chairman.

7. The list of those attending may also be prepared as a file or placed on computer media. In these cases, the media used will be stated in the minutes, and the sealed cover of the file or media will bear the relevant identification note signed by the Secretary with the approval of the Chairman.

#### **Article 17. Quorum**

1. The quorum, on first call, for both Ordinary and Extraordinary General Meetings will be the presence in person or by proxy of shareholders holding at least twenty-five percent (25%) of the subscribed voting capital. On second call, the Meeting will be validly constituted whatever the percentage of capital in attendance.

2. The quorum, on first call, for resolutions of the Ordinary or Extraordinary General Meeting authorising the issue of bonds, increase or reduction of capital, transformation, merger, splitup or bulk assignment of assets and liabilities, transfer of domicile abroad, disapplication or limitation of pre-emption rights for new shares and, in general, any amendment of the Articles of Association, will be the presence in person or by proxy of shareholders owning at least fifty percent (50%) of the subscribed voting capital.

On second call, the presence of twenty-five percent (25%) of the said capital will be sufficient.

3. If the required capital is not in attendance on first call, the Meeting will be held on second call.

4. Shareholders who cast remote votes will be treated for purposes of constitution of a quorum for the General Meeting as being present, this Regulation being applicable as regards the requirements and guarantees imposed for their validity.

5. For purposes of determining the quorum for the General Meeting as provided by law, treasury shares of the Company will be included within capital for purposes of calculating the amounts necessary for establishment of a quorum and adoption of resolutions, although the exercise of voting rights and other political rights incorporated in the treasury shares of the Company will be in suspense.

6. Before considering the agenda, the Secretary will report the number of shareholders in attendance, both in person and by proxy, the number of shares, the nominal amount of capital and the percentage thereof present in person and by proxy.

7. This information having been publicly disclosed, the Chairman will declare the General Shareholders Meeting to have been duly and validly constituted, on first or second call, as applicable.

8. Shareholders present may state to the notary, for due reflection in the minutes of the Meeting, any reservation or protest they may have regarding the quorum for the Meeting or the general details of the list of attendees that have been read in public.

#### **Article 18. Conduct of General Meeting**

1. After such reports and communications to the Meeting as the Chair deems to be appropriate, presentations of shareholders regarding matters on the agenda will begin.

*(Free translation from the original in Spanish language)*

2. Shareholders wishing to speak at the Meeting will identify themselves to the notary or, at the direction of the notary, to the personnel assisting the notary, stating their names, the number of shares they hold and those they represent and the points of the agenda in respect of which they will speak. If they intend to request that their presentation be reflected literally in the minutes of the Meeting, they must deliver it in writing, at that time, to the notary, so that the notary will be in a position to check the shareholder's presentation against the written version when the presentation is made.

3. Once the Chairman or Secretary has the list of shareholders wishing to participate, and before the voting on the matters on the agenda, the presentations of shareholders will begin, with the shareholders appearing in the order in which they are called.

4. Considering the number of such requests and other circumstances, the Chairman will decide how much time to allocate to each speaker, each speaker being given the same amount of time.

The Chairman has the right to allow shareholders to speak beyond their allotted time or cut their presentations short; to take such measures or decisions as may be necessary in order to maintain or re-establish order at the General Meeting when participants flout the rules or abuse their rights; and, for the benefit of the General Meeting as a whole, even to ask unruly members to leave the premises and, if necessary, take the necessary steps to ensure that they do so.

#### **Article 19. Request for Information during General Meeting**

1. When it is their turn to speak, shareholders may verbally request such information or clarifications as they deem to be appropriate regarding the matters on the agenda as well as on the information available to the public that has been provided by the company to the National Securities Market Commission since the last General Meeting, and on the auditor's report.

2. The administrators will be required to provide the requested information, unless it is not available at the Meeting, in which case the administrators will be required to provide the information in writing within the seven (7) days following the end of the Meeting, without prejudice to the provisions of the following section.

3. Information need not be delivered when it is not necessary for the protection of the rights of the shareholder, or there are objective reasons to believe that it could be used other than for corporate purposes, or its disclosure would harm the Company or related companies. The request for information may not be refused for this reason if it is supported by shareholders representing at least twenty-five per cent (25%) of capital.

Also, when, prior to the request, the information requested is available in a clear, express and direct manner to all shareholders on the Company's website in question and answer format, the administrators may limit their answer to remitting to the information provided in that format.

4. The information or clarification requested of members of the Board will be provided by the Chairman, by the Chief Executive Officer, by the Secretary or, on direction of the Chairman, by a Director, by the Chairman of the Audit Committee or by any employee or expert in the subject matter.

5. The Chairman will decide the order of responses to shareholders and whether they will be given after each presentation, or collectively after the last of the presentations. Shareholders have no right of reply, unless the Chairman grants it based on the importance of the matter.

#### **Article 20. Voting**

*(Free translation from the original in Spanish language)*

1. Once all shareholder questions and comments have concluded and answers have been provided as contemplated in this Regulation, the shareholders will vote on the resolutions proposed on the matters on the agenda, and such others as are not required by law to be included thereon.

2. The reading of proposed resolutions by the Secretary of the Meeting may be dispensed with, resumed or provided in extracted form, in the discretion of the Chairman, absent express opposition of shareholders representing at least one percent (1%) of capital.

3. Full reading of proposals will however be necessary if the text thereof has not been made available to shareholders at least fifteen days before the date set for holding the Meeting, on the terms set forth in this Regulation.

4. If any of the proposals made available or provided to the shareholders was modified by the Board of Directors, the aforesaid modification must be read before voting on the proposal.

5. Those matters that are substantially independent of each other must be voted on separately. In any event, the following must be voted on separately:

a) the appointment, ratification, re-election or separation of each Director, and

b) when amending the Articles of Association, each section or group of articles that are independent of the others.

6. The voting on proposals will be made, as regards votes cast at the Meeting, in accordance with the following procedure:

a) When dealing with resolutions proposed by the Board of Directors, regarding matters included on the agenda:

(i) the votes corresponding to all shares physically present at the Meeting and represented (absent other instructions from the represented shareholder), plus affirmative votes cast remotely will be treated as votes in favour of the proposal.

(ii) the votes corresponding to shares the holders of or representatives for which state that they vote against, by communication or statement of their vote to the notary at the Meeting, for reflection in the minutes, as well as negative votes cast remotely will be treated as votes against the proposal.

b) When dealing with resolutions proposed other than by the Board of Directors, on matters included on the agenda:

(i) the votes corresponding to all shares physically present at the Meeting and represented (absent other instructions from the represented shareholder), plus negative votes cast remotely will be treated as votes against the proposal.

(ii) the votes corresponding to shares the holders of or proxies for which state that they vote in favour, by communication or statement of their vote to the notary at the Meeting, for reflection in the minutes, plus affirmative votes cast remotely will be treated as votes in favour of the proposal.

*(Free translation from the original in Spanish language)*

c) In the case of proposed resolutions regarding matters not included on the agenda, the same scheme as established in b) above (excluding the reference to votes cast remotely) will be used.

7. Blank votes and abstentions also must be communicated to the notary for reflection in the minutes.

8. However, by decision of the Meeting Officers, other voting schemes may be established for the adoption of resolutions that allow evidencing the sense of votes and reflection of the results of voting in the minutes.

9. In any event, the proposed resolutions prepared by the Board of Directors will be voted on first. Once a proposed resolution is approved, the others in respect of to the same matter will fail, without, therefore, proceeding to vote on them.

10. Division of votes will be permitted so that entities having status as shareholders, by virtue of the share registry records, that act on behalf of multiple persons may, in any event, cast votes in different senses, in compliance with differing voting instructions, if they have received them. In particular, division of votes will be permitted by a custodian of shares issued by the Company within the framework of a programme of American Depositary Shares (ADS) represented by American Depositary Receipts (ADRs).

#### **Article 21. Scheme for Adoption of Resolutions**

1. The General Meeting, whether ordinary or extraordinary, will adopt its resolutions with the majorities of votes present in person or by proxy as required by the Articles of Association or by law. Each share with a right to vote, present in person or by proxy at the General Meeting, gives the right to one vote.

2. Corporate resolutions will be adopted by simple majority of the votes of shareholders present at the Meeting in person or by proxy, a resolution being understood to have been adopted when it obtains more favourable than unfavourable votes.

3. Without prejudice to the provisions of law, the favourable vote of the absolute majority of the voting shares present in person or by proxy at the General Meeting of shareholders will be required if the capital present in person or by proxy is more than fifty percent (50%), or the favourable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent twenty-five percent (25%) or more of the subscribed voting capital without reaching fifty percent (50%), for approval of the following matters:

a) Articles amendments, including increase or reduction of capital, unless the law otherwise provides.

b) Issuance of bonds.

c) Transformation, merger or splitup in any of their forms, as well as bulk assignment of assets and liabilities and transfer of the Company's registered office abroad.

d) Disapplication or limitation of pre-emption rights for new shares.

#### **Article 22. Conclusion of Meeting**

*(Free translation from the original in Spanish language)*

Once the result of voting is announced the Chairman of the Meeting may close the proceedings, adjourning the meeting.

### **Article 23. Minutes of Meeting**

1. If the Board of Directors has appointed a notary to prepare the minutes of the meeting, the notarial minutes will be considered to be an act of the Board, and its approval thereof will not be necessary.
2. Otherwise the Secretary of the Meeting will prepare minutes of the meeting, which will be entered in the Minute Book, and may be approved by the Meeting at the end thereof or, if not, within the term of fifteen (15) days, by the Chairman of the Meeting and two (2) participants, proposed by the Meeting Officers, one representing the majority and the other the minority. The minutes will be signed by the Secretary with the approval of the Chairman.

### **Article 24. Publicity of Resolutions**

Without prejudice to registration of registrable resolutions in the Commercial Registry and such legal provisions regarding publicity of corporate resolutions as may be applicable, on the same day as the holding of the Meeting or the immediately following business day the Company will send the text of the approved resolutions to the National Securities Market Commission, by way of the corresponding material disclosure. The full text of the resolutions and results of votes will be published on the Company's website within the five (5) days following the end of the Meeting.

### **Article 25. Dissemination of Meeting Regulation**

The Board of Directors will adopt the measures necessary to ensure dissemination of this Regulation among the shareholders, by communicating it to the National Securities Market Commission, registering it in the Commercial Registry and publishing it on the Company's website.

### **Article 26. Interpretation and Amendment**

1. This Regulation completes and develops the provisions of the Articles of Association regarding the General Meeting. It therefore must be interpreted by the Board of Directors consistently with the Articles and the applicable legal provisions. Such doubts as may arise during the holding of the General Meeting regarding interpretation of this Regulation will be resolved by the Chairman of the Meeting with the assistance of the Secretary of the Meeting.
2. Any amendment of this Regulation must be approved by the General Meeting, meeting with the quorum under article 17.1 above, with the required report of the administrators or shareholders making the amendment proposal, explaining it.

### **Article 27. Approval and Effectiveness**

This Regulation will apply once it is approved by the General Shareholders Meeting of the Company, communicated to the National Securities Market Commission and registered in the Commercial Registry.

*(Free translation from the original in Spanish language)*

## SEVEN

**Delegation of authority to the Board of Directors to increase capital, on one or more occasions, with or without share premium -with the power to exclude pre-emption rights, if any-, on the terms and conditions and at the times contemplated in Article 297(1)(b) of the Capital Companies Act. Revocation of the authorisation granted at the General Shareholders Meeting of 22 June 2013 under the point nine of the agenda thereof.**

1.- To revoke the unused part of the resolution adopted under item nine on the Agenda of the Ordinary General Meeting of Shareholders held on 22 June 2013 in relation to the delegation to the Board of Directors of the power to increase the share capital in accordance with the provisions of article 297.1.b) of the Capital Companies Act.

2.- To authorise the Board of Directors, in the broadest and most effective way possible in law and in accordance with the provisions of article 297.1.b) of the Capital Companies Act, within a period of no more than five years from the date of adoption of this resolution and without the need to hold a General Meeting or have a resolution adopted by it, to resolve on one or more occasions, if and to the extent that in the view of the Board the needs of the Company so require, up to the maximum amount of the equivalent of half of the share capital at the time when the increase is authorised, issuing and placing in circulation for this purpose the corresponding new shares, both ordinary shares and shares of any other kind and/or class permitted by the Act, ordinary or preference shares, including redeemable shares, with or without voting rights, with or without issue premium. The consideration must consist of cash contributions and the resolution must expressly provide for the possibility of an incomplete subscription of the shares issued in accordance with the provisions of article 311.1 of the Capital Companies Act and the Board of Directors may fix the terms and conditions of the increase, all in accordance with the provisions of article 297.1.b) of the Capital Companies Act. The powers attributed to the Board of Directors include the power to fix the terms and conditions of each capital increase and the characteristics of the shares, along with the power freely to offer the new shares not subscribed in the pre-emption period or periods, to redraft the article of the Bylaws dealing with capital, to take all necessary steps to enable the new shares that are the subject of the capital increase to be admitted for trading on the stock exchanges on which the Company's shares are quoted in accordance with the procedures of each of the said exchanges, and to request the inclusion of the new shares in the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear). This authorisation may be used to cover any remuneration scheme or agreement by means of the delivery of shares and share options for members of the Board of Directors and Company executives that may be in force from time to time. The Board also has the power totally or partly to exclude the pre-emption right in the terms of article 506 in conjunction with article 308 of the same Act. The Board is also authorised to substitute the powers that have been delegated to it by this General Meeting of Shareholders in relation to this resolution in favour of the Executive Committee, the Chairman of the Board of Directors or the Managing Director.

*(Free translation from the original in Spanish language)*

## **EIGHT**

**Delegation of authority to the Board of Directors to issue fixed income securities, both straight and convertible into shares of new issuance and/or exchangeable for shares that have already been issued of Promotora de Informaciones, S.A. (Prisa) or other companies, warrants (options to subscribe new shares or to acquire shares of Prisa or other companies), bonds and preferred shares. In the case of convertible and/or exchangeable securities or warrants, setting the criteria to determine the basis of and the methods of conversion, exchange or exercise; delegation of powers to the Board of Directors to increase capital by the amount required for the conversion of securities or for the exercise of warrants, as well as for the exclusion of pre-emption rights of shareholders and holders of convertible debentures or warrants on newly-issued shares.**

**Revocation, in the unused part, of the resolution delegating authority for issuance of convertible and/or exchangeable bonds adopted by the General Meeting of shareholders of 22 June 2013, under point ten of the agenda therefor.**

“I) To revoke the unused part of the resolution adopted under item 10 on the agenda of the General Meeting of Shareholders held on 22 June 2013 in relation to the delegation of powers to issue convertible and/or exchangeable debentures, along with warrants and other similar securities.

II) To delegate to the Board of Directors of Promotora de Informaciones, S.A. (“Prisa” or the “Company”), in accordance with the general regime for the issue of debentures, pursuant to the provisions of article 319 of the Companies Registry Regulation and applying by analogy the provisions of article 297.1.b) of the Capital Companies Act, the power to issue, on one or more occasions, both non-convertible and convertible and/or exchangeable fixed income securities, including warrants, along with promissory notes and preference shares or debt instruments of a similar kind, in accordance with the following conditions:

1. Securities being issued. The securities to which this delegation refers may be debentures, bonds and other fixed income securities of a similar kind, both non-convertible securities and securities convertible into newly issued shares of the Company and/or exchangeable for shares in the Company. This delegation may also be used to issue debentures that can be exchanged for shares in another company that are already in circulation, which may or may not be a company in the Prisa Group (the “Group”), for the issue of warrants or other similar securities that may give a direct or indirect right to subscribe or acquire newly issued shares or shares already in circulation of the Company or another company, whether or not a Group company, to be settled by means of the physical delivery of the shares, or, as the case may be, by net settlement, which may, where appropriate, be linked to or connected in any way with each issue of debentures, bonds and other non-convertible fixed income securities of a similar kind made pursuant to this delegation, or with other loans or financing instruments by which the Company acknowledges or creates a debt. The delegation may also be used to issue promissory notes or preference shares.

*(Free translation from the original in Spanish language)*

2. Duration. The issue of the securities may take place on one or more occasions at any time within the maximum period of five (5) years from the date on which this resolution is adopted.

3. Maximum amount. The maximum aggregate amount of the issue or issues of securities resolved pursuant to this delegation will be one thousand million euros (€1,000,000.000) or its equivalent in another currency.

For the purposes of calculating the above limit, in the case of warrants, the sum of the premiums and exercise prices of the warrants of each issue resolved pursuant to this delegation will be taken into account. In turn, in the case of promissory notes, the outstanding balance of the promissory notes issued pursuant to the delegation will be computed for the purposes of the above limit.

It is noted for the record that in accordance with the provisions of article 510 of the Capital Companies Act, the limit contemplated in article 405.1 of the Act does not apply to Prisa.

4. Scope of the delegation. When using the delegation of powers resolved here and by way of illustration and without limitation, the Board of Directors will be responsible for determining, for each issue, its amount, which must always be within the expressed global quantitative limit; the place of issue – domestic or foreign – and the currency and, in the case of a foreign issue, its equivalent in euros; the denomination, whether bonds or debentures – including subordinated ones – warrants (which in turn may be settled by the physical delivery of the shares or, where appropriate, by net settlement), promissory notes, preference shares or any other security acceptable in law; the issue date or dates; whether the securities are compulsorily or voluntarily convertible and/or exchangeable, including on a contingent basis, and in the event that they are voluntarily convertible, whether this is at the election of the holder of the securities or the issuer; if the securities are not convertible, the possibility that they may be fully or partly exchangeable for shares in the issuing Company itself or in another company, whether or not a Group company, or may incorporate a right to buy the aforementioned shares, the number of securities and their nominal value, which, in the case of convertible and/or exchangeable securities, will not be less than the nominal value of the shares; the interest rate, dates and procedures for payment of the coupon; whether they are perpetual (including, where appropriate, the possibility of retirement by the issuer) or redeemable and, in the latter case, the redemption period and the expiry date; the reimbursement rate, premiums and lots, the guarantees, the form of representation, by certificates or book entries; pre-emption right, if appropriate, and subscription regime; anti-dilution clauses; priority and, if appropriate, subordination regime; applicable legislation; to apply, where appropriate, for the securities issued to be admitted to trading on official or unofficial secondary markets, organised or unorganised, domestic or foreign, with the requirements laid down in each case by the current rules and regulations, and, in general, to fix any other condition of the issue (including its subsequent modification), and, where appropriate, to appoint the trustee and approve the basic rules that are to govern the legal relations between the Company and the syndicate of holders of the securities issued, in the event that this is necessary or if the constitution of that syndicate so decides. In relation to each specific issue made pursuant to this delegation, the Board of Directors may determine all matters not covered in this resolution. The delegation also includes the grant to the Board of Directors of the power

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to decide on the terms for redemption of the securities issued using this authorisation in each case, with the power to use the collection methods referred to in article 430 of the Capital Companies Act, to the extent that they are applicable, or any other methods that may be applicable. Likewise the Board of Directors has the power, if it deems fit and subject to obtaining the necessary official authorisations and, where appropriate, the approval of the assemblies of the corresponding syndicates or representative bodies of the holders of the securities, to modify the terms for the redemption of the securities issued and their respective duration and the rate of interest which, where appropriate, accrues on the securities in each of the issues made pursuant to this authorisation.

5. Bases and methods for the conversion and/or exchange. In the event of an issue of convertible and/or exchangeable debentures or bonds and for the purposes of determining the bases and methods for the conversion and/or exchange, it is resolved to establish the following criteria:

(i) The securities issued pursuant to this resolution may be convertible into new Prisa shares and/or exchangeable for shares already in circulation of the Company itself, any of the Group companies or any other company, in accordance with a determined or determinable conversion and/or exchange ratio, with the Board of Directors having the power to determine whether they are convertible and/or exchangeable and to determine whether they are compulsorily or voluntarily convertible and/or exchangeable and, in the event that they are voluntarily convertible and/or exchangeable, whether this is at the election of the holder or the issuer, with the frequency and during the period established in the issue resolution, which may not exceed fifteen (15) years from the issue date.

(ii) The Board may also establish, in a case where the issue is convertible and exchangeable, that the issuer reserves the right to choose at any time between conversion into new shares or exchange for shares already in circulation, specifying the type of shares to be delivered at the time when the conversion or exchange takes place, and it may even have the right to elect to deliver a combination of newly issued shares and pre-existing shares or a cash equivalent. In all cases the issuer must ensure equality of treatment between all the holders of the fixed income securities being converted and/or exchanged on a given date.

(iii) For the purposes of the conversion and/or exchange, the fixed income securities will be valued at their nominal value and the shares at the rate determined in the resolution of the Board of Directors in which use is made of this delegation, or at the rate determinable on the date or dates indicated in the Board resolution itself and by reference to the quoted price of Prisa shares on the stock exchange on the date/s or period/s taken as the reference in the resolution itself, with or without a premium or with or without a discount on that quoted price, and in any event with a minimum of the greater of (a) the average of the weighted average prices of Prisa shares on the Continuous Market of the Spanish stock exchanges during the period to be determined by the Board of Directors, not more than three (3) months or less than fifteen (15) calendar days prior to the date on which the resolution to issue the fixed income securities is adopted by the Board, and (b) the closing price of Prisa shares on the same Continuous Market on the stock exchange business day prior to the date on which the aforementioned issue resolution is adopted. The Board may determine that the share valuation for the purposes of the conversion and/or exchange may be different for each

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conversion and/or exchange date. The same rules will be applied in the case of exchange for shares in another company (whether or not a Group company), to the extent that they are required and with such adaptations as may be necessary, albeit that they will be referable to the quoted price of the shares of that company on the corresponding market.

(iv) The Board may establish, in a case where the issue is convertible and exchangeable, that the issuer reserves the right to choose at any time between conversion into new shares or exchange for shares already in circulation, specifying the type of shares to be delivered at the time when the conversion or exchange takes place, and it may even have the right to elect to deliver a combination of newly issued shares and pre-existing shares. In any event the issuer must ensure equality of treatment between all the holders of the fixed income securities being converted and/or exchanged on a given date.

(v) Where the conversion or exchange occurs, any fractions of shares that may have to be delivered to the holder of the debentures will be rounded down to the whole number immediately below. It will be up to the Board to decide whether to pay each holder any difference that may arise in such a situation in cash.

(vi) In no case may the share value for the purposes of the conversion ratio of the debentures for shares be less than their nominal value. In accordance with the provisions of article 415.2 of the Capital Companies Act, debentures may not be converted into shares if the nominal value of the debentures is less than the nominal value of the shares. Likewise convertible debentures may not be issued for a figure below their nominal value.

At the time when it adopts a resolution for a convertible debenture issue pursuant to the authorisation conferred by the General Meeting, the Board of Directors will issue a report from the directors detailing and specifying the bases and methods for the conversion applicable to the issue in question, starting from the criteria described above. This report will be accompanied by the related report from the auditors as provided in article 414.2 of the Capital Companies Act.

6. Bases and form of the exercise of the warrants. In the case of an issue of warrants that are convertible into and/or exchangeable for shares, to which the provisions of the Capital Companies Act in respect of convertible debentures will apply by analogy, and for the purposes of the determination of the bases and methods for their exercise, it is resolved to establish the following criteria:

(i) The warrants issued pursuant to this resolution may give the right to subscribe new shares issued by the Company or to acquire shares in Prisa or another company, whether or not a Group company, that are already in circulation, or a combination of the two. In all cases the Company may reserve the right to choose, at the time of the exercise of the warrant, between delivering new shares, old shares or a combination of the two, and to proceed to a net settlement.

(ii) The time period for the exercise of the warrants will be determined by the Board of Directors and may not exceed fifteen (15) years starting from the issue date.

*(Free translation from the original in Spanish language)*

(iii) The exercise price of the warrants may be fixed or variable depending on the date/s or period/s taken as the reference. Thus the price will be determined by the Board of Directors at the time of issue or will be determinable at a later date in accordance with the criteria fixed in the resolution itself. In all cases the share price to be considered may not be less than the greater of (a) the average of the weighted average prices of Prisa shares on the Continuous Market of the Spanish stock exchanges during the period to be determined by the Board of Directors, not more than three (3) months or less than fifteen (15) calendar days prior to the date on which the issue resolution is adopted by the Board, and (b) the closing price of the Company's shares on the same Continuous Market on the stock exchange business day prior to the date on which the aforementioned issue resolution is adopted. In the case of a call option over existing shares in another company (whether or not a Group company) the same rules will be applied, to the extent that they are required and with such adaptations as may be necessary, albeit that they will be referable to the quoted price of the shares of that company on the corresponding market.

(iv) When warrants are issued with simple exchange ratios or at par – that is to say one share for each warrant – the sum of the premium or premiums paid for each warrant and its exercise price may not in any case be less than the value of the underlying share considered in accordance with the provisions of paragraph (iii) above, or less than its nominal value.

When warrants are issued with multiple exchange ratios – that is to say ratios other than one share for each warrant – the sum of the premium or premiums paid for the warrants issued as a whole and their aggregate exercise price may not in any case be less than the result of multiplying the number of shares underlying the total warrants issued by the value of the underlying shares considered in accordance with the provisions of paragraph (iii) above, or less than the nominal value as a whole at the time of issue.

When it adopts a resolution to issue warrants pursuant to this authorisation, the Board of Directors will issue a report developing and specifying the bases and methods for exercise specifically applicable to the issue in question, starting from the criteria described in the preceding paragraph. This report will be accompanied by the related report from the auditors as provided in article 414.2 of the Capital Companies Act.

7. Rights of the holders of convertible securities. While the conversion and/or exchange of any fixed income securities that may be issued or the exercise of the warrants is possible, their holders will have whatever rights the current legislation recognises and, in particular, where appropriate, the rights relating to the pre-emption right (in the case of convertible debentures or warrants over newly issued shares) and an anti-dilution clause in the circumstances provided by law, without prejudice to the provisions of paragraph 8 (i) below.

8. Capital increase and exclusion of the pre-emption right in the case of convertible securities. The delegation to the Board of Directors also includes, by way of illustration and without limitation, the following powers:

*(Free translation from the original in Spanish language)*

- (i) The power to enable the Board of Directors, pursuant to the provisions of article 308, 417 and 511 of the Capital Companies Act, totally or partly to exclude the pre-emption right of shareholders and holders of convertible debentures and, where appropriate, of warrants over newly issued shares if this is required in the context of a particular issue of convertible debentures or of warrants over newly issued shares in order to obtain funds on the international markets, to use bookbuilding techniques or to incorporate industrial or financial investors who may facilitate the creation of value and the attainment of the Group's strategic objectives, or if the Company's interests justify it in some other way. In any event, if the Board decides to exclude the pre-emption right in relation to a particular issue of convertible debentures or warrants that it may decide to make pursuant to this authorisation, when it approves the issue and in accordance with the applicable rules and regulations it will issue a report detailing the specific reasons why the Company's interests justify that measure, which will be the subject of the related report from the auditors in the terms established in article 417.2 and 511.3 of the Capital Companies Act. Those reports will be made available to the shareholders and holders of convertible debentures and warrants over newly issued shares and communicated to the first General Meeting held after the issue resolution is adopted.
- (ii) The power to increase the capital by the amount necessary to meet the requests for conversion or the exercise of warrants over newly issued shares. This power may only be exercised to the extent that the Board, when adding the capital being increased to meet the issue of convertible obligations or the exercise of warrants to any other capital increases that may have been resolved pursuant to the authorisations granted by the Board, does not exceed the limit of half of the amount of the share capital established in article 297.1.b) of the Capital Companies Act. This authorisation to increase the capital includes the authorisation to issue and place in circulation, on one or more occasions, the shares that represent it that are needed to give effect to the conversion or the exercise of the warrant, together with the authority to redraft the article of the Bylaws relating to the amount of the share capital and, where appropriate, to cancel the part of that capital increase that turned out not to be necessary for the conversion into shares or for the exercise of the warrant.
- (iii) The power to develop and specify the bases and methods of the conversion and/or exchange, bearing in mind the criteria established in paragraphs 5 and 6 above, including, among other matters, fixing the time of the conversion and/or exchange or exercise of the warrants and, in general and in the broadest possible terms, determining whatever matters and conditions may be necessary or advisable for the issue.

In the successive General Meetings that the Company holds, the Board of Directors will inform the shareholders of any use that has been made, as the case may be, of the delegation of the authority to issue securities to which this resolution refers up to that point in time.

*(Free translation from the original in Spanish language)*

9. Admission to trading. The Company will apply, where appropriate, for the admission of the debentures, bonds, preference shares, warrants and any other securities that may be issued pursuant to this delegation to trading on official or unofficial secondary markets, whether organised or unorganised, domestic or foreign, authorising the Board to take the necessary steps and actions to secure the admission to trading with the competent bodies of the different domestic or foreign stock markets.
10. Guarantee of issues of fixed income securities. The Board of Directors is also authorised, for a period of five years, to guarantee on behalf of the Company and within the limit indicated above, any issues that Group companies may make of fixed income securities, convertible and/or exchangeable as the case may be, including warrants, along with promissory notes and preference shares.
11. Substitution. The Board of Directors is authorised to delegate the powers conferred by this resolution which are capable of delegation to the Executive Committee, the Chairman or the Managing Director.

*(Free translation from the original in Spanish language)*

## NINE

**9°.- Capital Decrease for the sole purpose of permitting the adjustment of the number of shares for the reverse stock split and subsequent reverse stock split in a ratio of one (1) new share for every thirty old shares.**

**9.1. Capital Decrease for the sole purpose of permitting the adjustment of the number of shares for the reverse stock split proposed in item 9.2. on the agenda and amendment to Section 6.1. of the Company's Bylaws**

It was resolved to reduce the Company's share capital figure by the amount and in the manner set out below. The share capital reduction is prompted by a technical requirement to enable the consolidation of shares resulting from the reverse stock split proposed to the General Meeting as item 9.2 of the agenda, so as to comply with Section 90 of the Spanish Companies Act.

The share capital reduction amounts to:

- (i) One euro and sixty cents (€1.60), that is, from two hundred and twenty nine million nine hundred and fifty eight thousand eight hundred and eighteen euros and sixty cents (€229,958,818.60) to two hundred and twenty-nine million nine hundred and fifty-eight thousand eight hundred and seventeen (€229,958,817) by redeeming sixteen (16) shares with a par value of ten cents (€0.10). The share capital reduction in this amount is subject to the share capital increase addressed to the company International Media Group Ltd amounting to €74,999,999.49 and approved by this Board of Directors and announced in a significant event on 27 February 2015 (the "**Media Group Share Capital Increase**") having been executed as at the date of this report (the "**Condition Precedent I**"). If on the date of the General Meeting the Media Group Share Capital Increase has not been executed and, therefore, Condition Precedent I has not been fulfilled, this option will not be effective; or alternatively
- (ii) One euro and thirty cents (€1.30), that is, from two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy-five euros and thirty cents (€215,807,875.30) to two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy four euros (€215,807,874) by redeeming thirteen (13) shares with a par value of ten cents (€0.10). The share capital reduction in this amount is subject to the Media Group Share Capital Increase not having been executed as at the date of this report (the "**Condition Precedent II**"). If on the date of the General Meeting the Media Group Share Capital Increase has been executed and, therefore, Condition Precedent II has not been fulfilled, this option will not be effective.

The proposed capital reduction shall proceed by redeeming treasury shares so as to increase the statutory reserve. Accordingly, and pursuant to Section 335.b) of the Spanish Companies Act, no creditors of the Company shall have a right to object to this transaction.

*(Free translation from the original in Spanish language)*

The balance sheet considered to approve the share capital reduction has been the Company's balance sheet closed on December 31, 2014, as reviewed by the Company's auditors, i.e., Deloitte, S.L. on March 2, 2015 and approved by the General Meeting of the Company in item 1 on the agenda.

Given its nature, this reduction shall take effect immediately upon execution hereof. Accordingly, it was resolved to amend Section 6.1 of the Company's By-Laws.

- (i) If as of the date of the General Meeting the Media Group Share Capital Increase has been executed and, therefore, Condition Precedent I has been fulfilled, this section shall hereinafter read as follows:

*The share capital is two hundred and twenty-nine million nine hundred and fifty-eight thousand eight hundred and seventeen EUROS (€229,958,817), and is represented by: two thousand two hundred and ninety-nine million five hundred and eighty-eight thousand one hundred and seventy (2,299,588,170) ordinary shares, all of the same class and series, having a nominal value of TEN CENTS ON THE EURO (€0.10) each, consecutively numbered from 1 to 2,299,588,170.*

- (ii) If as of the date of the General Meeting the Media Group Share Capital Increase has not been executed and, therefore, Condition Precedent II has been fulfilled, this section shall hereinafter read as follows:

*The share capital is two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy-four EUROS (215,807,874 €), and is represented by: two thousand one hundred and fifty-eight million seventy-eight thousand seven hundred and forty (2,158,078,740) ordinary shares, all of the same class and series, having a nominal value of TEN CENTS ON THE EURO (€0.10) each, consecutively numbered from 1 to 2,158,078,740.*

Without prejudice to any other authority that may be available to the Board of Directors, it was resolved to delegate to the Board of Directors any and all authority –including the authority to delegate on the Executive Committee, the Chairman and the Managing Director– expressly granted to it in this resolution, as well as the authority to establish any terms and conditions not expressly provided for herein and to carry out any and all actions and proceedings necessary or convenient to ensure the implementation and completion of the share capital decrease and, specifically and without limitation:

- (a) To complete any relevant procedures before the Spanish *Comisión Nacional del Mercado de Valores*, the Governing Bodies (*Sociedades Receptoras*) of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, the *Sociedad de Bolsas*, the *Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear), the *Servicio de Liquidación y Compensación de Valores* or any other Spanish or foreign entity, authority, public and/or private registry, and to take any necessary measures to comply with all requirements in the Spanish Companies Act, the Securities Market Act, the Royal Decree governing securities in book-entry form and any other applicable regulations, including specifically to perform all acts necessary in respect of any American depositary shares issued by the Company;

*(Free translation from the original in Spanish language)*

- (b) To appear before any Spanish Notary to record the share capital reduction and amendment of the by-laws resolution as a public deed, and to perform any actions as may be required and approve and formalize any public and private documents as may be necessary or convenient to ensure full effectiveness thereof and, specifically, to correct any deficiencies, omissions or errors evidenced or disclosed as a result of any oral or written description (*calificación*) by the Commercial Registrar;
- (c) To draft and publish any required or appropriate notices.

This share capital reduction resolution, either in the amount of one euro and sixty cents (€1.60) or one euro and thirty cents (€1.30) is subject to resolution 9.2 below being passed.

## **9.2. Reverse stock split in a ratio of one (1) new share for every thirty old shares and amendment to Section 6.1. of the Company's Bylaws.**

It was resolved to approve a stock consolidation in respect of the outstanding shares in the Company, which shall proceed by consolidating every thirty (30) existing shares valued at par at ten Euro cents (€0.10) each into one (1) new share valued at par at three Euros (€3) each. The number of shares resulting from the stock consolidation will be the following:

- (i) if as a result of the share capital reduction proposed in item 9.1 on the agenda, the number of shares is set at 2,299,588,170 shares, the share capital will be composed of 76,652,939 shares without this entailing a change in the Company's share capital; or alternatively
- (ii) if as a result of the share capital reduction proposed in item 9.1 on the agenda, the number of shares is set at 2,158,078,740 shares, the share capital will be composed of 71,935,958 shares without this entailing a change in the Company's share capital.

The newly-issued shares shall be ordinary shares held in book-entry form and registered with the *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (Iberclear) and its participating entities. The new shares shall be of the same class and series and have the same economic and voting rights as the existing shares, prorated to each new share's face value.

In accordance with Sections 26.1.b) and 41.1 a) of Royal Decree 1310/2005, of 4 November (implementing Spanish Act 24/1988, of 28 July, on the Securities Market in respect of the admission of securities to trading in official secondary markets, public offerings or subscriptions and the relevant prospectus), the Company shall not, as a result of this transaction, be required to publish such a prospectus, as the new shares shall be issued to replace older shares of the same class which have already been issued and thus there is no share capital increase.

*(Free translation from the original in Spanish language)*

## **1. EFFECTIVE DATE AND EXCHANGE PROCEDURE**

The share exchange shall be effective on the date determined by the Board of Directors, following registration of the reverse split resolution and the relevant amendment to the by-laws with the Commercial Registry. The exchange shall proceed from the date specified in the notices to be published in the Official Bulletin of the Commercial Registry, a national newspaper, on the Company's website and, where mandatory, in the Listing Bulletins of the Spanish Stock Exchanges. Such date shall also be disclosed by publishing the relevant notice of a significant event.

Any shareholders in the Company registered as such with the *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (“**Iberclear**”) and Iberclear's participating entities on the effective day determined by the Board of Directors shall have a right to receive one (1) new share for every thirty (30) old shares. This exchange shall proceed automatically.

The exchange shall further proceed pursuant to the procedures established for securities in book-entry form, through the relevant participating entities, in accordance with the instructions issued by Iberclear and, if appointed, by the agent.

## **2. REMAINING SHARES**

Shareholders who, after applying the exchange ratio resulting from the reverse split, hold a number of shares that is not a multiple of thirty (30) may:

- (i) acquire or transfer any relevant number of shares necessary to own a multiple of the number fixed in the exchange ratio; or
- (ii) join other shareholders to reach a number of shares that is a multiple of the number fixed in the exchange ratio.

If, following the closing of the market session the day before that on which the share exchange is to take effect as described above, a shareholder still holds any number of shares that is not a multiple of the number fixed in the exchange ratio, such shares shall be purchased by the Company itself.

The purchase price shall be the closing price for that day, and the sale shall proceed at no cost to the selling shareholders, except for any charges and brokerage fees charged by their own custodian.

The price for such sale shall be paid by the Company to the relevant participating entities in Iberclear, to be credited to the accounts held with such entities by the selling shareholders. Payment shall proceed between the effective date of the exchange and the third following business day. The Board of Directors may, if it deems necessary, appoint an agent bank and give such bank a mandate to acquire, on behalf of the Company, any such remaining shares.

## **3. APPLICATION FOR ADMISSION TO TRADING**

It was resolved to apply –following registration with the Madrid Commercial Registry of the public deed recording the consolidation of the outstanding shares and the exchange thereof for the newly-issued shares and the amendment to their face value–

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for the old shares and the new shares to be simultaneously excluded and admitted, respectively, from and to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (where the Company's shares are currently listed) on the Spanish Automated Quotation System (*Mercado Continuo*) and on any other Stock Markets where such shares are so listed; and further resolved to take any actions and complete any procedures before the relevant regulatory bodies required to have any new shares issued as a result of the foregoing resolution admitted to trading. The Company expressly submits to any applicable stock market regulations or future regulations, including without limitation any regulations governing securities trading, maintenance and exclusion from trading.

It is expressly noted that, if a delisting of the Company shares is subsequently applied for, any such delisting shall comply with any applicable rules and procedures and, in such a case, the rights of any shareholders opposing or voting against the delisting resolution shall be guaranteed as required by the Spanish Companies Act and related provisions, in accordance with Spanish Act 24/1988, of 28 July, on the Securities Market and any implementing regulations in force from time to time.

#### **4. CONDITION PRECEDENT**

This stock consolidation resolution is subject to a condition precedent that the resolution in 9.1 above is passed.

#### **5. DELEGATION OF POWERS TO THE BOARD OF DIRECTORS**

It was resolved to delegate to the Board of Directors any and all authority, as broadly as required in law –including the authority to delegate on the Executive Committee, the Chairman and the Managing Director– to implement the reverse stock split, including without limitation the authority:

- (i) to implement the reverse split resolution. The effective date of the share exchange shall be timely advised by notice to the Governing Bodies (*Sociedades Rectoras*) of the Stock Exchanges and the *Comisión Nacional del Mercado de Valores*, and announced on the Official Bulletin of the Commercial Registry;
- (ii) to prepare, notify and deal with any document, publication or certificate required in relation to the reverse split process;
- (iii) to determine the precise number of new shares, following completion of the reverse split process, and the effective date of the consolidation; and to declare such process duly completed;
- (iv) to draft the new wording for Section 6.1 of the Company by-laws regarding the Company's share capital, in order to adapt it to the outcome of the reverse split process;
- (v) to complete all required formalities so that the new shares are registered on the accounting records held by Iberclear in accordance with applicable regulatory procedures;
- (vi) to file, whenever deemed appropriate, with the CNMV, the Governing Bodies (*Sociedades Rectoras*) of the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges, the *Sociedad de Bolsas*, Iberclear and any other Spanish or foreign public or private authority, the relevant application to have all new shares in the Company admitted to trading on the Madrid, Barcelona, Valencia and Bilbao

*(Free translation from the original in Spanish language)*

Stock Exchanges and on the Automated Quotation System (*Mercado Continuo*) and, simultaneously, to have the old shares delisted from such markets; and to that end carry out any procedures, take any actions and issue any declarations as necessary or convenient, including without limitation for the purposes of obtaining the authorisation, verification and admission to trading of the new shares, and to draft and publish any announcements required or convenient for such purposes; and to take any measures required to comply with any and all obligations of the Company arising in respect of any American depositary shares issued by the Company;

- (vii) to take any actions as may be necessary or convenient to implement and formalise the reverse split transaction before any public and/or private Spanish and/or foreign bodies and entities, including without limitation in order to clarify, supplement or rectify any errors or omissions that may prevent or hinder full effectiveness of the foregoing resolutions;
- (viii) to select, where appropriate, any entities to be engaged in the process to coordinate the transaction (including without limitation to appoint an agent bank and to give a mandate to such bank under the terms stated above) and generally to determine any criteria to be followed in the process;
- (ix) to agree and sign any undertakings, commitments, agreements or any other documents with any entity related to the transaction, in whatever terms may be deemed appropriate;
- (x) to execute any public and/or private documents as may be appropriate to implement, wholly or in part, the reverse split; to carry out any actions as may be convenient in connection with the foregoing resolutions in order to have them duly registered with the Spanish Commercial Registry and any other registries including without limitation with authority to appear before a Spanish notary and execute any deeds necessary or convenient to that effect and to correct, rectify, ratify, construe or supplement such resolutions and execute any other public and/or private document necessary or convenient to ensure full registration thereof, without a need for a new resolution; and
- (xi) generally to take such actions and execute such public and/or private documents as required or deemed appropriate by the Board of Directors, the Executive Committee, the Chairman and the Managing Director or, where appropriate, by any delegating authority, to ensure full effectiveness of and compliance with the foregoing resolutions.

## **6. AMENDMENT TO SECTION 6.1 OF THE COMPANY'S BY-LAWS**

Following completion of the reverse stock split, Section 6.1 in the Company's by-laws shall be amended. This amendment shall be carried out as follows:

- (i) if the share capital prior to the execution of this stock combination resolution is composed of 2,299,588,170 shares, Section 6.1 of the Company's by-laws shall read as follows:

*The share capital is two hundred and twenty-nine million nine hundred and fifty-eight thousand eight hundred and seventeen EUROS (229,958,817 €), and is represented by: seventy-six million six hundred and fifty-two thousand nine hundred and thirty-nine (76,652,939) ordinary shares, all of the same class and series, having a nominal*

*(Free translation from the original in Spanish language)*

*value of THREE EUROS (€3) each, consecutively numbered from 1 to 76,652,939.*

- (ii) if the share capital prior to the execution of this stock combination resolution is composed of 2,158,078,740 shares, Section 6.1 of the Company's by-laws shall read as follows:

*The share capital is two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy-four EUROS (€ 215,807,874), and is represented by: seventy-one million nine hundred and thirty-five thousand nine hundred and fifty-eight (71,935,958) ordinary shares, all of the same class and series, having a nominal value of THREE EUROS (€3) each, consecutively numbered from 1 to 71,935,958.*

*(Free translation from the original in Spanish language)*

## **TEN**

### **Non-binding voting on the Annual Report on Remuneration of the Directors.**

In accordance with Article 541 of the Capital Companies Act and Article 12.2. of Order ECC/461/2013, approve in an advisory capacity, the Annual Report on Remuneration of Directors approved by the Board of Directors, on a proposal from the Nominations and Compensations Committee, regarding the remuneration policy of the Board of Directors for 2015, with information on how the remuneration policy applied during the year 2014, whose full text was made available to the shareholders along with the rest of the documentation of this general meeting.

By virtue of the terms of the Transitional Provision of Act 31/2014 of 3 December 2014, the Company's remuneration policy contained in the Annual Report on Remuneration of Directors will be deemed to have been approved for the purposes of the provisions of article 529 novodecies of the Capital Companies Act as well.

## **ELEVEN**

### **Information to the Shareholders on amendments to the Regulations of the Board of Directors.**

In accordance with Article 528 of Companies Act, the General Shareholders Meeting is informed that the Regulation of the Board of Directors of Promotora de Informaciones, SA has been amended by resolution of the Board of Directors held on February 27, 2015, in the terms explained in the report that the Board has made available to the shareholders when convened this Shareholders Meeting.

*(Free translation from the original in Spanish language)*

## TWELVE

### **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 Juan Luis Cebrián Echarri, the Chief Executive Officer Mr Jose Luis Sainz Díaz, the Secretary Mr Antonio García-Mon Marañes and the Deputy Secretary Mr. Xavier Pujol Tobeña 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.

*(Free translation from the original in Spanish language)*



**REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. CONCERNING THE PROPOSAL OF RATIFYING THE APPOINTMENT OF MR JOSE LUIS SAINZ DIAZ INCLUDED IN ITEM FOUR ON THE AGENDA OF THE GENERAL ORDINARY SHAREHOLDERS MEETING TO BE HELD ON APRIL 19 AND APRIL 20, 2015, IN AN INITIAL AND SECOND QUORUM CALL, RESPECTIVELY.**

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## **I. Object of the Report**

The Board of Directors of PROMOTORA DE INFORMACIONES, S.A. (hereinafter, **PRISA** or the **Company**) is issuing this report to justify, pursuant to article 529 decies of the Capital Corporations Act, the proposal of ratifying the Board's appointment by cooptation of Mr. Jose Luis Sainz Díaz included as item four on the Agenda to be submitted for approval at the General Ordinary Shareholders Meeting to be held on April 19, 2015 on the initial call or, in the event that a sufficient quorum is not obtained, on April 20, 2015, in the same place on the second call.

## **II. Justification for the proposal**

### **Background: Mr Jose Luis Sainz's Professional Value and Experience. Appointment by Cooptation**

The Extraordinary General Meeting of Shareholders of PRISA held on 10 December 2013 set the number of directors of the Company at 16. Following the resignation of the director Mr Nicolas Berggruen on 18 March 2014, the Board of Directors was composed of 15 directors and a vacancy arose at that moment.

In order to fill the said vacancy and pursuant to Article 244 of the Capital Corporations Act, at the Board Meeting of 22 July 2014 Mr Jose Luis Sainz Díaz was appointed director of the Company by cooptation.

In addition, on 1 October 2014 Mr Sainz assumed the position of CEO of PRISA in replacement of Mr Fernando Abril-Martorell, who ceased to hold that position on 30 September 2014 but continued to be a director of the Company.

In order to fill the vacancy on the Board and, at the same time, to fill the position of CEO, after analysing the profiles of a number of candidates, the Board of Directors decided that Mr Sainz was the most appropriate candidate, taking into account both the details of the work to be carried out and his profile and career. At the time of his appointment as director of PRISA, Mr Sainz was CEO of the PRISA Group's press and radio units. In addition, he had worked in the PRISA Group for over 20 years, which means that he was a professional of proven worth and, in addition, that he was very familiar with the Group's business.

The Board resolution was given a favourable report by the Nomination and Compensation Committee and the Corporate Governance Committee.

*(Free translation from the original in Spanish language)*

José Luis Sainz has the following CV:

*“José Luis Sainz holds a degree in Law and Economics from Madrid’s Universidad Autónoma. He began his career at Arthur Andersen in 1985 as head of media consulting and distribution. In 1989 he joined El País, where he held various management positions including, in 1997, Deputy Managing Director with direct responsibility for the sales and marketing area.*

*Sainz has also headed Cadena Ser and the conglomerate Union Radio, the forerunner of today’s PRISA Radio. He was also CEO of Prisacom, a post he held until taking up the same position in Pretesa and Plural Entertainment, PRISA’s audiovisual production divisions for film and television. In 2008 he was appointed managing director of national media at Grupo Vocento, a position he held until his return to PRISA in 2011 as Executive President of PRISA Noticias and Chief Executive Officer of EL PAÍS. In October 2012 he was appointed CEO of PRISA Radio and SER, a position he combined with his responsibilities as head of PRISA Noticias. In October 2014, he was appointed CEO of PRISA.”*

#### Ratification of the Appointment and Re-election:

Appointments by cooptation are temporary and have to be ratified, where applicable, at the next General Meeting held by the Company after the appointment. The Board of Directors of PRISA, with the favourable report of the Nomination and Compensation Committee, and taking into account Mr Sainz’s aforementioned professional qualities as well as the dedication with which he has been fulfilling his role since his appointment, is therefore proposing to ratify Mr José Luis Sainz’s appointment by cooptation.

In view of Mr Sainz’s executive duties as CEO of PRISA, it is proposed that he should be appointed executive Director of the Company on the basis of the criteria laid down in Article 529 duodecies of the Capital Corporations Act for the qualification of directors and at the proposal of the Company’s Corporate Governance Committee.

It is also proposed that Mr Sainz should hold office for the maximum term of four years permitted by law (Article 529 undecies of the Capital Corporations Act).

#### III. Proposed resolution to be submitted for approval at the shareholders meeting

*“After having received the report of the Nomination and Compensation Committee, the Board of Directors proposes ratifying the Board’s appointment by cooptation of Mr. Jose Luis Sainz Díaz, made on July 22, 2014, to fill one of the vacancies in the Board resulting from the resignation of Mr Nicolas Berggruen and, at proposal of the Corporate Governance Committee, to appoint him as executive director of the Company, pursuant to article 529 duodecies of the Capital Corporations Act.*

*It is resolved that the Board’s appointment by cooptation of Mr. Mr. Jose Luis Sainz Díaz on July 22, 2014 be ratified and that he be reelected director of the Company for the legal four-year term, effective on the date this resolution is passed”.*

February 27, 2015

*(Free translation from the original in Spanish language)*



**REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. CONCERNING THE PROPOSED AMENDMENT OF THE BYLAWS REFERRED TO AS ITEM FIVE ON THE AGENDA OF THE GENERAL ORDINARY SHAREHOLDERS MEETING TO BE HELD ON APRIL 19, 2015 AND APRIL 20, 2015, IN AN INITIAL AND SECOND QUORUM CALL, RESPECTIVELY.**

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### **I. Object of the Report**

The Board of Directors of PROMOTORA DE INFORMACIONES, S.A. (hereinafter, Prisa or the **Company**), with the favourable report of the Corporate Governance Committee, is issuing this report to justify, pursuant to article 286 of the Capital Companies, the proposed amendments to the Bylaws included as item five on the Agenda of the next General Ordinary Shareholders Meeting to be held on April 19, 2015, on the initial call or, in the event that a sufficient quorum is not obtained, on April 20, 2015, in the same place on the second call.

### **II. Objective and justification for the proposal**

The primary purpose of the amendment of the articles of the Bylaws indicated in the following proposed resolutions, the approval of which is proposed to the Ordinary General Meeting of Shareholders, is to adapt the articles to the provisions of Act 31/2014 of 3 December 2014 which amends the Capital Companies Act for the improvement of corporate governance, as well as to make improvements and corrections of a purely technical, formal, systematic or grammatical nature, the inclusion of certain good governance measures and adaptation to the Company's internal reality and usual corporate governance practices.

It is also proposed that a consolidated text of the Bylaws should be approved, solely for the purposes of including the articles that have been amended and ensuring that all the provisions of the Bylaws are incorporated into a single public document.

### **III. Proposed resolution to be submitted for approval at the shareholders meeting**

**5- Amendment of the articles of the Bylaws set forth below to, as appropriate: (i) adapt them to the new wording of the Capital Companies Act given by Law 31/2014 of 3 December 2014; (ii) include certain measures in the area of good governance; and (iii) make some technical, formal, systematic or grammatical improvements.**

**5.1. Amendment of Articles 13, 14 and 15 (“General Meeting of Shareholders”), 17, 17 bis, 18, 20, 21, 21 bis, 21 ter, 21 quater, 22 and 23 (“The Board of Directors”) to adapt them to the new wording of the Capital Companies Act.**

- Renumbering of Article 13, which becomes Article 14, and adaptation of its wording to that of Article 495.2 of the Capital Companies Act, and replacement of the express reference to that provision with a general reference to the “Act”.
- Renumbering of Article 14, which becomes Article 15, adaptation of its wording to the provisions of Article 519 of the Capital Companies Act, and removal of the provision relating to universal general meetings.
- Renumbering of Article 15, which becomes Article 16, and amendment of its wording in order to: (i) move the provisions relating to majorities for the adoption of resolutions to the following Article; (ii) remove the reference to universal general meetings; (iii) supplement it with regard to the representation requirements in accordance with the terms of Article 187 of the Capital Companies Act; and (iv) include the special cases relating to reinforced quorums for the establishment of meetings envisaged in Article 194 of the said Act.
- Renumbering of Article 17, which becomes Article 19, and amendment of its wording to reflect the provisions of Article 529 septies of the Capital Companies Act in relation to the majority required for the appointment of the Chairman when he has executive functions, the fact that the Independent Liaising Director is necessary when the Chairman has executive functions, the requirements for his appointment and his functions.
- Renumbering of Article 17 bis, which becomes Article 20, which refers to the law applicable from time to time in relation to the definitions of the categories of Directors.
- Renumbering of Article 18, which becomes Article 21, and amendment of its wording to reduce the term of office of Directors from five to four years, in accordance with the provisions of Article 529 undecies of the Capital Companies Act.
- Renumbering of Article 20, which becomes Article 23, and amendment of its wording to: (i) remove the list of specific powers of the Board; and (ii) include the provisions of Articles 233.1, 234.1 and 249 of the Capital Companies Act in relation to the Board of Directors’ representative functions, and of Articles 249 bis, 529 ter and 529 nonies of the Capital Companies Act, in relation to powers that cannot be delegated and to the assessment of performance.
- Renumbering of Article 21, which becomes Article 24, and amendment of its wording in order to: (i) include the Chairman of the Board’s obligation to ensure that the Directors have the necessary information for the deliberation and adoption of resolutions sufficiently in advance, as established in Article 529 quinquies of the Capital Companies Act; and (ii) supplement the functions of the Secretary of the Board in accordance with Article 529 octies of the said Act.
- Renumbering of Article 21 bis, which becomes Article 25, and adaptation of its wording to the provisions on the composition of the Audit Committee set forth in Sections 1 and 2 of Article 529 quaterdecies of the Capital Companies Act.
- Renumbering of Article 21 ter, which becomes Article 26, and amendment of its wording in order to: (i) remove all references to the applicable law, as the establishment of this Committee is not compulsory; and (ii) include the same rules on composition as those applicable to the other Committees of the Board.

(Free translation from the original in Spanish language)

- Renumbering of Article 21 quater, which becomes Article 27, and adaptation of its wording to the provisions on the composition of the Appointment And Remuneration Committee set forth in Article 529 quidecimes of the Capital Companies Act.

- Renumbering of Article 22, which becomes Article 28, and amendment of its wording in order to include Directors' duty to have, prior to Board meetings and sufficiently in advance, the necessary information for the deliberation and adoption of resolutions, in accordance with Article 529 quinquies of the Capital Companies Act, as well as to increase the minimum number of Directors that may request the holding of a Board meeting to one third of the members of the Board, removing the possibility of this being requested by the Delegated Commission or the Managing Director on their own.

- Renumbering of Article 23, which becomes Article 29, and amendment of its wording in order to: (i) include Directors' obligation to personally attend Board meetings and the provisions on granting proxies provided for in Article 529 quater of the Capital Companies Act; and (ii) replace the phrase "half plus one" with "majority" in relation to the valid establishment of Board meetings, and the phrase "majority" with "absolute majority" with regard to the adoption of resolutions, to adapt its wording to that of Articles 247.2 and 248.1 of the Capital Companies Act.

Articles 14, 15, 16, 19, 20, 21, 23, 24, 25, 26, 27, 28 and 29 will henceforth have the following wording:

***"Article 14.- Kinds of Meetings.***

- 1. General Meetings of shareholders may be ordinary or extraordinary. They will be called and held in the manner determined by law, these Articles and the General Meeting Regulation. The holding of an annual Ordinary Meeting on the date resolved by the Board of Directors, within the term established by law, is mandatory.*
- 2. The Extraordinary General Meeting will meet when so resolved by the Board of Directors of the Company, or when so requested by a number of shareholders owning at least three percent (3%) of capital, in the request stating the matters to be considered at the meeting. In this case the Meeting must be called to be held within the two (2) months following the date of notarial demand on the administrators to call it, with the agenda necessarily to include the matters covered by the request."*

***"Article 15.- Preparation of the General Meeting.***

- 1. Every General Meeting will be called at the time and in the manner determined by law, the Articles and the General Shareholders Meeting Regulation.*
- 2. The call will include references to the Company, the place, day and time of the meeting, the agenda including the matters to be considered, the position of the person or persons making the call and the other legally-required references.*
- 3. Shareholders representing at least three percent (3%) of capital may request the publication of a supplement to the call of the Ordinary General Meeting including one*

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*or more points on the agenda, provided that the new points are accompanied by a explanation or, if applicable, an explained proposed resolution. That right may in no case be exercised in respect of the call of an Extraordinary General Meeting. Exercise of this right must be by certifiable notice, which must be received at the registered office within the five (5) days following publication of the call. The supplement to the call must be published at least fifteen (15) days before the scheduled Meeting date.*

- 4. Shareholders representing at least three percent (3%) of capital may, within the same term as indicated in the preceding subsection, present supported proposed resolutions regarding matters already on or that should be on the agenda for the Meeting called. The Company will see to dissemination of these proposed resolutions and such documentation as may be attached thereto to the other shareholders, in accordance with the provisions of law and the General Meeting Regulation.*
- 5. The shareholders prior to or during the meeting may request such reports, documents and clarifications as they deem to be necessary, in accordance with the provisions of law.”*

**“Article 16.- Holding the General Meeting.**

- 1. Place. The place of holding the Meeting will be as designated in the call, outside or within the location of the registered office, on the day and at the time indicated.*
- 2. Attendance. All shareholders owning at least sixty (60) shares, registered in the corresponding book entry accounting records five (5) days in advance of the date of holding the Meeting, and holding the corresponding attendance card, may attend the General Meeting.*

*The Board of Directors will attend the General Meeting. The Chairman of the General Meeting may authorise attendance of any other person he deems to be appropriate; however the Meeting may revoke that authorisation.*

- 3. Proxies. Shareholders may grant proxies to another person, complying with the requirements and formalities imposed by these Articles of Association, by the General Meeting Regulation and by law. The proxy will be specific to the meeting in question. This requirement will not apply when the representative is the spouse, ascendant or descendent of the represented shareholder. Nor will it apply when the representative has a general power of attorney granted in a public document with authority to manage all property the represented shareholder has in the country. A proxy will evidenced in writing in any of the following documents, in all cases with a handwritten signature: (i) the attendance card issued by the custodians participating in Iberclear, (ii) a letter or (iii) the standard form made available by the Company for these purposes to the shareholders, and also may be granted by way of remote electronic means of communication. In the latter case the provisions for the voting using the aforesaid means will apply, to the extent not incompatible with the nature of the proxy.*

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*The appointment of the representative by the shareholder and, if applicable, the revocation of that appointment, will be notified to the Company in the manner established in the General Meeting Regulation.*

4. *Number of shareholders for quorum. Without prejudice to the provisions of law for special cases, the quorum for a General Shareholders Meeting on first call will be the presence, in person or by proxy, of shareholders holding at least twenty-five percent (25%) of the subscribed voting capital. On second call there will be a quorum for the Meeting whatever the capital in attendance.*

*Notwithstanding the provisions of the preceding paragraph, in order for the General Meeting to validly resolve on an increase or reduction of capital, or on any other amendment of the Articles of Association, on an issue of bonds, the disapplication or limitation of pre-emption rights in respect of new shares, transformation, merger splitup or bulk transfer of assets and liabilities, or relocation of the registered office outside of Spain, it will be necessary, on first call, for shareholders holding at least fifty percent (50%) of the subscribed voting capital to be present in person or by proxy. At second call, the presence of twenty five percent (25%) of said capital will be sufficient.*

5. *Chairman of Meeting: The Chairman of the Meeting will be the person, if any, specified by the Board of Directors. In the absence of a specific decision by the Board, the Meeting will be chaired by the Chairman of the Board of Directors. In his absence, if any, it will be chaired by the Vice Chairman, and in the absence of both, by the attending Director with greatest seniority in the position and, in the absence of all of them, by the shareholder designated by the General Meeting.*

*The Chairman will submit the items on the agenda to deliberation and manage the discussions so that the meeting is held in an orderly manner. To that end he will have the appropriate powers of order and discipline.*

*The Chairman will be assisted by a Secretary, which will be the Secretary of the Board of Directors. In his absence, if any, the Deputy Secretary of the Board of Directors will act and, in his absence, the person designated by the Meeting.*

*The Meeting Officers will include the Chairman, the Secretary and the members of the Board of Directors in attendance.*

6. *Voting by mail or remote electronic means of communication. Votes on proposals on matters on the Agenda of any kind of General Meeting may be cast by shareholders by mail or remote electronic means of communication. The identity of the person voting must be assured, in accordance with the requirements established in the General Meeting Regulation. Votes by e-mail will be cast using a recognised electronic signature or other form that the Board of Directors concludes will be suitable to ensure the authenticity and identity of the shareholder exercising the voting right. The shareholders who vote using remote methods must be counted as being present for the purpose of establishing the quorum. Votes cast using these methods must be in the possession of the*

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*Company, at its headquarters, at least twenty-four (24) hours in advance of the time contemplated for holding the General Meeting on first call. Otherwise, the vote will be deemed not to have been cast. In the call for each General Meeting the Board of Directors may determine a shorter advance term.*

*The Board of Directors has authority to develop the foregoing provisions, establishing rules, resources and procedures consistent with the state of the art to implement electronic voting and grant of proxies. In particular, the Board of Directors may, inter alia, regulate the use of alternative guarantees of electronic signatures for electronic voting.*

*The procedural rules adopted by the Board of Directors by virtue of the provisions of this section will be published on the Company's website.*

- 7. Voting. The Chairman will give details of the voting, summarise the number of votes in favor of and against the proposed resolution submitted to the General Meeting and announce the result aloud.*

*The General Shareholders Meeting Regulation will establish the procedures and systems for counting votes on proposed resolutions.”*

**“Article 19.- Nature, Number of Members and Positions.**

- 1. The Board of Directors is responsible for management, administration and representation of the Company, without prejudice to such authority as may correspond to the General Meeting in accordance with law and the Articles.*
- 2. The Board will be comprised of a minimum of three (3) and a maximum of seventeen (17) Directors, with the Meeting being responsible for their appointment and determination of their number. For that purpose, the Meeting may fix the number by express resolution, or indirectly by creating or not creating vacancies or appointing or not appointing new Directors, within the aforesaid minimum and maximum.*
- 3. From among its members, the Board will appoint a Chairman and, subject to the same condition, may appoint one or more Deputy Chairmen. From among its members it also may appoint a Delegated Commission or one or more Chief Executive Officers, to which it may give the power of representation, jointly and severally or jointly but not severally. It will also appoint a Secretary, who need not be a Director, and may appoint an Deputy Secretary, who also need not be a member of the Board.*
- 4. When the position of Chairman is to be held by an executive Director, the appointment of the Chairman will require the favorable vote of two thirds of the members of the Board of Directors.*

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5. *Also, if the Chairman is an executive Director, the Board of Directors, with the abstention of the executive Directors and on proposal of the Corporate Governance Committee, must appoint a Coordinating Director from among the independent Directors, who will be specifically empowered to request a call of the Board of Directors or inclusion of new points on the agenda for a Meeting already called, to coordinate and meet with the non-executive Directors and, if applicable, to lead the periodic evaluation of the Chairman of the Board of Directors.*
6. *The Board of Directors will approve a Regulation to govern its organisation and functioning.”*

**“Article 20.- Kinds of Directors.**

1. *The Board of Directors will be so comprised that proprietary and independent Directors represent a majority over executive Directors.*
2. *For purposes of the provisions of the preceding section, the Company will adjust the classes of Directors to the definitions and criteria set forth by the applicable laws from time to time.”*

**“Article 21.- Term of Office.**

*The term of a Director’s office will be four (4) years. A Director may be a reelected indefinitely for terms of the same length”.*

**“Article 23.- Representation of Company.**

1. *The management, administration and representation of the Company, judicially and extrajudicially, as regards all acts included within the corporate purpose, is the responsibility of the Board of Directors, which will act jointly, without prejudice to such delegations and powers of attorney as it may grant.*
2. *Authority that is non-delegable by law or in accordance with these Articles may not be delegated. Nor may such authority as the General Meeting has given to the Board without express authorisation of delegation. In any event the Board of Directors of the Company will reserve the following for its review and exclusive decision:*
  - a) *Determination of the general policies and strategies of the Company, in particular:*
    - i) *approval of the Strategic or Business Plan, as well as the annual budgets and management objectives;*
    - ii) *determination of investment and financing policy;*

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- iii) *definition of the structure of the Group of companies of which the Company is the controlling entity;*
- iv) *determination of the corporate governance policy of the Company and the Group of which it is the controlling entity;*
- v) *corporate social responsibility policy;*
- vi) *the policy for management and control of risks, including tax risks, and supervision of the internal information and control systems;*
- vii) *definition of the dividend policy; and*
- viii) *determination of the tax strategy of the Company.*
- b) *Approval of financial projections, as well as strategic alliances of the Company or its controlled companies, and the policy regarding treasury shares.*
- c) *Supervision of effective functioning of the committees it has constituted and the actions of the delegated bodies and executives it has appointed.*
- d) *Authorisation or waiver of the obligations deriving from the duty of loyalty.*
- e) *Any proposed amendment of the Company's corporate purpose.*
- f) *Its organisation and functioning and, in particular, approval and amendment of the Board of Directors Regulation.*
- g) *Preparation of the annual accounts and their presentation to the General Meeting.*
- h) *Approval of the financial information that listed companies must periodically disclose.*
- i) *Making any kind of report required by law to the Board of Directors, provided that the matter covered by the report is nondelegable.*
- j) *Appointment and removal of Managing Directors of the Company, delegation of authority, as well as establishment of the terms of their contracts.*
- k) *Appointment and removal of the executives reporting directly to the Board or to any of its members, as well as establishment of the basic terms of their contracts, including their compensation.*

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- l) Proposal of the general compensation policy, and decisions related to compensation of Directors, within the framework of the Articles and the compensation policy approved by the General Meeting.*
  - m) Calling general meetings and preparing the agenda and the proposed resolutions;*
  - n) Approval of investments or transactions of any kind that by reason of their high amount or special characteristics are strategic or pose a special tax risk for the Company or the investee or controlled companies in question, unless approval thereof corresponds to the General Meeting, inter alia including the assumption of financial risks or making of derivative financial commitments, including but not limited to loans, credits, guarantees or other security.*
  - o) Approval of the creation or acquisition of interests in special purpose vehicles or entities resident in countries or territories considered to be tax havens, and any other transactions or operations of a comparable nature the complexity of which might impair the transparency of the Company or its Group.*
  - p) Those resolutions related to mergers, splitups and any relevant decision having to do with the status of the Company as a listed company, unless approval thereof corresponds to the General Meeting.*
  - q) Approval, after a report from the Audit Committee, of related party transactions, on the terms contemplated in the Board Regulation.*
  - r) Annual evaluation of the functioning of the Board of Directors, the functioning of its Committees, and proposal, based on the results, of an action plan correcting detected deficiencies.*
  - s) Powers the General Meeting has delegated to the Board of Directors, unless expressly authorised by it to subdelegate them.*
- 3. Resolutions related to the matters indicated in 2.n) and 2.o) above, the amount of which is not more than ten million (10,000,000) euros, may be adopted by the Delegated Commission in cases of urgency, duly justified, and must be ratified at the first Board meeting held after adoption of the resolution”.*

**“Article 24.- Authority of Board Positions.**

- 1. Judicial and extrajudicial representation of the Company is held by the Chairman of the Board, as is the exercise of such functions, if any, as may be delegated to the Chairman by the Board of Directors. The Chairman, with the collaboration of the Secretary, also is responsible for ensuring that the Directors have the information necessary for deliberation and the adoption of resolutions, sufficiently in advance and in appropriate*

*(Free translation from the original in Spanish language)*

*format, ensuring the good order of meetings of the Board, their call and review and oversight of all corporate resolutions, whatever the body from which they originate.*

- 2. Any substitution for the Chairman as regards the functioning of the Board of Directors in the event of temporary absence, temporary disability or express delegation by the Chairman is the responsibility of the Deputy Chairmen.*
- 3. The Secretary is responsible for entering a record of the conduct of meetings in the minute books and certifying their content and the resolutions adopted, retaining the documentation of the Board, seeing to it that the actions of the Board are consistent with applicable regulations and in accordance with the Articles and other internal rules, assisting the Chairman of the Board as appropriate.”*

**“Article 25.- Audit Committee.**

- 1. The Board of Directors will establish an Audit Committee. The Audit Committee will have the functions corresponding to it pursuant to applicable law, the Articles and the Company’s internal Regulations, without prejudice to any other function that may be given to it by the Board of Directors.*
- 2. The Audit Committee will be comprised of the number of Directors from time to time determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) members. All members of the Audit Committee will be non-executive Directors. They further must comply with the other requirements established by law. At least two (2) of the Audit Committee members will be independent, and at least one of them will be appointed considering his accounting and/or audit knowledge and experience.*

*The members of the Committee will be appointed by the Board of Directors on proposal of the Chairman, and will leave office when they do so in respect of their status as Directors, or when so resolved by the Board of Directors.*

- 3. The Chairman will be elected by the Board of Directors, from among the members of the Committee having the status of independent Directors, and further must satisfy the other legal requirements. The Chairman of the Committee must be replaced every four (4) years, and may be re-elected after one year elapses since he left office.*
- 4. The Secretary of the Board of Directors and, in his absence, the Deputy Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.*
- 5. The Committee will meet periodically based on need, and at least four (4) times per year, after call by its Chairman.*

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6. *The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Audit Committee, provided that they are compatible with the nature and functions of this Committee.”*

**“Article 26.- Corporate Governance Committee.**

1. *The Board of Directors will establish a Corporate Governance Committee, which will have the functions corresponding to it under the Articles and the Company’s internal Regulations, without prejudice to any other function that may be assigned to it by the Board of Directors.*
2. *The Corporate Governance Committee will be comprised of a minimum of three (3) and a maximum of five (5) non-executive Directors, to be determined by resolution of the Board of Directors on proposal of its Chairman. At least two (2) of them must be independent Directors.*
3. *The Corporate Governance Committee may require the attendance of the Company’s Managing Director at its meetings.*
4. *The members of the Corporate Governance Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.*
5. *The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.*
6. *The Secretary of the Board of Directors and, in his absence, the Assistant Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.*
7. *The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Committee, provided that they are compatible with the nature and functions of this Committee.”*

**“Article 27.- Appointment and Remuneration Committee.**

1. *The Board of Directors will establish an Appointment and Remuneration Committee, which will have the functions legally corresponding to it under applicable law, the Articles and the Company’s internal Regulations, without prejudice to any other function that may be assigned to it by the Board of Directors.*
2. *The Appointment and Remuneration Committee will be comprised of a minimum of three (3) and a maximum of five (5) Directors. All members of the Committee will be non-executive Directors, to be determined by resolution of the Board of Directors on proposal of its Chairman. At least two (2) of the members of the Committee must be independent Directors.*

*(Free translation from the original in Spanish language)*

3. *The Appointment and Remuneration Committee may require the attendance of the Company's Managing Director at its meetings.*
4. *The members of the Appointment and Remuneration Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.*
5. *The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.*
6. *The Secretary of the Board of Directors and, in his absence, the Assistant Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.*
7. *The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Committee, provided that they are compatible with the nature and functions of this Committee."*

***"Article 28.- Board Meetings.***

1. *The Board will meet at least once each quarter, provided that the Chairman deems that to be appropriate or it is requested by a third of the members of the Board. In the latter two cases, the Chairman may not delay the sending of the call for more than five (5) days from the date the request is received.*
2. *The Board will be called by the Chairman or the person acting as such, indicating the agenda, by fax, telegram, email or certified letter addressed to each and every one of the Directors, at least seven (7) days before the day set for the meeting of the Board.*

*In the discretion of the Chairman, and in cases of urgency, the Board may be called, indicating the matters to be dealt with, without applying the term indicated above.*

3. *Directors comprising at least one third of the members of the Board may call it, indicating the agenda, to be held at the location of the registered office, if the Chairman, after a request to do so, without just cause has not made the call within a term of one month.*
4. *The Directors, sufficiently in advance, must have the information necessary for deliberation and adoption of resolutions on the matters to be covered at the meeting, unless the Board of Directors meets or is called exceptionally by reason of urgency."*

***"Article 29.- Quorum for Board Meetings.***

1. *The Board will be validly constituted when the majority of its members attend the meeting, in person or by proxy.*

*(Free translation from the original in Spanish language)*

2. *Directors must attend meetings personally, preferably being physically present. However, if it is impossible for a Director to attend, the Director will grant a proxy to another Director. Non-executive Directors may do so only to another non-executive Director.*
3. *Resolutions will be adopted by majority vote of those present. In the case of a tie the Chairman will have a casting vote.*
4. *The Board may delegate approval of the minutes to two (2) Directors, who may be designated at the respective meeting.”*

**5.2. Amendment of Article 12 relating to the powers of the General Meeting of Shareholders, in order to adapt it to the new wording of the Capital Companies Act and include the provision stating that the General Meeting may not issue instructions to the Board or submit to it for its authorisation any decisions regarding management matters.**

*Renumbering of Article 12, which becomes Article 13, adapting its wording to that of Articles 160, 219.1 and 511 bis of the Capital Companies Act, and expressly including a provision stating that the General Meeting may not issue instructions to the Board of Directors or submit to it for its authorisation any decisions regarding management matters, pursuant to Article 161 of the Capital Companies Act.*

*Article 13 will henceforth have the following wording:*

**“Article 13.- Powers.**

1. *The General Shareholders Meeting is the supreme corporate authority. The General Meeting will decide on the matters attributed to it by these Articles of Association, its own Regulation or the law, in particular regarding the following:*
  - a) *Approval of the annual accounts, consolidated annual accounts, corporate management and allocation of profits*
  - b) *Determination of the number of members of the Board of Directors.*
  - c) *Appointment and removal of Directors, as well as ratification of Directors appointed by co-option by the Board of Directors.*
  - d) *Appointment, reelection and removal of the Statutory Auditors, as well as the liquidators.*
  - e) *Amendment of the Articles of Association.*
  - f) *Increase and reduction of the company’s capital.*
  - g) *Disapplication or limitation of pre-emption rights.*
  - h) *Issue of bonds and, in general, securities of any kind, including preferred shares.*

*(Free translation from the original in Spanish language)*

- i) *Transformation, merger, splitup or bulk transfer of assets and liabilities and transfer of the registered office abroad.*
  - j) *Acquisition, disposition or contribution to another company of essential assets, as well as transfer to subsidiary entities of essential activities up to that time undertaken by the Company, even if it maintains full ownership thereof.*
  - k) *Authorisation to the Board of Directors to increase capital, in accordance with law, and to issue bonds of any kind, and delegation to the Board of Directors of any other powers in accordance with law and the Articles.*
  - l) *Approval and amendment of the General Meeting Regulation, subject to the provisions of law and the Articles.*
  - m) *Annual approval of compensation of the Board of Directors in accordance with article 22 of the Articles of Association.*
  - n) *Approval of the policy on compensation of Directors, in accordance with the provisions of applicable law and these Articles.*
  - o) *Authorisation of compensation of Directors consisting of the delivery of shares or options on shares or compensation indexed to the value of the shares.*
  - p) *Winding-up and liquidation of the Company, as well as transactions the effect of which is equivalent to that of liquidation of the Company.*
  - q) *Approval of the final liquidation balance sheet.*
  - r) *Exercise of any other competence attributed to it by law or the Articles and being apprised of or deciding regarding any other matter that the Board of Directors resolves is to be reported to or resolved by the Meeting because it is of special relevance to the interests of the company.*
2. *The Meeting may not give instructions to the Board of Directors or subject adoption by the Board of resolutions regarding management matters to its authorisation.”*

**5.3. Amendment of Article 15 bis, relating to special resolutions of the General Meeting of Shareholders, to replace the requirement for a reinforced majority for the adoption of certain resolutions with the rules set forth in Article 201 of the Capital Companies Act and to remove the reference to Class B shares, which have ceased to exist.**

*Renumbering of Article 15 bis, which becomes Article 17, and amendment of its wording in order to replace the previous statutory rules regarding the 69% reinforced majority requirement for the adoption of certain resolutions with the rules set forth in Article 201 of the Capital Companies Act, and removal of the reference to Class B shares which, following their mandatory conversion to ordinary shares, have ceased to exist.*

*Article 17 will henceforth have the following wording:*

**“Article 17.- Adoption of Resolutions.**

- 1. *Each share with a right to vote present in person or by proxy at the General Meeting will be entitled to one vote.*

*(Free translation from the original in Spanish language)*

2. *Corporate resolutions will be adopted by simple majority of the votes of shareholders present at the Meeting in person or by proxy, a resolution being understood to have been adopted when it obtains more favorable than unfavorable votes.*
3. *Without prejudice to the provisions of law, the favorable vote of the absolute majority of the voting shares present in person or by proxy at the General Shareholders Meeting will be required if the capital present in person or by proxy is more than fifty percent (50%), or the favorable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent twenty-five percent (25%) or more of the subscribed voting capital without reaching fifty percent (50%), for approval of the following matters:*
  - a) *Articles amendments, including increase or reduction of capital, unless the law otherwise provides.*
  - b) *Issuance of bonds.*
  - c) *Transformation, merger or splitup in any of their forms, as well as bulk assignment of assets and liabilities and transfer of the Company's registered office abroad.*
  - d) *Disapplication or limitation of pre-emption rights for new shares."*

**5.4. Deletion of Articles 25 and 28 relating to directors' remuneration, and inclusion of their content in Article 19 ("Compensation of Directors"), which is amended for that purpose and for the purpose of adapting its wording to the Capital Companies Act.**

*Renumbering of Article 19, which becomes Article 22, and amendment of its wording to include in a single Article all the provisions relating to Directors' remuneration, and inclusion of the contents of the current Articles 25 and 28 of the Articles of Association, which are deleted, and of Articles 217.3, 219, 249, 529 septdecies and 529 octodecies of the Capital Companies Act, as well as removal of the list of components of executive Directors' remuneration, as the changes to the Capital Companies Act expressly confer on the Board of Directors the power to establish such Directors' remuneration without the need to set it out in the Bylaws, notwithstanding that should be included and detailed in the remuneration policy of the company shall submit to the approval of the General Shareholders Meeting.*

*Article 22 will henceforth have the following wording:*

***"Article 22.- Compensation of Directors.***

1. *The Directors may take any other position, with or without compensation, with the Company or any other company belonging to its Group, absent incompatibility, whether legal or found in the discretion of the Board.*
2. *The compensation of Directors will consist of a fixed annual amount. The maximum amount of annual compensation of all Directors in their capacities as such must be*

*(Free translation from the original in Spanish language)*

*approved by the General Meeting and will remain in effect until modification thereof is approved.*

- 3. The compensation of the various Directors may vary based on the positions, duties and responsibilities given to them, and their serving on Board Committees, and may be in addition to payment of meeting attendance fees.*
- 4. The Board will be responsible for fixing the exact amounts of the fees, as well as the individual compensation that each Director is to receive, in any case respecting the limits established by the General Meeting and the categories of compensation contemplated in these Articles.*
- 5. Without prejudice to the aforesaid compensation, the compensation of the Directors also may consist of the delivery of shares, or options on shares or compensation indexed to the value of the shares. Use of this form of compensation will require a resolution of the General Meeting stating, if applicable, the maximum number of shares that can be allocated to this compensation scheme in each financial year, the exercise price or the calculation system for the exercise price of the share options, the value of the shares taken by way of reference if applicable, and the term of duration of this compensation scheme.*
- 6. The Company will secure civil liability insurance for its Directors.*
- 7. In addition, Directors who are assigned executive functions will be entitled to receive compensation for the performance of those functions, which will be determined by the Board of Directors in accordance with the provisions of the compensation policy for Directors approved by the General Meeting, and which will be included in a contract to be entered into by the Director and the Company, which must contain all categories in which the Director may obtain compensation for the performance of executive functions.*

*This contract must be approved in advance by the Board of Directors with the favorable vote of two thirds of its members, and must be attached as an annex to the minutes of the meeting. The affected Director must refrain from attendance, deliberation and participation in voting.*

*The contract must contain all references required by law and be consistent with the Company's compensation policy."*

**5.5. Amendment of Article 26 on replacements and appointments to the Board of Directors, in order to remove the requirement that a person can only be appointed to the Board by cooptation if he or she is a shareholder, in accordance with the Capital Companies Act.**

*Renumbering of Article 26, which becomes Article 31, adaptation of its wording to that of the proposed amendment of Article 24.2 of the Articles of Association, and removal of the*

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*requirement for a person who is appointed to the Board by cooptation to be a shareholder, in accordance with the provisions of Article 529 decies of the Capital Companies Act.*

*Article 31 will henceforth have the following wording:*

***“Article 31.- Replacements and Appointments.***

- 1. In the event of temporary absence, temporary disability of the Chairman, or express delegation from the Chairman, the Deputy Chairman, if any, will assume the functions of the Chairman. Otherwise they will be assumed by the Director designated by the Board. Under the same circumstances as regards the Secretary, its functions will be assumed by the Deputy Secretary, if any, and in the absence thereof, the Director designated by the Board. In the minutes prepared the replaced position will be stated, adding the word “interim”, and the reason for acting on an interim basis.*
- 2. Vacancies occurring on the Board may be filled temporarily by the persons the Board appoints by co-option, until the next General Meeting.”*

**5.6. Amendment of Articles 1, 3, 4 and 5 (relating to “General Provisions”); Articles 6, 7, 8 and 9 (relating to “Share Capital and Shares”); Article 11 (“Bodies”); Article 16 (“Implementation of Corporate Resolutions”); Articles 29 bis and 29 ter (“Annual Corporate Governance Report and Website”); Articles 32, 33 and 34 (“The Company’s Financial and Administrative Regime”); Articles 35, 36 and 38 (relating to “Winding Up and Liquidation”); and Article 39 (“Referral to the Act”), in order to make technical, formal, systematic or grammatical improvements.**

*- Amendment of the wording of Articles 1 and 8 to replace the references to specific rules and provisions with a general reference to the laws or regulations applicable from time to time.*

*- Adaptation of the wording of Article 4 to that of Article 285.2 of the Capital Companies Act in relation to the acknowledgement of the Board of Directors’ power to change the registered office within the same municipality.*

*- Amendment of the wording of Articles 3, 5 and 34 in order to make purely technical improvements. Article 34 is also renumbered and becomes Article 40.*

*- Amendment of Article 6 to remove the reference to Class A shares because, following the mandatory conversion of non-voting Class B shares, there is only one class of ordinary shares.*

*- Listing of the paragraphs of Article 7.*

*- Renumbering of Articles 9, 11 and 33, which become Articles 10, 12 and 39, respectively, and amendment of their wording in order to replace all references to the “Management Board” contained in those Articles with references to the “Board of Directors”, on the basis that, under Article 529 bis of the Capital Companies Act, the management board of listed companies must in any event take the form of a Board of Directors, and to replace all*

*references to specific rules and provisions with general references to the laws or regulations applicable from time to time.*

*- Renumbering of Articles 16, 29 bis, 29 ter, 32, 35, 38 and 39, which become, respectively, Articles 18, 34, 35, 38, 41, 44 and 45, and amendment of their wording to replace all references to specific rules and provisions with general references to the Act or to the laws or regulations applicable from time to time.*

*- Renumbering of Article 36, which becomes Article 42, and removal from its wording of the requirement for the number of liquidators to be an odd number, which was removed from Article 376 of the Capital Companies Act by Law 25/2011 of 1 August 2011.*

*The new wording of Articles 1, 3, 4, 5, 6, 7, 8, 10, 12, 18, 34, 35, 38, 39, 40, 41, 42, 44 and 45 will be as follows:*

***“Article 1.- Name and Applicable Law.***

*The name of the Company is Promotora de Informaciones, S.A. (hereinafter “PRISA” or the “Company”). It is governed by the legal or regulatory provisions applicable from time to time and by these Articles.”*

***“Article 3.- Duration of Company.***

*The Company commenced operations from the time of execution of the public deed of establishment. Its duration will be indefinite. If the law for commencement of any of the operations enumerated in the preceding article requires obtaining an administrative licence, registration in a public registry, or satisfaction of any other requirement, the Company may not initiate the aforesaid specific activity until the requirement has been satisfied.”*

***“Article 4.- Nationality and Registered Office.***

*The Company is of Spanish nationality and has its registered office in Madrid at Gran Vía, no 32. The Board of Directors is the body having competence to establish, close or transfer such branches, agencies or offices as it may deem to be appropriate, and to change the registered office within the same municipality.”*

***“Article 5.- Submission to Jurisdiction***

*For all such disputed questions as may arise between the Company and the shareholders by reason of corporate matters, both the Company and the shareholders, waiving their own forums, expressly submit to the judicial forum for the location of the registered office of the Company, except in those cases in which another forum is legally imposed.”*

***“Article 6.- Share Capital.***

- 1. The capital is 215,807,875.30 €. It is represented by 2,158,078,753 ordinary shares, all of the same class and series, having a nominal value of TEN CENTS ON THE EURO (€0.10) each, consecutively numbered from 1 to 2,158,078,753.*

*(Free translation from the original in Spanish language)*

2. *The capital is totally subscribed and paid up.*
3. *The Company may issue various classes of shares. Each class may have a different nominal value. Where more than one series of shares is created within the same class, all the shares making up a series will have the same nominal value.”*

**“Article 7.- Representation of Shares.**

1. *The shares are represented by book entries and exist as such by virtue of their registration in the corresponding accounting records, which will reflect the matters set forth in the deed of issuance and whether or not they are fully paid up.*
2. *Standing to exercise the rights of a shareholder, if applicable including transfer, is obtained by registration in the book entry records, which establishes a presumption of lawful ownership and entitles the registered holder to demand that the Company recognise it as a shareholder. Such standing may be demonstrated by showing the appropriate certificates, issued by the entity responsible for the book entry records.*
3. *If the Company confers any benefit on the one presumed to have standing, it will be released from the corresponding obligation, even if that person is not the actual owner of the share, provided that it does so in good faith and without gross negligence.*
4. *If the person or entity appearing as having standing from the entries in the accounting records has said standing by virtue of a fiduciary relationship or another of a comparable nature, the Company may require it to disclose the identity of the actual owners of the shares, as well as the acts of transfer and encumbrance thereof.”*

**“Article 8.- Non-Voting Shares.**

1. *The Company may issue non-voting shares for a nominal amount of no more than one half of paid-up capital. The legal scheme for non-voting shares will be as set forth in the applicable regulations, the Articles of Association and the resolution of the Board ordering the issue thereof.*
2. *The holders of non-voting shares will be entitled to receive the annual minimum dividend established in the issue resolution. Once the minimum dividend is declared, the owners of non-voting shares will be entitled to the same dividend as that payable on the ordinary shares. If there are distributable profits, the Company will be required to declare the minimum dividend referred to above.*
3. *The non-voting shares will enjoy pre-emption rights on the same terms as voting shares. However, that right may be disappplied in accordance with the provisions of applicable law and these Articles.*
4. *Subsequent issues of non-voting shares will require approval, by separate vote or special Meeting, of the existing non-voting shareholders.*

*(Free translation from the original in Spanish language)*

5. *Until that minimum dividend has been paid, non-voting shares will have the same rights as ordinary shares and, in any event, maintain their economic advantages.*
6. *The General Meeting may issue non-voting shares convertible at a fixed rate (determined or determinable) or a variable rate. The issue resolution will determine whether the authority to convert or exchange lies in the shareholders and/or the Company or, if applicable, the conversion will occur on a mandatory basis at a given time.”*

**“Article 10.- Issue, Subscription and Payment for Shares.**

1. *The General Shareholders Meeting, complying with the legal requirements, may resolve to increase capital by issuing new shares or increasing the nominal value of those already existing. The General Shareholders Meeting will determine the terms and conditions of each new issue and the Board of Directors will have the authority necessary to implement the adopted resolutions, with the greatest breadth of discretion within the legal framework and the conditions established by the Meeting. If they have not been fixed by the Meeting, the Board of Directors may determine the form and the maximum term, which may not exceed five (5) years, in which pending payments on account of paid up capital, if any, are to be made, in accordance with law. In capital increases with issue of new shares, ordinary or preferred, against cash contributions, the shareholders, within the term given by the Board of Directors of the Company, which will not be less than fifteen (15) days after publication of the notice of the offer of subscription of the new issue in the Official Gazette of the Commercial Registry, will have a pre-emption right, proportional as legally provided, unless that right was disapplied in accordance with applicable regulations.*
2. *The General Meeting, satisfying the requirements established for amendment of the Articles of Association, may delegate the legally contemplated authority regarding capital increases to the Board of Directors.”*

**“Article 12.- Bodies.**

*The Company will be governed by the General Shareholders Meeting and administered and represented by the Board of Directors.”*

**“Article 18.- Implementation of Corporate Resolutions.**

1. *Competence. The Board of Directors will be responsible for implementation of all resolutions of the Meeting, without prejudice to such delegations or grants of powers of attorney as it may make in accordance with these Articles.*
2. *Drafting and Approval of Minutes. The minutes of the Meeting may be drafted and approved in the manner determined in the applicable regulations, and signed by the Chairman and the Secretary. If the Meeting is held with the presence of a notary requested to prepare minutes by the Board of Directors, as provided by law, the notarial*

*(Free translation from the original in Spanish language)*

*minutes will be deemed to be minutes of the Board, approval thereof therefore not being required.”*

**“Article 34.- Annual Corporate Governance Report.**

- 1. The Board of Directors, after a report from the Corporate Governance Committee, annually will approve a corporate governance annual report of the Company, covering the matters legally contemplated together with such others as it deems to be appropriate.*
- 2. The annual corporate governance report will be approved prior to publication of the notice of call of the ordinary General Meeting of the Company for the financial year in question, and will be made available to the shareholders together with the other documentation of the General Meeting.*
- 3. In addition, the annual corporate governance report will be publicised as required in the regulations applicable from time to time.”*

**“Article 35.- Website.**

*The Company will maintain a website for the information of shareholders and investors ([www.prisa.com](http://www.prisa.com)) on which the documents and information contemplated by law will be included, and at least the following:*

- a) The current Articles of Association.*
- b) The General Shareholders Meeting Regulation.*
- c) The Board of Directors Regulation.*
- d) The annual financial report and other financial reports the Company regularly publishes and disseminates.*
- e) The Internal Code for conduct on the securities markets.*
- f) The corporate governance reports.*
- g) The documents related to Ordinary and Extraordinary General Meetings, with information regarding the agenda, proposals made by the Board of Directors, and any other relevant information that may be needed by shareholders to cast their votes, as well as any other documentation required by applicable legislation.*
- h) The information regarding the conduct of General Meetings, in particular regarding attendance at the General Meeting at the time it was held, resolutions adopted stating the number of votes cast and the sense thereof for each of the proposals on the Agenda.*

*(Free translation from the original in Spanish language)*

- i) *The communications channels existing between the Company and the shareholders, in particular the pertinent explanations regarding exercise of the shareholders' information right, indicating the postal and e-mail addresses to which the shareholders may address them.*
- j) *The resources and procedures for granting proxies for the General Meeting.*
- k) *The resources and procedures for exercising remote voting, if applicable including those established to evidence attendance and voting by remote means at General Meetings.*
- l) *The material disclosures made to the National Securities Market Commission."*

***"Article 38.- Allocation of Profits.***

1. *The General Meeting will decide upon the allocation of the profits for the financial year, in accordance with the approved Balance Sheet.*
2. *After covering the requirements established by law or the Articles, dividends may only be paid out of the profit for the financial year or unrestricted reserves, if net book value is not and will not become, as a result of the distribution, less than the company's capital.*

*When there are losses from previous financial years causing the value of the net assets of the Company to be less than the company's capital, the profit will be used to offset these losses.*

*In addition, profits may not be distributed unless the unrestricted reserves are at least equal to the amount of research and development expenses recorded under assets on the balance sheet.*

*In any event, an unrestricted reserve must be set aside equal to the goodwill recorded under assets in the balance sheet. For this purpose, a part of the profit representing at least five percent (5%) of the said goodwill figure will be allocated. If there are no profits, or if they are insufficient, unrestricted reserves will be used.*

3. *The legal reserve will be constituted in accordance with the provisions of law. Another reserve also will be constituted by subtracting at least ten percent (10%) from profits, after reduction by taxes, until establishing a fund equivalent to at least twenty percent (20%) but not more than fifty percent (50%) of paid up capital to cover such allocations as may be resolved by the General Meeting. The General Meeting in addition may establish such voluntary reserves as it deems to be appropriate."*

***"Article 39.- Distribution of Profits.***

*(Free translation from the original in Spanish language)*

1. *If there are distributable profits, the Company is required to resolve to distribute a minimum dividend if there are non-voting shares in accordance with the provisions of law or these Articles.*
2. *The net profits obtained by the Company in each financial year will be distributed among the shareholders in proportion to their shares, after covering the corporate obligations, the legal, articles and voluntary reserves, if any, and the emoluments of the Board of Directors, without prejudice to the provisions of section 1 above.*

*The General Meeting will determine the time and form of payment in the resolution to distribute dividends. The Board of Directors may resolve to distribute amounts on account of dividends, with the limitations and requirements established by law.”*

**“Article 40.- Prescription of Dividends.**

*Dividends for a financial year not received by a shareholder within five (5) years after the date indicated for payment will prescribe in favor of the Company.”*

**“Article 41.- Winding Up of Company.**

1. *The winding up of the Company will occur in the cases indicated by law.*
2. *If the Company is to be wound up because the Company’s assets have been reduced to an amount less than half of capital, the winding up may be avoided by way of a resolution to increase or reduce capital, in accordance with the provisions of law.”*

**“Article 42.- Form of Liquidation.**

1. *The General Shareholders Meeting having resolved to wind up the Company, the General Shareholders Meeting, on proposal of the Board, will open the liquidation period and appoint one or more liquidators, fixing the powers thereof. This appointment extinguishes the powers of the Board.*
2. *The General Meeting during the liquidation period will retain the same authority as during the normal life of the Company. In particular it will have the authority to approve accounts and the final liquidation balance sheet.”*

**“Article 44.- Liquidation Rules.**

1. *Without prejudice to the provisions of law, on a general basis all shares (ordinary and non-voting) will be entitled to the same liquidation share, if any exists.*
2. *Notwithstanding the foregoing, the holders of non-voting shares will, on the terms set forth from time to time by applicable law, be entitled to receive repayment of the paid-up value, before any amount is distributed to the other shares in the event of liquidation of*

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the Company, if the liquidation share of all shares is less than the paid-up value of the non-voting shares.

3. Otherwise the provisions of law regarding the matter will apply.”

**“Article 45.- Remittance to Law**

*For all matters not contemplated in these Articles the provisions of regulations applicable from time to time will be observed and applied.”*

**5.7. Renumbering of the articles and approval of a consolidated text of the Bylaws as a result of the above amendments.**

*- Renumbering of Articles 8 bis, 10, 24, 27, 29, 30, 31 and 37, which become, respectively, Articles, 9, 11, 30, 32, 33, 36, 37 and 43, all of them with the previous wording.*

*- Approval of the following consolidated text of the Articles of Association, solely for the purposes of including the Articles that have been amended pursuant to the above resolutions and so that all the provisions of the Bylaws are included in a single public instrument:*

**ARTICLES OF ASSOCIATION  
PROMOTORA DE INFORMACIONES, S.A.**

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**CHAPTER I  
GENERAL PROVISIONS**

**Article 1.- Name and Applicable Law.**

The name of the Company is Promotora de Informaciones, S.A. (hereinafter "**PRISA**" or the "**Company**"). It is governed by the legal or regulatory provisions applicable from time to time and by these Articles.

**Article 2.- Purpose.**

1. The purpose of the Company is:
  - a) The management and exploitation of all kinds of information and social communications media, its own or those of others, whatever the technical medium, inter alia including the publication of printed newspapers.

*(Free translation from the original in Spanish language)*

- b) The promotion, planning and implementation, on its own behalf or on behalf of others, directly or through third parties, of all kinds of communications, industrial, commercial or services projects, businesses or undertakings.
  - c) The constitution of companies, participation, even majority participation, in existing companies, and association with third parties in operations and businesses, by way of collaboration formulas.
  - d) The acquisition, direct or indirect holding, exploitation by way of lease or otherwise and disposition of all kinds of assets, personal and real properties and rights.
  - e) The engagement and rendering of consulting services, acquisitions and management of third party interests, whether by way of brokerage, representation or any other manner of collaboration, for its own account or for the account of others.
  - f) Acting in the capital and money markets by way of management thereof, purchase and sale of fixed income, equity or any other kind of securities, on its own behalf.
2. The described activities are understood to refer to companies and undertakings, operations or businesses, domestic or foreign, complying with the respective legal rules.
  3. The activities comprising the corporate purpose may be undertaken by the Company, in whole or in part, indirectly by way of interests in other companies having an analogous purpose.

### **Article 3.- Duration of Company.**

The Company commenced operations from the time of execution of the public deed of establishment. Its duration will be indefinite. If the law for commencement of any of the operations enumerated in the preceding article requires obtaining an administrative licence, registration in a public registry, or satisfaction of any other requirement, the Company may not initiate the aforesaid specific activity until the requirement has been satisfied.

### **Article 4.- Nationality and Registered Office.**

The Company is of Spanish nationality and has its registered office in Madrid at Gran Vía, no 32. The Board of Directors is the body having competence to establish, close or transfer such branches, agencies or offices as it may deem to be appropriate, and to change the registered office within the same municipality.

### **Article 5.- Submission to Jurisdiction**

For all such disputed questions as may arise between the Company and the shareholders by reason of corporate matters, both the Company and the shareholders, waiving their own

*(Free translation from the original in Spanish language)*

forums, expressly submit to the judicial forum for the location of the registered office of the Company, except in those cases in which another forum is legally imposed.

## **CHAPTER II**

### **CAPITAL AND SHARES**

#### **Article 6.- Share Capital.**

1. The capital is 215,807,875.30 €. It is represented by 2,158,078,753 ordinary shares, all of the same class and series, having a nominal value of TEN CENTS ON THE EURO (€0.10) each, consecutively numbered from 1 to 2,158,078,753.
2. The capital is totally subscribed and paid up.
3. The Company may issue various classes of shares. Each class may have a different nominal value. Where more than one series of shares is created within the same class, all the shares making up a series will have the same nominal value.

#### **Article 7.- Representation of Shares.**

1. The shares are represented by book entries and exist as such by virtue of their registration in the corresponding accounting records, which will reflect the matters set forth in the deed of issuance and whether or not they are fully paid up.
2. Standing to exercise the rights of a shareholder, if applicable including transfer, is obtained by registration in the book entry records, which establishes a presumption of lawful ownership and entitles the registered holder to demand that the Company recognise it as a shareholder. Such standing may be demonstrated by showing the appropriate certificates, issued by the entity responsible for the book entry records.
3. If the Company confers any benefit on the one presumed to have standing, it will be released from the corresponding obligation, even if that person is not the actual owner of the share, provided that it does so in good faith and without gross negligence.
4. If the person or entity appearing as having standing from the entries in the accounting records has said standing by virtue of a fiduciary relationship or another of a comparable nature, the Company may require it to disclose the identity of the actual owners of the shares, as well as the acts of transfer and encumbrance thereof.

#### **Article 8.- Non-Voting Shares.**

1. The Company may issue non-voting shares for a nominal amount of no more than one half of paid-up capital. The legal scheme for non-voting shares will be as set forth in the

*(Free translation from the original in Spanish language)*

applicable regulations, the Articles of Association and the resolution of the Board ordering the issue thereof.

2. The holders of non-voting shares will be entitled to receive the annual minimum dividend established in the issue resolution. Once the minimum dividend is declared, the owners of non-voting shares will be entitled to the same dividend as that payable on the ordinary shares. If there are distributable profits, the Company will be required to declare the minimum dividend referred to above.
3. The non-voting shares will enjoy pre-emption rights on the same terms as voting shares. However, that right may be disapplied in accordance with the provisions of applicable law and these Articles.
4. Subsequent issues of non-voting shares will require approval, by separate vote or special Meeting, of the existing non-voting shareholders.
5. Until that minimum dividend has been paid, non-voting shares will have the same rights as ordinary shares and, in any event, maintain their economic advantages.
6. The General Meeting may issue non-voting shares convertible at a fixed rate (determined or determinable) or a variable rate. The issue resolution will determine whether the authority to convert or exchange lies in the shareholders and/or the Company or, if applicable, the conversion will occur on a mandatory basis at a given time.

#### **Article 9.- Redeemable Shares.**

The Company may issue redeemable shares for a nominal value not greater than a quarter of the share capital and in compliance with other legally established requirements.

#### **Article 10.- Issue, Subscription and Payment for Shares.**

1. The General Shareholders Meeting, complying with the legal requirements, may resolve to increase capital by issuing new shares or increasing the nominal value of those already existing. The General Shareholders Meeting will determine the terms and conditions of each new issue and the Board of Directors will have the authority necessary to implement the adopted resolutions, with the greatest breadth of discretion within the legal framework and the conditions established by the Meeting. If they have not been fixed by the Meeting, the Board of Directors may determine the form and the maximum term, which may not exceed five (5) years, in which pending payments on account of paid up capital, if any, are to be made, in accordance with law. In capital increases with issue of new shares, ordinary or preferred, against cash contributions, the shareholders, within the term given by the Board of Directors of the Company, which will not be less than fifteen (15) days after publication of the notice of the offer of subscription of the new issue in the Official Gazette of the Commercial Registry, will have a pre-emption right, proportional as legally provided, unless that right was disapplied in accordance with applicable regulations.

*(Free translation from the original in Spanish language)*

2. The General Meeting, satisfying the requirements established for amendment of the Articles of Association, may delegate the legally contemplated authority regarding capital increases to the Board of Directors.

**Article 11.- Free Transferability of Shares.**

The shares of the Company will be freely transferable by any legal means.

**CHAPTER III**

**GOVERNANCE, ADMINISTRATION AND REPRESENTATION OF THE COMPANY**

**Article 12.- Bodies.**

The Company will be governed by the General Shareholders Meeting and administered and represented by the Board of Directors.

**GENERAL SHAREHOLDERS MEETING**

**Article 13.- Powers.**

1. The General Shareholders Meeting is the supreme corporate authority. The General Meeting will decide on the matters attributed to it by these Articles of Association, its own Regulation or the law, in particular regarding the following:
  - a) Approval of the annual accounts, consolidated annual accounts, corporate management and allocation of profits.
  - b) Determination of the number of members of the Board of Directors.
  - c) Appointment and removal of Directors, as well as ratification of Directors appointed by co-option by the Board of Directors.
  - d) Appointment, reelection and removal of the Statutory Auditors, as well as the liquidators.
  - e) Amendment of the Articles of Association.
  - f) Increase and reduction of the company's capital.
  - g) Disapplication or limitation of pre-emption rights.

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- h) Issue of bonds and, in general, securities of any kind, including preferred shares.
  - i) Transformation, merger, splitup or bulk transfer of assets and liabilities and transfer of the registered office abroad.
  - j) Acquisition, disposition or contribution to another company of essential assets, as well as transfer to subsidiary entities of essential activities up to that time undertaken by the Company, even if it maintains full ownership thereof.
  - k) Authorisation to the Board of Directors to increase capital, in accordance with law, and to issue bonds of any kind, and delegation to the Board of Directors of any other powers in accordance with law and the Articles.
  - l) Approval and amendment of the General Meeting Regulation, subject to the provisions of law and the Articles.
  - m) Annual approval of compensation of the Board of Directors in accordance with article 22 of the Articles of Association.
  - n) Approval of the policy on compensation of Directors, in accordance with the provisions of applicable law and these Articles.
  - o) Authorisation of compensation of Directors consisting of the delivery of shares or options on shares or compensation indexed to the value of the shares.
  - p) Winding-up and liquidation of the Company, as well as transactions the effect of which is equivalent to that of liquidation of the Company.
  - q) Approval of the final liquidation balance sheet.
  - r) Exercise of any other competence attributed to it by law or the Articles and being apprised of or deciding regarding any other matter that the Board of Directors resolves is to be reported to or resolved by the Meeting because it is of special relevance to the interests of the company.
3. The Meeting may not give instructions to the Board of Directors or subject adoption by the Board of resolutions regarding management matters to its authorisation.

**Article 14.- Kinds of Meetings.**

1. General Meetings of shareholders may be ordinary or extraordinary. They will be called and held in the manner determined by law, these Articles and the General Meeting Regulation. The holding of an annual Ordinary Meeting on the date resolved by the Board of Directors, within the term established by law, is mandatory.
2. The Extraordinary General Meeting will meet when so resolved by the Board of Directors of the Company, or when so requested by a number of shareholders owning at

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least three percent (3%) of capital, in the request stating the matters to be considered at the meeting. In this case the Meeting must be called to be held within the two (2) months following the date of notarial demand on the administrators to call it, with the agenda necessarily to include the matters covered by the request.

#### **Article 15.- Preparation of the General Meeting.**

1. Every General Meeting will be called at the time and in the manner determined by law, the Articles and the General Shareholders Meeting Regulation.
2. The call will include references to the Company, the place, day and time of the meeting, the agenda including the matters to be considered, the position of the person or persons making the call and the other legally-required references.
3. Shareholders representing at least three percent (3%) of capital may request the publication of a supplement to the call of the Ordinary General Meeting including one or more points on the agenda, provided that the new points are accompanied by a explanation or, if applicable, an explained proposed resolution. That right may in no case be exercised in respect of the call of an Extraordinary General Meeting. Exercise of this right must be by certifiable notice, which must be received at the registered office within the five (5) days following publication of the call. The supplement to the call must be published at least fifteen (15) days before the scheduled Meeting date.
4. Shareholders representing at least three percent (3%) of capital may, within the same term as indicated in the preceding subsection, present supported proposed resolutions regarding matters already on or that should be on the agenda for the Meeting called. The Company will see to dissemination of these proposed resolutions and such documentation as may be attached thereto to the other shareholders, in accordance with the provisions of law and the General Meeting Regulation.
5. The shareholders prior to or during the meeting may request such reports, documents and clarifications as they deem to be necessary, in accordance with the provisions of law.

#### **Article 16.- Holding the General Meeting.**

1. Place. The place of holding the Meeting will be as designated in the call, outside or within the location of the registered office, on the day and at the time indicated.
2. Attendance. All shareholders owning at least sixty (60) shares, registered in the corresponding book entry accounting records five (5) days in advance of the date of holding the Meeting, and holding the corresponding attendance card, may attend the General Meeting.

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3. The Board of Directors will attend the General Meeting. The Chairman of the General Meeting may authorise attendance of any other person he deems to be appropriate; however the Meeting may revoke that authorisation.
4. Proxies. Shareholders may grant proxies to another person, complying with the requirements and formalities imposed by these Articles of Association, by the General Meeting Regulation and by law. The proxy will be specific to the meeting in question. This requirement will not apply when the representative is the spouse, ascendant or descendent of the represented shareholder. Nor will it apply when the representative has a general power of attorney granted in a public document with authority to manage all property the represented shareholder has in the country. A proxy will be evidenced in writing in any of the following documents, in all cases with a handwritten signature: (i) the attendance card issued by the custodians participating in Iberclear, (ii) a letter or (iii) the standard form made available by the Company for these purposes to the shareholders, and also may be granted by way of remote electronic means of communication. In the latter case the provisions for the voting using the aforesaid means will apply, to the extent not incompatible with the nature of the proxy.
5. The appointment of the representative by the shareholder and, if applicable, the revocation of that appointment, will be notified to the Company in the manner established in the General Meeting Regulation.
6. Number of shareholders for quorum. Without prejudice to the provisions of law for special cases, the quorum for a General Shareholders Meeting on first call will be the presence, in person or by proxy, of shareholders holding at least twenty-five percent (25%) of the subscribed voting capital. On second call there will be a quorum for the Meeting whatever the capital in attendance.
7. Notwithstanding the provisions of the preceding paragraph, in order for the General Meeting to validly resolve on an increase or reduction of capital, or on any other amendment of the Articles of Association, on an issue of bonds, the disapplication or limitation of pre-emption rights in respect of new shares, transformation, merger splitup or bulk transfer of assets and liabilities, or relocation of the registered office outside of Spain, it will be necessary, on first call, for shareholders holding at least fifty percent (50%) of the subscribed voting capital to be present in person or by proxy. At second call, the presence of twenty five percent (25%) of said capital will be sufficient.
8. Chairman of Meeting: The Chairman of the Meeting will be the person, if any, specified by the Board of Directors. In the absence of a specific decision by the Board, the Meeting will be chaired by the Chairman of the Board of Directors. In his absence, if any, it will be chaired by the Vice Chairman, and in the absence of both, by the attending Director with greatest seniority in the position and, in the absence of all of them, by the shareholder designated by the General Meeting.

*(Free translation from the original in Spanish language)*

9. The Chairman will submit the items on the agenda to deliberation and manage the discussions so that the meeting is held in an orderly manner. To that end he will have the appropriate powers of order and discipline.
10. The Chairman will be assisted by a Secretary, which will be the Secretary of the Board of Directors. In his absence, if any, the Deputy Secretary of the Board of Directors will act and, in his absence, the person designated by the Meeting.
11. The Meeting Officers will include the Chairman, the Secretary and the members of the Board of Directors in attendance.
12. Voting by mail or remote electronic means of communication. Votes on proposals on matters on the Agenda of any kind of General Meeting may be cast by shareholders by mail or remote electronic means of communication. The identity of the person voting must be assured, in accordance with the requirements established in the General Meeting Regulation. Votes by e-mail will be cast using a recognised electronic signature or other form that the Board of Directors concludes will be suitable to ensure the authenticity and identity of the shareholder exercising the voting right. The shareholders who vote using remote methods must be counted as being present for the purpose of establishing the quorum. Votes cast using these methods must be in the possession of the Company, at its headquarters, at least twenty-four (24) hours in advance of the time contemplated for holding the General Meeting on first call. Otherwise, the vote will be deemed not to have been cast. In the call for each General Meeting the Board of Directors may determine a shorter advance term.
13. The Board of Directors has authority to develop the foregoing provisions, establishing rules, resources and procedures consistent with the state of the art to implement electronic voting and grant of proxies. In particular, the Board of Directors may, inter alia, regulate the use of alternative guarantees of electronic signatures for electronic voting.
14. The procedural rules adopted by the Board of Directors by virtue of the provisions of this section will be published on the Company's website.
15. Voting. The Chairman will give details of the voting, summarise the number of votes in favor of and against the proposed resolution submitted to the General Meeting and announce the result aloud.
16. The General Shareholders Meeting Regulation will establish the procedures and systems for counting votes on proposed resolutions.

**Article 17.- Adoption of Resolutions.**

*(Free translation from the original in Spanish language)*

1. Each share with a right to vote present in person or by proxy at the General Meeting will be entitled to one vote.
2. Corporate resolutions will be adopted by simple majority of the votes of shareholders present at the Meeting in person or by proxy, a resolution being understood to have been adopted when it obtains more favorable than unfavorable votes.
3. Without prejudice to the provisions of law, the favorable vote of the absolute majority of the voting shares present in person or by proxy at the General Shareholders Meeting will be required if the capital present in person or by proxy is more than fifty percent (50%), or the favorable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent twenty-five percent (25%) or more of the subscribed voting capital without reaching fifty percent (50%), for approval of the following matters:
  - a. Articles amendments, including increase or reduction of capital, unless the law otherwise provides.
  - b. Issuance of bonds.
  - c. Transformation, merger or splitup in any of their forms, as well as bulk assignment of assets and liabilities and transfer of the Company's registered office abroad.
  - d. Disapplication or limitation of pre-emption rights for new shares.

**Article 18.- Implementation of Corporate Resolutions.**

1. Competence. The Board of Directors will be responsible for implementation of all resolutions of the Meeting, without prejudice to such delegations or grants of powers of attorney as it may make in accordance with these Articles.
2. Drafting and Approval of Minutes. The minutes of the Meeting may be drafted and approved in the manner determined in the applicable regulations, and signed by the Chairman and the Secretary. If the Meeting is held with the presence of a notary requested to prepare minutes by the Board of Directors, as provided by law, the notarial minutes will be deemed to be minutes of the Board, approval thereof therefore not being required.

**BOARD OF DIRECTORS**

**Article 19.- Nature, Number of Members and Positions.**

1. The Board of Directors is responsible for management, administration and representation of the Company, without prejudice to such authority as may correspond to the General Meeting in accordance with law and the Articles.

*(Free translation from the original in Spanish language)*

2. The Board will be comprised of a minimum of three (3) and a maximum of seventeen (17) Directors, with the Meeting being responsible for their appointment and determination of their number. For that purpose, the Meeting may fix the number by express resolution, or indirectly by creating or not creating vacancies or appointing or not appointing new Directors, within the aforesaid minimum and maximum.
3. From among its members, the Board will appoint a Chairman and, subject to the same condition, may appoint one or more Deputy Chairmen. From among its members it also may appoint a Delegated Commission or one or more Chief Executive Officers, to which it may give the power of representation, jointly and severally or jointly but not severally. It will also appoint a Secretary, who need not be a Director, and may appoint an Deputy Secretary, who also need not be a member of the Board.
4. When the position of Chairman is to be held by an executive Director, the appointment of the Chairman will require the favorable vote of two thirds of the members of the Board of Directors.
5. Also, if the Chairman is an executive Director, the Board of Directors, with the abstention of the executive Directors and on proposal of the Corporate Governance Committee, must appoint a Coordinating Director from among the independent Directors, who will be specifically empowered to request a call of the Board of Directors or inclusion of new points on the agenda for a Meeting already called, to coordinate and meet with the non-executive Directors and, if applicable, to lead the periodic evaluation of the Chairman of the Board of Directors.
6. The Board of Directors will approve a Regulation to govern its organisation and functioning.

**Article 20.- Kinds of Directors.**

1. The Board of Directors will be so comprised that proprietary and independent Directors represent a majority over executive Directors.
2. For purposes of the provisions of the preceding section, the Company will adjust the classes of Directors to the definitions and criteria set forth by the applicable laws from time to time .

**Article 21.- Term of Office.**

*(Free translation from the original in Spanish language)*

The term of a Director's office will be four (4) years. A Director may be reelected indefinitely for terms of the same length.

**Article 22.- Compensation of Directors.**

1. The Directors may take any other position, with or without compensation, with the Company or any other company belonging to its Group, absent incompatibility, whether legal or found in the discretion of the Board.
2. The compensation of Directors will consist of a fixed annual amount. The maximum amount of annual compensation of all Directors in their capacities as such must be approved by the General Meeting and will remain in effect until modification thereof is approved.
3. The compensation of the various Directors may vary based on the positions, duties and responsibilities given to them, and their serving on Board Committees, and may be in addition to payment of meeting attendance fees.
4. The Board will be responsible for fixing the exact amounts of the fees, as well as the individual compensation that each Director is to receive, in any case respecting the limits established by the General Meeting and the categories of compensation contemplated in these Articles.
5. Without prejudice to the aforesaid compensation, the compensation of the Directors also may consist of the delivery of shares, or options on shares or compensation indexed to the value of the shares. Use of this form of compensation will require a resolution of the General Meeting stating, if applicable, the maximum number of shares that can be allocated to this compensation scheme in each financial year, the exercise price or the calculation system for the exercise price of the share options, the value of the shares taken by way of reference if applicable, and the term of duration of this compensation scheme.
6. The Company will secure civil liability insurance for its Directors.
7. In addition, Directors who are assigned executive functions will be entitled to receive compensation for the performance of those functions, which will be determined by the Board of Directors in accordance with the provisions of the compensation policy for Directors approved by the General Meeting, and which will be included in a contract to be entered into by the Director and the Company, which must contain all categories in which the Director may obtain compensation for the performance of executive functions.

This contract must be approved in advance by the Board of Directors with the favorable vote of two thirds of its members, and must be attached as an annex to the minutes of the meeting. The affected Director must refrain from attendance, deliberation and participation in voting.

*(Free translation from the original in Spanish language)*

The contract must contain all references required by law and be consistent with the Company's compensation policy.

**Article 23.- Representation of Company.**

1. The management, administration and representation of the Company, judicially and extrajudicially, as regards all acts included within the corporate purpose, is the responsibility of the Board of Directors, which will act jointly, without prejudice to such delegations and powers of attorney as it may grant.
2. Authority that is non-delegable by law or in accordance with these Articles may not be delegated. Nor may such authority as the General Meeting has given to the Board without express authorisation of delegation. In any event the Board of Directors of the Company will reserve the following for its review and exclusive decision:
  - a) Determination of the general policies and strategies of the Company, in particular:
    - i. approval of the Strategic or Business Plan, as well as the annual budgets and management objectives;
    - ii. determination of investment and financing policy;
    - iii. definition of the structure of the Group of companies of which the Company is the controlling entity;
    - iv. determination of the corporate governance policy of the Company and the Group of which it is the controlling entity;
    - v. corporate social responsibility policy;
    - vi. the policy for management and control of risks, including tax risks, and supervision of the internal information and control systems;
    - vii. definition of the dividend policy; and
    - viii. determination of the tax strategy of the Company.
  - b) Approval of financial projections, as well as strategic alliances of the Company or its controlled companies, and the policy regarding treasury shares.
  - c) Supervision of effective functioning of the committees it has constituted and the actions of the delegated bodies and executives it has appointed.
  - d) Authorisation or waiver of the obligations deriving from the duty of loyalty.

*(Free translation from the original in Spanish language)*

- e) Any proposed amendment of the Company's corporate purpose.
- f) Its organisation and functioning and, in particular, approval and amendment of the Board of Directors Regulation.
- g) Preparation of the annual accounts and their presentation to the General Meeting.
- h) Approval of the financial information that listed companies must periodically disclose.
- i) Making any kind of report required by law to the Board of Directors, provided that the matter covered by the report is nondelegable.
- j) Appointment and removal of Managing Directors of the Company, delegation of authority, as well as establishment of the terms of their contracts.
- k) Appointment and removal of the executives reporting directly to the Board or to any of its members, as well as establishment of the basic terms of their contracts, including their compensation.
- l) Proposal of the general compensation policy, and decisions related to compensation of Directors, within the framework of the Articles and the compensation policy approved by the General Meeting.
- m) Calling general meetings and preparing the agenda and the proposed resolutions;
- n) Approval of investments or transactions of any kind that by reason of their high amount or special characteristics are strategic or pose a special tax risk for the Company or the investee or controlled companies in question, unless approval thereof corresponds to the General Meeting, inter alia including the assumption of financial risks or making of derivative financial commitments, including but not limited to loans, credits, guarantees or other security..
- o) Approval of the creation or acquisition of interests in special purpose vehicles or entities resident in countries or territories considered to be tax havens, and any other transactions or operations of a comparable nature the complexity of which might impair the transparency of the Company or its Group.
- p) Those resolutions related to mergers, splitups and any relevant decision having to do with the status of the Company as a listed company, unless approval thereof corresponds to the General Meeting.
- q) Approval, after a report from the Audit Committee, of related party transactions, on the terms contemplated in the Board Regulation.

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- r) Annual evaluation of the functioning of the Board of Directors, the functioning of its Committees, and proposal, based on the results, of an action plan correcting detected deficiencies.
  - s) Powers the General Meeting has delegated to the Board of Directors, unless expressly authorised by it to subdelegate them.
3. Resolutions related to the matters indicated in 2.n) and 2.o) above, the amount of which is not more than ten million (10,000,000) euros, may be adopted by the Delegated Commission in cases of urgency, duly justified, and must be ratified at the first Board meeting held after adoption of the resolution.

**Article 24.- Authority of Board Positions.**

- 1. Judicial and extrajudicial representation of the Company is held by the Chairman of the Board, as is the exercise of such functions, if any, as may be delegated to the Chairman by the Board of Directors. The Chairman, with the collaboration of the Secretary, also is responsible for ensuring that the Directors have the information necessary for deliberation and the adoption of resolutions, sufficiently in advance and in appropriate format, ensuring the good order of meetings of the Board, their call and review and oversight of all corporate resolutions, whatever the body from which they originate.
- 2. Any substitution for the Chairman as regards the functioning of the Board of Directors in the event of temporary absence, temporary disability or express delegation by the Chairman is the responsibility of the Deputy Chairmen.
- 3. The Secretary is responsible for entering a record of the conduct of meetings in the minute books and certifying their content and the resolutions adopted, retaining the documentation of the Board, seeing to it that the actions of the Board are consistent with applicable regulations and in accordance with the Articles and other internal rules, assisting the Chairman of the Board as appropriate.

**Article 25.- Audit Committee.**

- 1. The Board of Directors will establish an Audit Committee. The Audit Committee will have the functions corresponding to it pursuant to applicable law, the Articles and the Company's internal Regulations, without prejudice to any other function that may be given to it by the Board of Directors.
- 2. The Audit Committee will be comprised of the number of Directors from time to time determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) members. All members of the Audit Committee will be non-executive Directors. They further must comply with the other requirements established by law. At least two

(2) of the Audit Committee members will be independent, and at least one of them will be appointed considering his accounting and/or audit knowledge and experience.

The members of the Committee will be appointed by the Board of Directors on proposal of the Chairman, and will leave office when they do so in respect of their status as Directors, or when so resolved by the Board of Directors.

3. The Chairman will be elected by the Board of Directors, from among the members of the Committee having the status of independent Directors, and further must satisfy the other legal requirements. The Chairman of the Committee must be replaced every four (4) years, and may be re-elected after one year elapses since he left office.
4. The Secretary of the Board of Directors and, in his absence, the Deputy Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.
5. The Committee will meet periodically based on need, and at least four (4) times per year, after call by its Chairman.
6. The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Audit Committee, provided that they are compatible with the nature and functions of this Committee.

**Article 26.- Corporate Governance Committee.**

1. The Board of Directors will establish a Corporate Governance Committee, which will have the functions corresponding to it under the Articles and the Company's internal Regulations, without prejudice to any other function that may be assigned to it by the Board of Directors.
2. The Corporate Governance Committee will be comprised of a minimum of three (3) and a maximum of five (5) non-executive Directors, to be determined by resolution of the Board of Directors on proposal of its Chairman. At least two (2) of them must be independent Directors.
3. The Corporate Governance Committee may require the attendance of the Company's Managing Director at its meetings.
4. The members of the Corporate Governance Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.
5. The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.

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6. The Secretary of the Board of Directors and, in his absence, the Assistant Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.
7. The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Committee, provided that they are compatible with the nature and functions of this Committee.

**Article 27.- Appointment and Remuneration Committee.**

1. The Board of Directors will establish an Appointment and Remuneration Committee, which will have the functions legally corresponding to it under applicable law, the Articles and the Company's internal Regulations, without prejudice to any other function that may be assigned to it by the Board of Directors.
2. The Appointment and Remuneration Committee will be comprised of a minimum of three (3) and a maximum of five (5) Directors. All members of the Committee will be non-executive Directors, to be determined by resolution of the Board of Directors on proposal of its Chairman. At least two (2) of the members of the Committee must be independent Directors.
3. The Appointment and Remuneration Committee may require the attendance of the Company's Managing Director at its meetings.
4. The members of the Appointment and Remuneration Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.
5. The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.
6. The Secretary of the Board of Directors and, in his absence, the Assistant Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.
7. The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Committee, provided that they are compatible with the nature and functions of this Committee.

**Article 28.- Board Meetings.**

1. The Board will meet at least once each quarter, provided that the Chairman deems that to be appropriate or it is requested by a third of the members of the Board. In the latter two cases, the Chairman may not delay the sending of the call for more than five (5) days from the date the request is received.

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2. The Board will be called by the Chairman or the person acting as such, indicating the agenda, by fax, telegram, email or certified letter addressed to each and every one of the Directors, at least seven (7) days before the day set for the meeting of the Board.

In the discretion of the Chairman, and in cases of urgency, the Board may be called, indicating the matters to be dealt with, without applying the term indicated above.

3. Directors comprising at least one third of the members of the Board may call it, indicating the agenda, to be held at the location of the registered office, if the Chairman, after a request to do so, without just cause has not made the call within a term of one month.
4. The Directors, sufficiently in advance, must have the information necessary for deliberation and adoption of resolutions on the matters to be covered at the meeting, unless the Board of Directors meets or is called exceptionally by reason of urgency.

#### **Article 29.- Quorum for Board Meetings.**

1. The Board will be validly constituted when the majority of its members attend the meeting, in person or by proxy.
2. Directors must attend meetings personally, preferably being physically present. However, if it is impossible for a Director to attend, the Director will grant a proxy to another Director. Non-executive Directors may do so only to another non-executive Director.
3. Resolutions will be adopted by majority vote of those present. In the case of a tie the Chairman will have a casting vote.
4. The Board may delegate approval of the minutes to two (2) Directors, who may be designated at the respective meeting.

#### **Article 30.- Minute Book.**

The resolutions of the Board will be entered in a Minute Book, which will be signed by the Chairman and the secretary or those replacing them. Certifications will be issued by the Secretary with the approval of the Chairman.

#### **Article 31.- Replacements and Appointments.**

1. In the event of temporary absence, temporary disability of the Chairman, or express delegation from the Chairman, the Deputy Chairman, if any, will assume the functions of the Chairman. Otherwise they will be assumed by the Director designated by the

*(Free translation from the original in Spanish language)*

Board. Under the same circumstances as regards the Secretary, its functions will be assumed by the Deputy Secretary, if any, and in the absence thereof, the Director designated by the Board. In the minutes prepared the replaced position will be stated, adding the word "interim", and the reason for acting on an interim basis.

2. Vacancies occurring on the Board may be filled temporarily by the persons the Board appoints by co-option, until the next General Meeting.

#### **Article 32.- Removal and Termination.**

In addition to the legal grounds for termination, Directors will leave their positions by revocation of their appointments by the General Meeting or by their own resignation.

### **OTHER ATTORNEYS IN FACT**

#### **Article 33.- Attorneys in Fact for Specific Matters.**

The Board may grant powers of attorney for specific matters to other persons, in this regard executing the corresponding deeds of power of attorney.

### **D. ANNUAL CORPORATE GOVERNANCE REPORT AND WEBSITE**

#### **Article 34.- Annual Corporate Governance Report.**

1. The Board of Directors, after a report from the Corporate Governance Committee, annually will approve a corporate governance annual report of the Company, covering the matters legally contemplated together with such others as it deems to be appropriate.
2. The annual corporate governance report will be approved prior to publication of the notice of call of the ordinary General Meeting of the Company for the financial year in question, and will be made available to the shareholders together with the other documentation of the General Meeting.
3. In addition, the annual corporate governance report will be publicised as required in the regulations applicable from time to time.

#### **Article 35.- Website.**

The Company will maintain a website for the information of shareholders and investors ([www.prisa.com](http://www.prisa.com)) on which the documents and information contemplated by law will be included, and at least the following:

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- a) The current Articles of Association.
- b) The General Shareholders Meeting Regulation.
- c) The Board of Directors Regulation.
- d) The annual financial report and other financial reports the Company regularly publishes and disseminates.
- e) The Internal Code for conduct on the securities markets.
- f) The corporate governance reports.
- g) The documents related to Ordinary and Extraordinary General Meetings, with information regarding the agenda, proposals made by the Board of Directors, and any other relevant information that may be needed by shareholders to cast their votes, as well as any other documentation required by applicable legislation.
- h) The information regarding the conduct of General Meetings, in particular regarding attendance at the General Meeting at the time it was held, resolutions adopted stating the number of votes cast and the sense thereof for each of the proposals on the Agenda.
- i) The communications channels existing between the Company and the shareholders, in particular the pertinent explanations regarding exercise of the shareholders' information right, indicating the postal and e-mail addresses to which the shareholders may address them.
- j) The resources and procedures for granting proxies for the General Meeting.
- k) The resources and procedures for exercising remote voting, if applicable including those established to evidence attendance and voting by remote means at General Meetings.
- l) The material disclosures made to the National Securities Market Commission.

## **CHAPTER IV**

### **THE COMPANY'S ECONOMIC AND ADMINISTRATIVE SCHEME**

#### **Article 36.- Financial Year.**

The financial year begins on the first of January and ends on 31 December.

#### **Article 37.- Annual Accounts and Statutory Auditors.**

*(Free translation from the original in Spanish language)*

1. The Board of Directors, within the term established by law, will prepare the Annual Accounts, the Management Report and the Proposal for Allocation of Profits and, if applicable, the consolidated Accounts and Management Report.
2. The Company's Annual Accounts and Management Report, as well as the consolidated Annual Accounts and Management Report, must be reviewed by the Statutory Auditors.

**Article 38.- Allocation of Profits.**

1. The General Meeting will decide upon the allocation of the profits for the financial year, in accordance with the approved Balance Sheet.
2. After covering the requirements established by law or the Articles, dividends may only be paid out of the profit for the financial year or unrestricted reserves, if net book value is not and will not become, as a result of the distribution, less than the company's capital.

When there are losses from previous financial years causing the value of the net assets of the Company to be less than the company's capital, the profit will be used to offset these losses.

In addition, profits may not be distributed unless the unrestricted reserves are at least equal to the amount of research and development expenses recorded under assets on the balance sheet.

In any event, an unrestricted reserve must be set aside equal to the goodwill recorded under assets in the balance sheet. For this purpose, a part of the profit representing at least five percent (5%) of the said goodwill figure will be allocated. If there are no profits, or if they are insufficient, unrestricted reserves will be used.

3. The legal reserve will be constituted in accordance with the provisions of law. Another reserve also will be constituted by subtracting at least ten percent (10%) from profits, after reduction by taxes, until establishing a fund equivalent to at least twenty percent (20%) but not more than fifty percent (50%) of paid up capital to cover such allocations as may be resolved by the General Meeting. The General Meeting in addition may establish such voluntary reserves as it deems to be appropriate.

**Article 39.- Distribution of Profits.**

1. If there are distributable profits, the Company is required to resolve to distribute a minimum dividend if there are non-voting shares in accordance with the provisions of law or these Articles.
2. The net profits obtained by the Company in each financial year will be distributed among the shareholders in proportion to their shares, after covering the corporate

*(Free translation from the original in Spanish language)*

obligations, the legal, articles and voluntary reserves, if any, and the emoluments of the Board of Directors, without prejudice to the provisions of section 1 above.

3. The General Meeting will determine the time and form of payment in the resolution to distribute dividends. The Board of Directors may resolve to distribute amounts on account of dividends, with the limitations and requirements established by law.

**Article 40.- Prescription of Dividends.**

Dividends for a financial year not received by a shareholder within five (5) years after the date indicated for payment will prescribe in favor of the Company.

**CHAPTER V**

**WINDING UP AND LIQUIDATION**

**Article 41.- Winding Up of Company.**

1. The winding up of the Company will occur in the cases indicated by law.
2. If the Company is to be wound up because the Company's assets have been reduced to an amount less than half of capital, the winding up may be avoided by way of a resolution to increase or reduce capital, in accordance with the provisions of law.

**Article 42.- Form of Liquidation.**

1. The General Shareholders Meeting having resolved to wind up the Company, the General Shareholders Meeting, on proposal of the Board, will open the liquidation period and appoint one or more liquidators, fixing the powers thereof. This appointment extinguishes the powers of the Board.
2. The General Meeting during the liquidation period will retain the same authority as during the normal life of the Company. In particular it will have the authority to approve accounts and the final liquidation balance sheet.

**Article 43.- Compensation of Liquidators.**

The General Meeting, when providing for appointment of the liquidators, will determine the fees or compensation they are to receive for their management.

**Article 44.- Liquidation Rules.**

1. Without prejudice to the provisions of law, on a general basis all shares (ordinary and non-voting) will be entitled to the same liquidation share, if any exists.

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2. Notwithstanding the foregoing, the holders of non-voting shares will, on the terms set forth from time to time by applicable law, be entitled to receive repayment of the paid-up value, before any amount is distributed to the other shares in the event of liquidation of the Company, if the liquidation share of all shares is less than the paid-up value of the non-voting shares.
3. Otherwise the provisions of law regarding the matter will apply.

**CHAPTER VI  
REMITTANCE TO LAW**

**Article 45.- Remittance to Law**

For all matters not contemplated in these Articles the provisions of regulations applicable from time to time will be observed and applied.

February 27, 2015



**REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. CONCERNING THE PROPOSED AMENDMENT TO THE GENERAL SHAREHOLDERS MEETING REGULATION REFERRED TO AS ITEM SIX ON THE AGENDA OF THE GENERAL ORDINARY SHAREHOLDERS MEETING TO BE HELD ON APRIL 19, 2015 AND APRIL 20, 2015, IN AN INITIAL AND SECOND QUORUM CALL, RESPECTIVELY.**

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### **I. Object of the Report**

The Board of Directors of PROMOTORA DE INFORMACIONES, S.A. (hereinafter, **Prisa** or the **Company**), with the favourable report of the Corporate Governance Committee, is issuing this report to justify, pursuant to article 26 of the General Shareholders Meeting Regulation, the proposed amendments to the General Shareholders Meeting Regulation included as item six on the Agenda of the next General Ordinary Shareholders Meeting to be held on April 19, 2015, on the initial call or, in the event that a sufficient quorum is not obtained, on April 20, 2015, in the same place on the second call.

### **II. Objective and justification for the proposal**

The primary purpose of the amendment of the articles of the Regulation of the General Meeting of Shareholders indicated in the following proposed resolutions, the approval of which is proposed to the Ordinary General Meeting of Shareholders, is to adapt the articles to the provisions of Act 31/2014 of 3 December 2014 which amends the Capital Companies Act for the improvement of corporate governance, as well as to make improvements and corrections of a purely technical, formal, systematic or grammatical nature.

It is also proposed that a consolidated text of the Regulation of the General Meeting of Shareholders should be approved, solely for the purposes of including the articles that have been amended and ensuring that all the provisions of the Regulation of the General Meeting of Shareholders are incorporated into a single public document.

### **III. Proposed resolution to be submitted for approval at the shareholders meeting**

**Amendment of the following articles of the General Shareholders Meeting Regulation to adapt them to the new wording of Capital Companies Act given by Act 31/2014 of 3 December 2014, and to make improvements and corrections of a purely technical, formal, systematic or grammatical nature: Article 1 (The General Meeting), Article 2 (Powers of the Board), Article 3 (Kinds of Meetings), Article 4 (Call), Article 5 (Publication of Call), Article 6 (Shareholders' Right to Information Prior to Meeting), Article 7 (Right of Attendance), Article 8 (Proxies), Article 9 (Public Proxy Solicitation), Article 11 (Formal Requirements and Terms for Voting by Mail or Remote Electronic Means of Communication), Article 12 (Place of Meeting), Article**

*(Free translation from the original in Spanish language)*

**13 (Security and Logistics), Article 14 (Meeting Officers, Chairman and Secretary of the General Meeting), Article 15 (Required Presence of Notary), Article 16 (List of Attendees), Article 17 (Quorum), Article 18 (Conduct of General Meeting), Article 19 ( Request for Information during General Meeting), Article 20 (Voting), Article 21 ( Scheme for Adoption of Resolutions), Article 23 ( Minutes of Meeting), Article 24 ( Publicity of Resolutions ), Article 25 (Dissemination of Meeting Regulation), Article 26 (Interpretation and Amendment), Article 27 (Approval and Effectiveness). Approval, if any, as a result of the above changes, a consolidated text of the General Shareholders Meeting Regulation.**

“Amendment of the following articles of the General Shareholders Meeting Regulation, to adapt them to the new wording of the Capital Companies Act given by Act 31/2014 of 3 December 2014, and to make improvements and corrections of a purely technical, formal, systematic or grammatical nature, which shall read as follows:

**Article 1. The General Meeting.**

The General Meeting is the supreme corporate authority. Its resolutions are binding on all shareholders.

**Article 2. Powers of the Board.**

1. The following powers in particular are reserved to the General Meeting:

- a) Approval of the annual accounts, the consolidated annual accounts, corporate management and allocation of profits.
- b) Determination of the number of members of the Board of Directors.
- c) Appointment and removal of Directors, as well as ratification of the Directors appointed by the Board of Directors by way of co-option.
- d) Appointment, re-election and removal of the Statutory Auditors, as well as the liquidators.
- e) Amendment of the Articles of Association.
- f) Increase and reduction of the company's capital.
- g) Disapplication or limitation of pre-emption rights.
- h) Issuance of bonds and, in general, securities of any kind, including preferred shares.
- i) Transformation, merger, splitup or bulk transfer of assets and liabilities and transfer of the registered office abroad.

*(Free translation from the original in Spanish language)*

- j) Acquisition, disposition or contribution to another company of essential assets, as well as transfer to subsidiaries of essential activities theretofore undertaken by the Company, even if it maintains full ownership thereof.
  - k) Authorisation to the Board of Directors to increase capital, in accordance with law, and to issue bonds of any kind, and delegation to the Board of Directors of any other powers in accordance with law and the Articles.
  - l) Approval and amendment of the General Meeting Regulation, subject to the provisions of law and the Articles.
  - m) Annual approval of the compensation of the Board of Directors, in accordance with article 22 of the Articles of Association.
  - n) Approval of the compensation policy for Directors, in accordance with the provisions of applicable legislation and the Articles.
  - o) Authorisation of compensation of Directors consisting of delivery of shares or options on shares or compensation indexed to the value of the shares.
  - p) Winding-up and liquidation of the Company, as well as transactions the effect of which is equivalent to that of liquidation of the Company.
  - q) Approval of the final liquidation balance sheet.
  - r) The exercise of any other authority given to it by law or the Articles and being advised of or deciding any other matter the Board of Directors resolves to report to or have decided by the Meeting because it is of special relevance to the interests of the company.
2. The Meeting may not give instructions to the Board of Directors or submit adoption by it of resolutions regarding management matters to authorisation of the Meeting.
  3. The Board of Directors may interpret, correct, implement and develop the resolutions adopted by the General Meeting and appoint the persons that are to execute the corresponding public or private documents

### **Article 3. Kinds of Meetings**

1. General Shareholders' Meetings may be either Ordinary or Extraordinary.
2. The Ordinary General Meeting, which will necessarily meet within the first six months of each financial year, will be the one the purpose of which is, if applicable, to approve corporate management and the accounts for the preceding financial year and to resolve on allocation of profits, and to decide regarding any other matter appearing on the agenda.

*(Free translation from the original in Spanish language)*

3. The other Meetings held by the Company will be considered to be Extraordinary General Meetings.

**Article 4. Call.**

1. The General Meetings will be called by the Board of Directors, which will establish the agenda therefor.

The Board of Directors must call the Ordinary Meeting on the terms contemplated by law, and the Extraordinary Meeting whenever it has been requested through a notary by a number of shareholders holding at least three percent (3%) of capital. Under such circumstances the Board of Directors will call the Meeting to be held within the two (2) months following the date it is requested to do so through a notary, advising of this circumstance in the notice calling it, and will prepare an agenda that necessarily will include the matters included in the request.

2. If the Ordinary or Extraordinary General Meeting is not called within the prescribed term, as contemplated in the preceding point, it may be called by the commercial judge having jurisdiction over the registered office, on the terms contemplated by law.

**Article 5. Publication of Call.**

1. The General Meetings, both Ordinary and Extraordinary, must be called by the Board of Directors by notice published in at least the following media: a) the Official Commercial Registry Gazette or one of the newspapers of broad circulation in Spain, b) the website of the National Securities Market Commission and c) the Company's website.

There must be a term of at least one month between the call and the date contemplated for holding the meeting. The date, if any, when the Meeting will be held on second call will be stated in the call. In this case, between the first and second meeting there must be a term of at least twenty-four (24) hours.

2. Shareholders representing at least three percent (3%) of capital may request the publication of a supplement to the call of the ordinary General Meeting, including one or more points on the agenda, provided that the new points are accompanied by an explanation or, if applicable, an explained proposed resolution. That right may in no case be exercised in respect of the call of Extraordinary General Meetings. Exercise of this right must be by certifiable notice, which must be received at the registered office within the five (5) days following publication of the call. The supplement to the call must be published at least fifteen (15) days before the scheduled Meeting date.
3. Shareholders representing at least three percent (3%) of capital may, within the same term as indicated in section 2 above, present supported proposed resolutions regarding matters already included or that should be included on the agenda for the Meeting called. The Company will see to dissemination of these proposed resolutions and such

documentation as may be attached thereto to the other shareholders, in accordance with the provisions of article 6.6 of this Regulation.

4. The notice of call will state the name of the Company, the place, date and time of the meeting on first and, if applicable, on second call, the agenda for the meeting (which will include the matters to be considered), the position of the person or persons issuing the call, the date a shareholder must have shares registered in its name in order to be able to participate and vote in the General Meeting, and the other requirements imposed by law, the Articles and this Regulation.
5. The notice of call of the General Meeting will state the right of the shareholders to obtain, from the date of its publication, immediately and without charge, the documentation required by law and the Articles of Association, and the address of the Company's website on which the information will be available.

It also will include the necessary details on the Shareholder Services Office, indicating the telephone numbers, email address, offices and hours they are open.

In addition, the notice will contain clear and accurate information on the steps shareholders must take to participate and cast votes in the General Meeting, in particular including the matters contemplated in the applicable regulations regarding procedures for remote or proxy voting.

#### **Article 6. Shareholders' Right to Information Prior to Meeting.**

1. The shareholders, in writing, until the fifth (5th) day prior to the day set for the Meeting, may request information or clarifications, or pose questions regarding the matters included on the agenda and the public information provided by the Company to the National Securities Market Commission since the holding of the most recent General Meeting, and regarding the auditor's report.

Valid requests for information or clarification or questions made in writing, and the Directors' answers provided in writing, will be included on the Company's website.

2. The information requested pursuant to the provisions of this article will be provided to the one requesting it by the Board of Directors or, by its delegation, by any of its members authorised to do so, by the Chief Executive Officer, by Its Secretary or by any employee or expert in the subject matter. The information will be provided in writing, within the term up to the day the General Meeting is held, through the Shareholder Services Office.
3. Nonetheless, the information requested may be denied in the cases contemplated in article 19.3 of this Regulation.
4. The person making the request must prove his identity in the case of a written request by means of a photocopy of his National Identity Document or Passport and, in the case of legal persons, a document that sufficiently proves his representative capacity.

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In addition the person making the request must prove his status as a shareholder or provide sufficient details (number of shares, custodian, etc.) to allow verification by the Company.

5. If the right to information is exercised by way of electronic correspondence or other online means of communication, a procedure similar to the one contemplated in article 11.2 of this Regulation will be used and the identity of the shareholder will be shown subject to the same requirements as established in the aforesaid article 11.2.
6. From the date of publication of the notice of call until the General Meeting is held, the following will be included on the Company's website, without interruption, in addition to any other required documentation:
  - a) The notice of call.
  - b) The total number of shares and voting rights on the date of the call, broken down by classes of shares, if any.
  - c) The documents that must be presented to the General Meeting, in particular the reports of administrators, statutory auditors and independent experts.
  - d) The complete texts of the proposed resolutions regarding each and every one of the points on the agenda or, as regards those points that are of a merely informative nature, a report of the competent bodies, commenting on each of those points. To the extent they have been received, proposed resolutions presented by shareholders also will be included.
  - e) In the event of appointment, ratification or re-election of members of the Board of Directors, the identity, résumé and category to which each of them belongs, as well as the required proposals and reports of the Appointment and Remuneration Committee. In the case of a legal person, the information must include information on the individual that is to be appointed for permanent exercise of the functions inherent in the position.
  - f) The forms that must be used for proxy and remote voting.

The documentation contemplated in a), c), d) and e) above also will be communicated to the National Securities Market Commission.

The publication of the proposed resolutions will not exclude their modification prior to the General Meeting, if legally possible.

7. Upon call of the General Meeting, to the extent provided by applicable legislation, and on the terms upon which the legislation is technically and legally developed, on the Company's website there will be an Electronic Shareholder Forum, which may be accessed with the due guarantees by both individual shareholders and such voluntary

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associations as may be established, in order to facilitate their communication prior to the holding of General Meetings. Any supplementary proposals to the agenda announced in the notice of the general meeting may be posted on the Forum, together with requests for support for such proposals, initiatives to reach the percentage required to exercise statutory non-controlling shareholder rights and any offers or requests to act as a voluntary proxy. The Board of Directors of the Company will set the rules that from time to time will govern the functioning of the Forum established for the General Meeting, which will be publicised on the website.

#### **Article 7. Right of Attendance.**

1. Those holding at least sixty (60) shares may attend General Shareholders Meetings, provided that, five (5) days prior to the day the meeting is to be held, they are registered in the corresponding books and remain so until the meeting is held.

The holders of a smaller number of shares may group together to reach sixty (60) shares, appointing their representative.

2. To exercise the right of attendance, a shareholder must be previously authorised by way of the corresponding attendance card issued by any of the affiliated participants in Iberclear, or in any other manner permitted by applicable legislation.
3. The Board of Directors will attend the Meeting, and the Officers, Managers and Technicians of the Company and the companies in which it holds interests may attend, as may any other person whose attendance is authorised by the Chairman of the Meeting, without prejudice to the right of the Meeting to revoke that authorisation.

Nonetheless the attendance of the Board of Directors will not be required for the establishment of a quorum for the Meeting.

4. For purposes of showing the identity of the shareholders, or those validly representing them, at the entry to the premises where the General Meeting is held the National Identity Document or any other generally-accepted official document may be requested, together with presentation of the attendance card.

Legal persons will act through those legally representing them, , which representation must be evidenced.

#### **Article 8. Proxies**

1. A shareholder may grant a proxy to another person. The proxy will be specific to the Meeting in question. A proxy will be evidenced in any of the following documents, in all cases with a handwritten signature: (i) the attendance card issued by the custodians participating in Iberclear, (ii) a letter or (iii) the standard form made available by the Company for these purposes to the shareholders.

The document evidencing the proxy must contain or attach the agenda.

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2. When the representative is the spouse, ascendant or descendent of the represented shareholder, or when the representative has a general power of attorney granted in a public document with authority to manage all property the represented shareholder has in the country, it will not be necessary for the proxy to be granted specifically for a given Meeting, or for the proxy to be evidenced by a handwritten signature on one of the documents contemplated in the first section of this article. However, the representative must attach the attendance card issued by the custodian participants in Iberclear in favour of the represented shareholder.
3. If a proxy is extended in favour of the Board of Directors, or if the proxy does not state the name of the person to which the proxy is granted, it will be understood to have been granted to the Chairman of the Board of Directors, or, if applicable, to the person chairing the General Meeting.
4. If the represented shareholder has not given voting instructions, it will be understood that the representative may vote in the sense it deems to be most appropriate to the interests of the shareholder.
5. If the appointed representative is in a conflict of interests in voting on any of the proposals that, whether or not on the Agenda, are submitted for approval of the General Meeting, and the represented shareholder has not given precise voting instructions, the representative must refrain from voting on the matters that, having a conflict of interest, it is to vote on on behalf of the shareholder.

Without prejudice to the foregoing, if the designated representative is the Chairman of the Board or any member of the Board of Directors, is in a conflict of interests and has not received precise voting instructions, it will be replaced as representative by the Secretary of the Board of Directors.

If the Secretary also is in a conflict of interests, it must refrain from voting on the matters that, having a conflict of interest, it is to vote on on behalf of the shareholder.

6. A proxy granted to one who by law cannot act as such will not be valid or effective.
7. A proxy also may be granted by remote electronic means of communication. For this purpose the procedure contemplated in article 11.2 of this Regulation will be used, to the extent not incompatible with the nature of a proxy. The identity of the shareholder will be shown subject to the same requirements as established in the aforesaid article 11.2, with the term established in article 11.3 of this Regulation also being applicable to valid receipt of the proxy. For identification of the representative appointed by the shareholder, the identifying information required for such purposes must be entered in the electronic form.
8. Proxies are always revocable, and considered to be revoked by casting a remote vote or personal attendance at the Meeting by the represented shareholder.

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9. The representative may represent more than one shareholder, with no limit regarding the number of shareholders represented. When a representative represents multiple shareholders, it may cast conflicting votes based on the instructions given by each shareholder.
10. In any event, the number of represented shares will be used in the calculation of a quorum for the Meeting.
11. The Board of Directors is authorised to develop the foregoing provisions, establishing the rules, resources and procedures appropriate to the state of the art to implement voting and grant of proxies using electronic means, if applicable in compliance with the rules issued in this regard and the Articles of Association.

In particular, the Board of Directors may (i) regulate the use of guarantees of electronic signatures for the grant of proxies by electronic correspondence and (ii) reduce the advance term established above for receipt by the Company of proxies granted by mail or email.

12. The Chairman and the Secretary of the General Meeting will have the broadest authority to accept the validity of the document or form of evidencing representation.
13. Also, entities having status as shareholders, by virtue of the share registry records, that act on behalf of multiple persons may, in any event, divide votes and exercise them in different senses, in compliance with differing voting instructions, if they have received them.

The intermediary entities referred to in the preceding paragraph may grant proxies to each of the indirect holders or the third parties designated by them, with no limitation on the number of proxies granted.

#### **Article 9. Public Proxy Solicitation**

1. A public proxy solicitation in all cases must be made in accordance with the rules in effect from time to time.
2. In addition to complying with the duties provided for that purpose by law, if a proxy is granted in response to a public solicitation and the represented shareholder has not given voting instructions, it will be understood that the proxy (i) refers to all points on the Agenda for the General Meeting, (ii) requires a favourable vote on all resolutions proposed by the Board of Directors and (iii) also extends to such matters as may arise apart from the agenda, in respect of which the representative will vote in the sense it deems to be most appropriate to the interests of the shareholder. If the Director is in a conflict of interests in voting on any of the proposals, whether or not on the Agenda, the provisions of article 8.5 of this Regulation will apply.

In any event, a Director will be deemed to have a conflict of interests in respect of the following decisions:

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- His appointment, re-election or ratification as a Director.
- His removal, withdrawal or dismissal as a Director.
- Exercise of the corporate action for liability against the Director.
- Approval or ratification, when applicable, of transactions of the Company with the Director in question, companies controlled thereby or persons representing or acting on behalf thereof.

**Article 11. Formal Requirements and Terms for Voting by Mail or Remote Electronic Means of Communication.**

1. Voting by mail:

- a) To cast votes by mail shareholders must complete and sign a standard form to be provided by the Company for these purposes, which will include the information necessary to evidence status as a shareholder, the signature of the shareholder being required to be attested by a notary or acknowledged by a custodian participating in Iberclear or shown by other means considered to be sufficient by the Board of Directors. In the case of legal persons, the form must be accompanied by the corresponding document sufficiently showing the representative capacity in which the signatory acts.
- b) The form will be available on the Company's website from the date of publication of the notice of call of the General Meeting. Also, shareholders so wishing may, from the date of publication of the notice of call of the General Meeting, through the Shareholder Services Office, request that the aforesaid form be sent by mail.
- c) The shareholder must send the duly completed form to the Company, for processing and computation.

2. Voting by way of remote electronic means of communication:

- a) To cast a vote by remote electronic means of communication, shareholders must complete a standard form to be provided by the Company for these purposes, which will include the information necessary to evidence status as a shareholder.
- b) The form will be available on the Company's website from the date of publication of the notice of call of the General Meeting.
- c) The shareholder must send the duly completed form to the Company, for processing and computation, by way of an electronic document that must include a recognised electronic signature, used by the shareholder, or another kind of electronic signature that the Board of Directors, based on the state of the art and the legal rules applicable from time to time, has declared to be sufficient by prior resolution

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adopted for that purpose, because it has adequate guarantees of authenticity and identification of the shareholder exercising its voting right.

3. A vote cast by any of the means contemplated in preceding sections 11.1 and 11.2 must be in the possession of the Company, at its headquarters, at least twenty-four (24) hours in advance of the time contemplated for holding the General Meeting on first call. Otherwise, the vote will be deemed not to have been cast. The Board of Directors in the call of each General Meeting may specify a shorter advance term.
4. It is the shareholder that must, if applicable, show that the vote was received by the Company within the indicated term and it complied with all requirements established for that purpose.
5. The casting by a shareholder of a remote vote will result in prior proxies issued by the shareholder being deemed to be revoked, and those granted subsequently being taken as not having been granted. A vote cast remotely will be of no effect if the shares the ownership of which gave the transferor voting rights are transferred, when that resulted in the appropriate registration in the accounting book entry record, at least five (5) days in advance of the holding of the Meeting, if the new holder of the shares exercises its voting right.
6. The Board of Directors is authorised to develop the foregoing provisions, establishing the rules, resources and procedures appropriate to the state of the art to implement voting and grant of proxies using electronic means, if applicable in compliance with the rules issued in this regard and the Articles of Association.

In particular, the Board of Directors may (i) regulate the use of alternative guarantees of electronic signatures for the casting of electronic votes and (ii) reduce the advance term established above for receipt by the Company of votes cast by mail or email.

7. In any event, the Board of Directors will adopt the measures necessary to avoid possible duplication and ensure that one voting or granting a proxy by mail or electronically is duly authorised to do so in accordance with the provisions of the Articles of Association and this Regulation.
8. The procedural rules adopted by the Board of Directors by virtue of the provisions of this section will be published on the Company's website.

## **Article 12. Place of Meeting.**

1. General Meetings will be held in the location where the Company has its registered office, or the place resolved by the Board of Directors as provided in the Articles of Association, in the place and on the date indicated in the call. Sessions of the General Meeting may be postponed for one or more consecutive days on proposal of the General Meeting Officers, or on request of a number of shareholders representing at least one fourth of capital, present at the Meeting.

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2. By way of exception, if anything occurs that substantially changes the proper order of the General Meeting, or there are other extraordinary circumstances preventing normal conduct thereof, the Chairman of the Board may order suspension thereof for such time as may be necessary to re-establish conditions permitting its continuation. If such circumstances persist the Meeting Officers will propose postponement of the General Meeting to the following day, as contemplated in the preceding paragraph.

**Article 13. Security and Logistics.**

1. To ensure security and order in the conduct of the General Meeting, surveillance and protection measures will be established, including systems for control of access and the measures required to guarantee security, good order and conduct of the meeting.
2. There may be provisions for direct retransmission of the Meeting, audio-visual recording thereof, presence of the media and, in general, such measures as may contribute to publicity of the General Meeting.

**Article 14. Meeting Officers, Chairman and Secretary of the General Meeting.**

1. The General Meeting Officers will be the Chairman and the Secretary of the General Meeting, as well as any members of the Board of Directors who may be in attendance.
2. The General Meeting will be chaired by the person, if any, determined by the Board of Directors. In the absence of a specific decision by the Board, the Meeting will be chaired by the Chairman of the Board of Directors. In his absence, if any, it will be chaired by the Deputy Chairman, and in the absence of both, by the attending Director with greatest seniority in the position and, in the absence of all of them, by the shareholder in each case chosen by the shareholders attending the meeting.
3. The Secretary of the Board of Directors of the Company or, in his absence, if any, the Deputy Secretary of the Board of Directors and, in his absence, the person chosen by the shareholders attending the Meeting will act as Secretary of the General Meeting.
4. It is the duty of the Chairman to open the meeting when a quorum is present; direct the discussion and establish the order of speakers; terminate discussions when a matter is deemed to have been sufficiently discussed; set time limits for speeches and, optionally, bring the debate to an end in respect of the resolution in question; set the order of voting; decide any questions that may be raised about the agenda; and, in general, exercise the powers vested in the office of Chairman to ensure that the meeting is conducted in an orderly manner, where necessary interpreting the provisions of this Regulation, with the assistance of the Secretary.

**Article 15. Required Presence of Notary**

1. The Board of Directors may require the presence of a notary to prepare the Minutes of the Meeting, and will be required to do so if, five (5) days in advance of the date set for

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holding the General Meeting shareholders representing at least one percent (1%) of capital so request.

2. When the Meeting is held without having required the presence of a notary, references made thereto in this Regulation will be understood to be made to the Secretary of the Board.

#### **Article 16. List of Attendees**

1. At least a half-hour in advance of the time set in the call of the General Meeting, unless otherwise indicated in that notice, the shareholders and representatives will be given access to the facilities at the indicated place, in order for the Meeting organisation services to verify the attendance cards and proxies and, if applicable, the documents evidencing them.
2. Shareholders or their representatives who arrive late, once the doors have been closed, may enter the hall if the Company so decides, but under no circumstances may they be included in the attendance list nor may they vote.
3. The list of attendees will be prepared before commencing deliberation of matters on the agenda.
4. The Secretary of the General Meeting is responsible for preparing the list of attendees, subject to the judgment of the Chairman regarding recognition and admission of the shareholders to the General Meeting, as well as regarding admission of the votes cast by mail and electronic means and the representation of shareholders.

For preparation of the list, the Secretary of the Board will have the assistance of the organisation services of the Company.

5. The list of attendees will be made available to the shareholders so requesting at the beginning of the General Meeting.
6. The list of those attending will be attached to the minutes of the General Meeting, as an annex signed by the Secretary with the approval of the Chairman.
7. The list of those attending may also be prepared as a file or placed on computer media. In these cases, the media used will be stated in the minutes, and the sealed cover of the file or media will bear the relevant identification note signed by the Secretary with the approval of the Chairman.

#### **Article 17. Quorum**

1. The quorum, on first call, for both Ordinary and Extraordinary General Meetings will be the presence in person or by proxy of shareholders holding at least twenty-five percent (25%) of the subscribed voting capital. On second call, the Meeting will be validly constituted whatever the percentage of capital in attendance.

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2. The quorum, on first call, for resolutions of the Ordinary or Extraordinary General Meeting authorising the issue of bonds, increase or reduction of capital, transformation, merger, splitup or bulk assignment of assets and liabilities, transfer of domicile abroad, disapplication or limitation of pre-emption rights for new shares and, in general, any amendment of the Articles of Association, will be the presence in person or by proxy of shareholders owning at least fifty percent (50%) of the subscribed voting capital.

On second call, the presence of twenty-five percent (25%) of the said capital will be sufficient.

3. If the required capital is not in attendance on first call, the Meeting will be held on second call.
4. Shareholders who cast remote votes will be treated for purposes of constitution of a quorum for the General Meeting as being present, this Regulation being applicable as regards the requirements and guarantees imposed for their validity.
5. For purposes of determining the quorum for the General Meeting as provided by law, treasury shares of the Company will be included within capital for purposes of calculating the amounts necessary for establishment of a quorum and adoption of resolutions, although the exercise of voting rights and other political rights incorporated in the treasury shares of the Company will be in suspense.
6. Before considering the agenda, the Secretary will report the number of shareholders in attendance, both in person and by proxy, the number of shares, the nominal amount of capital and the percentage thereof present in person and by proxy.
7. This information having been publicly disclosed, the Chairman will declare the General Shareholders Meeting to have been duly and validly constituted, on first or second call, as applicable.
8. Shareholders present may state to the notary, for due reflection in the minutes of the Meeting, any reservation or protest they may have regarding the quorum for the Meeting or the general details of the list of attendees that have been read in public.

#### **Article 18. Conduct of General Meeting**

1. After such reports and communications to the Meeting as the Chair deems to be appropriate, presentations of shareholders regarding matters on the agenda will begin.
2. Shareholders wishing to speak at the Meeting will identify themselves to the notary or, at the direction of the notary, to the personnel assisting the notary, stating their names, the number of shares they hold and those they represent and the points of the agenda in respect of which they will speak. If they intend to request that their presentation be reflected literally in the minutes of the Meeting, they must deliver it in writing, at that

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time, to the notary, so that the notary will be in a position to check the shareholder's presentation against the written version when the presentation is made.

3. Once the Chairman or Secretary has the list of shareholders wishing to participate, and before the voting on the matters on the agenda, the presentations of shareholders will begin, with the shareholders appearing in the order in which they are called.
4. Considering the number of such requests and other circumstances, the Chairman will decide how much time to allocate to each speaker, each speaker being given the same amount of time.

The Chairman has the right to allow shareholders to speak beyond their allotted time or cut their presentations short; to take such measures or decisions as may be necessary in order to maintain or re-establish order at the General Meeting when participants flout the rules or abuse their rights; and, for the benefit of the General Meeting as a whole, even to ask unruly members to leave the premises and, if necessary, take the necessary steps to ensure that they do so.

#### **Article 19. Request for Information during General Meeting**

1. When it is their turn to speak, shareholders may verbally request such information or clarifications as they deem to be appropriate regarding the matters on the agenda as well as on the information available to the public that has been provided by the company to the National Securities Market Commission since the last General Meeting, and on the auditor's report.
2. The administrators will be required to provide the requested information, unless it is not available at the Meeting, in which case the administrators will be required to provide the information in writing within the seven (7) days following the end of the Meeting, without prejudice to the provisions of the following section.
3. Information need not be delivered when it is not necessary for the protection of the rights of the shareholder, or there are objective reasons to believe that it could be used other than for corporate purposes, or its disclosure would harm the Company or related companies. The request for information may not be refused for this reason if it is supported by shareholders representing at least twenty-five per cent (25%) of capital.

Also, when, prior to the request, the information requested is available in a clear, express and direct manner to all shareholders on the Company's website in question and answer format, the administrators may limit their answer to remitting to the information provided in that format.

4. The information or clarification requested of members of the Board will be provided by the Chairman, by the Chief Executive Officer, by the Secretary or, on direction of the Chairman, by a Director, by the Chairman of the Audit Committee or by any employee or expert in the subject matter.

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5. The Chairman will decide the order of responses to shareholders and whether they will be given after each presentation, or collectively after the last of the presentations. Shareholders have no right of reply, unless the Chairman grants it based on the importance of the matter.

## **Article 20. Voting**

1. Once all shareholder questions and comments have concluded and answers have been provided as contemplated in this Regulation, the shareholders will vote on the resolutions proposed on the matters on the agenda, and such others as are not required by law to be included thereon.
2. The reading of proposed resolutions by the Secretary of the Meeting may be dispensed with, resumed or provided in extracted form, in the discretion of the Chairman, absent express opposition of shareholders representing at least one percent (1%) of capital.
3. Full reading of proposals will however be necessary if the text thereof has not been made available to shareholders at least fifteen days before the date set for holding the Meeting, on the terms set forth in this Regulation.
4. If any of the proposals made available or provided to the shareholders was modified by the Board of Directors, the aforesaid modification must be read before voting on the proposal.
5. Those matters that are substantially independent of each other must be voted on separately. In any event, the following must be voted on separately:
  - a) the appointment, ratification, re-election or separation of each Director, and
  - b) when amending the Articles of Association, each section or group of articles that are independent of the others.
6. The voting on proposals will be made, as regards votes cast at the Meeting, in accordance with the following procedure:
  - a) When dealing with resolutions proposed by the Board of Directors, regarding matters included on the agenda:
    - (i) the votes corresponding to all shares physically present at the Meeting and represented (absent other instructions from the represented shareholder), plus affirmative votes cast remotely will be treated as votes in favour of the proposal.
    - (ii) the votes corresponding to shares the holders of or representatives for which state that they vote against, by communication or statement of their vote to the

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notary at the Meeting, for reflection in the minutes, as well as negative votes cast remotely will be treated as votes against the proposal.

- b) When dealing with resolutions proposed other than by the Board of Directors, on matters included on the agenda:
    - (i) the votes corresponding to all shares physically present at the Meeting and represented (absent other instructions from the represented shareholder), plus negative votes cast remotely will be treated as votes against the proposal.
    - (ii) the votes corresponding to shares the holders of or proxies for which state that they vote in favour, by communication or statement of their vote to the notary at the Meeting, for reflection in the minutes, plus affirmative votes cast remotely will be treated as votes in favour of the proposal.
  - c) In the case of proposed resolutions regarding matters not included on the agenda, the same scheme as established in b) above (excluding the reference to votes cast remotely) will be used.
7. Blank votes and abstentions also must be communicated to the notary for reflection in the minutes.
  8. However, by decision of the Meeting Officers, other voting schemes may be established for the adoption of resolutions that allow evidencing the sense of votes and reflection of the results of voting in the minutes.
  9. In any event, the proposed resolutions prepared by the Board of Directors will be voted on first. Once a proposed resolution is approved, the others in respect of to the same matter will fail, without, therefore, proceeding to vote on them.
  10. Division of votes will be permitted so that entities having status as shareholders, by virtue of the share registry records, that act on behalf of multiple persons may, in any event, cast votes in different senses, in compliance with differing voting instructions, if they have received them. In particular, division of votes will be permitted by a custodian of shares issued by the Company within the framework of a programme of American Depositary Shares (ADS) represented by American Depositary Receipts (ADRs).

#### **Article 21. Scheme for Adoption of Resolutions**

1. The General Meeting, whether ordinary or extraordinary, will adopt its resolutions with the majorities of votes present in person or by proxy as required by the Articles of Association or by law. Each share with a right to vote, present in person or by proxy at the General Meeting, gives the right to one vote.

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2. Corporate resolutions will be adopted by simple majority of the votes of shareholders present at the Meeting in person or by proxy, a resolution being understood to have been adopted when it obtains more favourable than unfavourable votes.
3. Without prejudice to the provisions of law, the favourable vote of the absolute majority of the voting shares present in person or by proxy at the General Meeting of shareholders will be required if the capital present in person or by proxy is more than fifty percent (50%), or the favourable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent twenty-five percent (25%) or more of the subscribed voting capital without reaching fifty percent (50%), for approval of the following matters:
  - a) Articles amendments, including increase or reduction of capital, unless the law otherwise provides.
  - b) Issuance of bonds.
  - c) Transformation, merger or splitup in any of their forms, as well as bulk assignment of assets and liabilities and transfer of the Company's registered office abroad.
  - d) Disapplication or limitation of pre-emption rights for new shares.

#### **Article 23. Minutes of Meeting**

1. If the Board of Directors has appointed a notary to prepare the minutes of the meeting, the notarial minutes will be considered to be an act of the Board, and its approval thereof will not be necessary.
2. Otherwise the Secretary of the Meeting will prepare minutes of the meeting, which will be entered in the Minute Book, and may be approved by the Meeting at the end thereof or, if not, within the term of fifteen (15) days, by the Chairman of the Meeting and two (2) participants, proposed by the Meeting Officers, one representing the majority and the other the minority. The minutes will be signed by the Secretary with the approval of the Chairman.

#### **Article 24. Publicity of Resolutions**

Without prejudice to registration of registrable resolutions in the Commercial Registry and such legal provisions regarding publicity of corporate resolutions as may be applicable, on the same day as the holding of the Meeting or the immediately following business day the Company will send the text of the approved resolutions to the National Securities Market Commission, by way of the corresponding material disclosure. The full text of the resolutions and results of votes will be published on the Company's website within the five (5) days following the end of the Meeting.

#### **Article 25. Dissemination of Meeting Regulation**

*(Free translation from the original in Spanish language)*

The Board of Directors will adopt the measures necessary to ensure dissemination of this Regulation among the shareholders, by communicating it to the National Securities Market Commission, registering it in the Commercial Registry and publishing it on the Company's website.

#### **Article 26. Interpretation and Amendment**

1. This Regulation completes and develops the provisions of the Articles of Association regarding the General Meeting. It therefore must be interpreted by the Board of Directors consistently with the Articles and the applicable legal provisions. Such doubts as may arise during the holding of the General Meeting regarding interpretation of this Regulation will be resolved by the Chairman of the Meeting with the assistance of the Secretary of the Meeting.
2. Any amendment of this Regulation must be approved by the General Meeting, meeting with the quorum under article 17.1 above, with the required report of the administrators or shareholders making the amendment proposal, explaining it.

#### **Article 27. Approval and Effectiveness**

This Regulation will apply once it is approved by the General Shareholders Meeting of the Company, communicated to the National Securities Market Commission and registered in the Commercial Registry.

The effectiveness of these amendments is conditional upon the approval of the amendments to the Bylaws proposed in item five on the agenda of this General Meeting and their registration in the Companies Register.

To approve the following consolidated text of the Regulation of the General Meeting of Shareholders, solely for the purposes of including the articles that have been amended in this resolution and ensuring that all the provisions of the Regulation of the General Meeting of Shareholders are incorporated into a single public document:

### **GENERAL MEETING REGULATION OF PROMOTORA DE INFORMACIONES, S.A. (PRISA)**

#### **Article 1. The General Meeting.**

The General Meeting is the supreme corporate authority. Its resolutions are binding on all shareholders.

#### **Article 2. Powers of the Board.**

1. The following powers in particular are reserved to the General Meeting:

*(Free translation from the original in Spanish language)*

- a) Approval of the annual accounts, the consolidated annual accounts, corporate management and allocation of profits.
  - b) Determination of the number of members of the Board of Directors.
  - c) Appointment and removal of Directors, as well as ratification of the Directors appointed by the Board of Directors by way of co-option.
  - d) Appointment, re-election and removal of the Statutory Auditors, as well as the liquidators.
  - e) Amendment of the Articles of Association.
  - f) Increase and reduction of the company's capital.
  - g) Disapplication or limitation of pre-emption rights.
  - h) Issuance of bonds and, in general, securities of any kind, including preferred shares.
  - i) Transformation, merger, splitup or bulk transfer of assets and liabilities and transfer of the registered office abroad.
  - j) Acquisition, disposition or contribution to another company of essential assets, as well as transfer to subsidiaries of essential activities theretofore undertaken by the Company, even if it maintains full ownership thereof.
  - k) Authorisation to the Board of Directors to increase capital, in accordance with law, and to issue bonds of any kind, and delegation to the Board of Directors of any other powers in accordance with law and the Articles.
  - l) Approval and amendment of the General Meeting Regulation, subject to the provisions of law and the Articles.
  - m) Annual approval of the compensation of the Board of Directors, in accordance with article 22 of the Articles of Association.
  - n) Approval of the compensation policy for Directors, in accordance with the provisions of applicable legislation and the Articles.
  - o) Authorisation of compensation of Directors consisting of delivery of shares or options on shares or compensation indexed to the value of the shares.
  - p) Winding-up and liquidation of the Company, as well as transactions the effect of which is equivalent to that of liquidation of the Company.
  - q) Approval of the final liquidation balance sheet.
  - r) The exercise of any other authority given to it by law or the Articles and being advised of or deciding any other matter the Board of Directors resolves to report to or have decided by the Meeting because it is of special relevance to the interests of the company.
2. The Meeting may not give instructions to the Board of Directors or submit adoption by it of resolutions regarding management matters to authorisation of the Meeting.

3. The Board of Directors may interpret, correct, implement and develop the resolutions adopted by the General Meeting and appoint the persons that are to execute the corresponding public or private documents

### **Article 3. Kinds of Meetings**

- 1. General Shareholders' Meetings may be either Ordinary or Extraordinary.
- 2. The Ordinary General Meeting, which will necessarily meet within the first six months of each financial year, will be the one the purpose of which is, if applicable, to approve corporate management and the accounts for the preceding financial year and to

*(Free translation from the original in Spanish language)*

resolve on allocation of profits, and to decide regarding any other matter appearing on the agenda.

3. The other Meetings held by the Company will be considered to be Extraordinary General Meetings.

#### **Article 4. Call.**

1. The General Meetings will be called by the Board of Directors, which will establish the agenda therefor.

The Board of Directors must call the Ordinary Meeting on the terms contemplated by law, and the Extraordinary Meeting whenever it has been requested through a notary by a number of shareholders holding at least three percent (3%) of capital. Under such circumstances the Board of Directors will call the Meeting to be held within the two (2) months following the date it is requested to do so through a notary, advising of this circumstance in the notice calling it, and will prepare an agenda that necessarily will include the matters included in the request.

2. If the Ordinary or Extraordinary General Meeting is not called within the prescribed term, as contemplated in the preceding point, it may be called by the commercial judge having jurisdiction over the registered office, on the terms contemplated by law.

#### **Article 5. Publication of Call.**

1. The General Meetings, both Ordinary and Extraordinary, must be called by the Board of Directors by notice published in at least the following media: a) the Official Commercial Registry Gazette or one of the newspapers of broad circulation in Spain, b) the website of the National Securities Market Commission and c) the Company's website.

There must be a term of at least one month between the call and the date contemplated for holding the meeting. The date, if any, when the Meeting will be held on second call will be stated in the call. In this case, between the first and second meeting there must be a term of at least twenty-four (24) hours.

2. Shareholders representing at least three percent (3%) of capital may request the publication of a supplement to the call of the ordinary General Meeting, including one or more points on the agenda, provided that the new points are accompanied by an explanation or, if applicable, an explained proposed resolution. That right may in no case be exercised in respect of the call of Extraordinary General Meetings. Exercise of this right must be by certifiable notice, which must be received at the registered office within the five (5) days following publication of the call. The supplement to the call must be published at least fifteen (15) days before the scheduled Meeting date.

3. Shareholders representing at least three percent (3%) of capital may, within the same term as indicated in section 2 above, present supported proposed resolutions regarding matters already included or that should be included on the agenda for the Meeting

*(Free translation from the original in Spanish language)*

called. The Company will see to dissemination of these proposed resolutions and such documentation as may be attached thereto to the other shareholders, in accordance with the provisions of article 6.6 of this Regulation.

4. The notice of call will state the name of the Company, the place, date and time of the meeting on first and, if applicable, on second call, the agenda for the meeting (which will include the matters to be considered), the position of the person or persons issuing the call, the date a shareholder must have shares registered in its name in order to be able to participate and vote in the General Meeting, and the other requirements imposed by law, the Articles and this Regulation.

5. The notice of call of the General Meeting will state the right of the shareholders to obtain, from the date of its publication, immediately and without charge, the documentation required by law and the Articles of Association, and the address of the Company's website on which the information will be available.

It also will include the necessary details on the Shareholder Services Office, indicating the telephone numbers, email address, offices and hours they are open.

In addition, the notice will contain clear and accurate information on the steps shareholders must take to participate and cast votes in the General Meeting, in particular including the matters contemplated in the applicable regulations regarding procedures for remote or proxy voting.

#### **Article 6. Shareholders' Right to Information Prior to Meeting.**

1. The shareholders, in writing, until the fifth (5th) day prior to the day set for the Meeting, may request information or clarifications, or pose questions regarding the matters included on the agenda and the public information provided by the Company to the National Securities Market Commission since the holding of the most recent General Meeting, and regarding the auditor's report.

Valid requests for information or clarification or questions made in writing, and the Directors' answers provided in writing, will be included on the Company's website.

2. The information requested pursuant to the provisions of this article will be provided to the one requesting it by the Board of Directors or, by its delegation, by any of its members authorised to do so, by the Chief Executive Officer, by Its Secretary or by any employee or expert in the subject matter. The information will be provided in writing, within the term up to the day the General Meeting is held, through the Shareholder Services Office.

3. Nonetheless, the information requested may be denied in the cases contemplated in article 19.3 of this Regulation.

4. The person making the request must prove his identity in the case of a written request by means of a photocopy of his National Identity Document or Passport and, in the case of legal persons, a document that sufficiently proves his representative capacity.

In addition the person making the request must prove his status as a shareholder or provide sufficient details (number of shares, custodian, etc.) to allow verification by the Company.

5. If the right to information is exercised by way of electronic correspondence or other online means of communication, a procedure similar to the one contemplated in article 11.2 of this Regulation will be used and the identity of the shareholder will be shown subject to the same requirements as established in the aforesaid article 11.2.

6. From the date of publication of the notice of call until the General Meeting is held, the following will be included on the Company's website, without interruption, in addition to any other required documentation:

a) The notice of call.

b) The total number of shares and voting rights on the date of the call, broken down by classes of shares, if any.

c) The documents that must be presented to the General Meeting, in particular the reports of administrators, statutory auditors and independent experts.

d) The complete texts of the proposed resolutions regarding each and every one of the points on the agenda or, as regards those points that are of a merely informative nature, a report of the competent bodies, commenting on each of those points. To the extent they have been received, proposed resolutions presented by shareholders also will be included.

e) In the event of appointment, ratification or re-election of members of the Board of Directors, the identity, résumé and category to which each of them belongs, as well as the required proposals and reports of the Appointment and Remuneration Committee. In the case of a legal person, the information must include information on the individual that is to be appointed for permanent exercise of the functions inherent in the position.

f) The forms that must be used for proxy and remote voting.

The documentation contemplated in a), c), d) and e) above also will be communicated to the National Securities Market Commission.

The publication of the proposed resolutions will not exclude their modification prior to the General Meeting, if legally possible.

7. Upon call of the General Meeting, to the extent provided by applicable legislation, and on the terms upon which the legislation is technically and legally developed, on the Company's website there will be an Electronic Shareholder Forum, which may be accessed with the due guarantees by both individual shareholders and such voluntary associations as

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may be established, in order to facilitate their communication prior to the holding of General Meetings. Any supplementary proposals to the agenda announced in the notice of the general meeting may be posted on the Forum, together with requests for support for such proposals, initiatives to reach the percentage required to exercise statutory non-controlling shareholder rights and any offers or requests to act as a voluntary proxy. The Board of Directors of the Company will set the rules that from time to time will govern the functioning of the Forum established for the General Meeting, which will be publicised on the website.

#### **Article 7. Right of Attendance.**

1. Those holding at least sixty (60) shares may attend General Shareholders Meetings, provided that, five (5) days prior to the day the meeting is to be held, they are registered in the corresponding books and remain so until the meeting is held.

The holders of a smaller number of shares may group together to reach sixty (60) shares, appointing their representative.

2. To exercise the right of attendance, a shareholder must be previously authorised by way of the corresponding attendance card issued by any of the affiliated participants in Iberclear, or in any other manner permitted by applicable legislation.

3. The Board of Directors will attend the Meeting, and the Officers, Managers and Technicians of the Company and the companies in which it holds interests may attend, as may any other person whose attendance is authorised by the Chairman of the Meeting, without prejudice to the right of the Meeting to revoke that authorisation.

Nonetheless the attendance of the Board of Directors will not be required for the establishment of a quorum for the Meeting.

4. For purposes of showing the identity of the shareholders, or those validly representing them, at the entry to the premises where the General Meeting is held the National Identity Document or any other generally-accepted official document may be requested, together with presentation of the attendance card.

Legal persons will act through those legally representing them, , which representation must be evidenced.

#### **Article 8. Proxies**

1. A shareholder may grant a proxy to another person. The proxy will be specific to the Meeting in question. A proxy will be evidenced in any of the following documents, in all cases with a handwritten signature: (i) the attendance card issued by the custodians participating in Iberclear, (ii) a letter or (iii) the standard form made available by the Company for these purposes to the shareholders.

The document evidencing the proxy must contain or attach the agenda.

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2. When the representative is the spouse, ascendant or descendent of the represented shareholder, or when the representative has a general power of attorney granted in a public document with authority to manage all property the represented shareholder has in the country, it will not be necessary for the proxy to be granted specifically for a given Meeting, or for the proxy to be evidenced by a handwritten signature on one of the documents contemplated in the first section of this article. However, the representative must attach the attendance card issued by the custodian participants in Iberclear in favour of the represented shareholder.

3. If a proxy is extended in favour of the Board of Directors, or if the proxy does not state the name of the person to which the proxy is granted, it will be understood to have been granted to the Chairman of the Board of Directors, or, if applicable, to the person chairing the General Meeting.

4. If the represented shareholder has not given voting instructions, it will be understood that the representative may vote in the sense it deems to be most appropriate to the interests of the shareholder.

5. If the appointed representative is in a conflict of interests in voting on any of the proposals that, whether or not on the Agenda, are submitted for approval of the General Meeting, and the represented shareholder has not given precise voting instructions, the representative must refrain from voting on the matters that, having a conflict of interest, it is to vote on on behalf of the shareholder.

Without prejudice to the foregoing, if the designated representative is the Chairman of the Board or any member of the Board of Directors, is in a conflict of interests and has not received precise voting instructions, it will be replaced as representative by the Secretary of the Board of Directors.

If the Secretary also is in a conflict of interests, it must refrain from voting on the matters that, having a conflict of interest, it is to vote on on behalf of the shareholder.

6. A proxy granted to one who by law cannot act as such will not be valid or effective.

7. A proxy also may be granted by remote electronic means of communication. For this purpose the procedure contemplated in article 11.2 of this Regulation will be used, to the extent not incompatible with the nature of a proxy. The identity of the shareholder will be shown subject to the same requirements as established in the aforesaid article 11.2, with the term established in article 11.3 of this Regulation also being applicable to valid receipt of the proxy. For identification of the representative appointed by the shareholder, the identifying information required for such purposes must be entered in the electronic form.

8. Proxies are always revocable, and considered to be revoked by casting a remote vote or personal attendance at the Meeting by the represented shareholder.

9. The representative may represent more than one shareholder, with no limit regarding the number of shareholders represented. When a representative represents multiple shareholders, it may cast conflicting votes based on the instructions given by each shareholder.

10. In any event, the number of represented shares will be used in the calculation of a quorum for the Meeting.

11. The Board of Directors is authorised to develop the foregoing provisions, establishing the rules, resources and procedures appropriate to the state of the art to implement voting and grant of proxies using electronic means, if applicable in compliance with the rules issued in this regard and the Articles of Association.

In particular, the Board of Directors may (i) regulate the use of guarantees of electronic signatures for the grant of proxies by electronic correspondence and (ii) reduce the advance term established above for receipt by the Company of proxies granted by mail or email.

12. The Chairman and the Secretary of the General Meeting will have the broadest authority to accept the validity of the document or form of evidencing representation.

13. Also, entities having status as shareholders, by virtue of the share registry records, that act on behalf of multiple persons may, in any event, divide votes and exercise them in different senses, in compliance with differing voting instructions, if they have received them.

The intermediary entities referred to in the preceding paragraph may grant proxies to each of the indirect holders or the third parties designated by them, with no limitation on the number of proxies granted.

#### **Article 9. Public Proxy Solicitation**

1. A public proxy solicitation in all cases must be made in accordance with the rules in effect from time to time.

2. In addition to complying with the duties provided for that purpose by law, if a proxy is granted in response to a public solicitation and the represented shareholder has not given voting instructions, it will be understood that the proxy (i) refers to all points on the Agenda for the General Meeting, (ii) requires a favourable vote on all resolutions proposed by the Board of Directors and (iii) also extends to such matters as may arise apart from the agenda, in respect of which the representative will vote in the sense it deems to be most appropriate to the interests of the shareholder. If the Director is in a conflict of interests in voting on any of the proposals, whether or not on the Agenda, the provisions of article 8.5 of this Regulation will apply.

In any event, a Director will be deemed to have a conflict of interests in respect of the following decisions:

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- His appointment, re-election or ratification as a Director.
- His removal, withdrawal or dismissal as a Director.
- Exercise of the corporate action for liability against the Director.
- Approval or ratification, when applicable, of transactions of the Company with the Director in question, companies controlled thereby or persons representing or acting on behalf thereof.

#### **Article 10. Voting by Mail or Remote Electronic Means of Communication**

Voting on proposals on points on the agenda of any kind of General Meeting may be exercised by the shareholder by mail or remote electronic means of communication, provided that the identity of the person exercising the voting right is duly guaranteed in accordance with the requirements established in article 11 of this Regulation.

#### **Article 11. Formal Requirements and Terms for Voting by Mail or Remote Electronic Means of Communication.**

1. Voting by mail:

a) To cast votes by mail shareholders must complete and sign a standard form to be provided by the Company for these purposes, which will include the information necessary to evidence status as a shareholder, the signature of the shareholder being required to be attested by a notary or acknowledged by a custodian participating in Iberclear or shown by other means considered to be sufficient by the Board of Directors. In the case of legal persons, the form must be accompanied by the corresponding document sufficiently showing the representative capacity in which the signatory acts.

b) The form will be available on the Company's website from the date of publication of the notice of call of the General Meeting. Also, shareholders so wishing may, from the date of publication of the notice of call of the General Meeting, through the Shareholder Services Office, request that the aforesaid form be sent by mail.

c) The shareholder must send the duly completed form to the Company, for processing and computation.

2. Voting by way of remote electronic means of communication:

a) To cast a vote by remote electronic means of communication, shareholders must complete a standard form to be provided by the Company for these purposes, which will include the information necessary to evidence status as a shareholder.

b) The form will be available on the Company's website from the date of publication of the notice of call of the General Meeting.

c) The shareholder must send the duly completed form to the Company, for processing and computation, by way of an electronic document that must include a recognised electronic signature, used by the shareholder, or another kind of electronic signature that

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the Board of Directors, based on the state of the art and the legal rules applicable from time to time, has declared to be sufficient by prior resolution adopted for that purpose, because it has adequate guarantees of authenticity and identification of the shareholder exercising its voting right.

3. A vote cast by any of the means contemplated in preceding sections 11.1 and 11.2 must be in the possession of the Company, at its headquarters, at least twenty-four (24) hours in advance of the time contemplated for holding the General Meeting on first call. Otherwise, the vote will be deemed not to have been cast. The Board of Directors in the call of each General Meeting may specify a shorter advance term.

4. It is the shareholder that must, if applicable, show that the vote was received by the Company within the indicated term and it complied with all requirements established for that purpose.

5. The casting by a shareholder of a remote vote will result in prior proxies issued by the shareholder being deemed to be revoked, and those granted subsequently being taken as not having been granted. A vote cast remotely will be of no effect if the shares the ownership of which gave the transferor voting rights are transferred, when that resulted in the appropriate registration in the accounting book entry record, at least five (5) days in advance of the holding of the Meeting, if the new holder of the shares exercises its voting right.

6. The Board of Directors is authorised to develop the foregoing provisions, establishing the rules, resources and procedures appropriate to the state of the art to implement voting and grant of proxies using electronic means, if applicable in compliance with the rules issued in this regard and the Articles of Association.

In particular, the Board of Directors may (i) regulate the use of alternative guarantees of electronic signatures for the casting of electronic votes and (ii) reduce the advance term established above for receipt by the Company of votes cast by mail or email.

7. In any event, the Board of Directors will adopt the measures necessary to avoid possible duplication and ensure that one voting or granting a proxy by mail or electronically is duly authorised to do so in accordance with the provisions of the Articles of Association and this Regulation.

8. The procedural rules adopted by the Board of Directors by virtue of the provisions of this section will be published on the Company's website.

## **Article 12. Place of Meeting.**

1. General Meetings will be held in the location where the Company has its registered office, or the place resolved by the Board of Directors as provided in the Articles of Association, in the place and on the date indicated in the call. Sessions of the General Meeting may be postponed for one or more consecutive days on proposal of the General

Meeting Officers, or on request of a number of shareholders representing at least one fourth of capital, present at the Meeting.

2. By way of exception, if anything occurs that substantially changes the proper order of the General Meeting, or there are other extraordinary circumstances preventing normal conduct thereof, the Chairman of the Board may order suspension thereof for such time as may be necessary to re-establish conditions permitting its continuation. If such circumstances persist the Meeting Officers will propose postponement of the General Meeting to the following day, as contemplated in the preceding paragraph.

**Article 13. Security and Logistics.**

1. To ensure security and order in the conduct of the General Meeting, surveillance and protection measures will be established, including systems for control of access and the measures required to guarantee security, good order and conduct of the meeting.

2. There may be provisions for direct retransmission of the Meeting, audio-visual recording thereof, presence of the media and, in general, such measures as may contribute to publicity of the General Meeting.

**Article 14. Meeting Officers, Chairman and Secretary of the General Meeting.**

1. The General Meeting Officers will be the Chairman and the Secretary of the General Meeting, as well as any members of the Board of Directors who may be in attendance.

2. The General Meeting will be chaired by the person, if any, determined by the Board of Directors. In the absence of a specific decision by the Board, the Meeting will be chaired by the Chairman of the Board of Directors. In his absence, if any, it will be chaired by the Deputy Chairman, and in the absence of both, by the attending Director with greatest seniority in the position and, in the absence of all of them, by the shareholder in each case chosen by the shareholders attending the meeting.

3. The Secretary of the Board of Directors of the Company or, in his absence, if any, the Deputy Secretary of the Board of Directors and, in his absence, the person chosen by the shareholders attending the Meeting will act as Secretary of the General Meeting.

4. It is the duty of the Chairman to open the meeting when a quorum is present; direct the discussion and establish the order of speakers; terminate discussions when a matter is deemed to have been sufficiently discussed; set time limits for speeches and, optionally, bring the debate to an end in respect of the resolution in question; set the order of voting; decide any questions that may be raised about the agenda; and, in general, exercise the powers vested in the office of Chairman to ensure that the meeting is conducted in an orderly manner, where necessary interpreting the provisions of this Regulation, with the assistance of the Secretary.

**Article 15. Required Presence of Notary**

*(Free translation from the original in Spanish language)*

1. The Board of Directors may require the presence of a notary to prepare the Minutes of the Meeting, and will be required to do so if, five (5) days in advance of the date set for holding the General Meeting shareholders representing at least one percent (1%) of capital so request.
2. When the Meeting is held without having required the presence of a notary, references made thereto in this Regulation will be understood to be made to the Secretary of the Board.

#### **Article 16. List of Attendees**

1. At least a half-hour in advance of the time set in the call of the General Meeting, unless otherwise indicated in that notice, the shareholders and representatives will be given access to the facilities at the indicated place, in order for the Meeting organisation services to verify the attendance cards and proxies and, if applicable, the documents evidencing them.
2. Shareholders or their representatives who arrive late, once the doors have been closed, may enter the hall if the Company so decides, but under no circumstances may they be included in the attendance list nor may they vote.
3. The list of attendees will be prepared before commencing deliberation of matters on the agenda.
4. The Secretary of the General Meeting is responsible for preparing the list of attendees, subject to the judgment of the Chairman regarding recognition and admission of the shareholders to the General Meeting, as well as regarding admission of the votes cast by mail and electronic means and the representation of shareholders.

For preparation of the list, the Secretary of the Board will have the assistance of the organisation services of the Company.

5. The list of attendees will be made available to the shareholders so requesting at the beginning of the General Meeting.
6. The list of those attending will be attached to the minutes of the General Meeting, as an annex signed by the Secretary with the approval of the Chairman.
7. The list of those attending may also be prepared as a file or placed on computer media. In these cases, the media used will be stated in the minutes, and the sealed cover of the file or media will bear the relevant identification note signed by the Secretary with the approval of the Chairman.

#### **Article 17. Quorum**

*(Free translation from the original in Spanish language)*

1. The quorum, on first call, for both Ordinary and Extraordinary General Meetings will be the presence in person or by proxy of shareholders holding at least twenty-five percent (25%) of the subscribed voting capital. On second call, the Meeting will be validly constituted whatever the percentage of capital in attendance.

2. The quorum, on first call, for resolutions of the Ordinary or Extraordinary General Meeting authorising the issue of bonds, increase or reduction of capital, transformation, merger, splitup or bulk assignment of assets and liabilities, transfer of domicile abroad, disapplication or limitation of pre-emption rights for new shares and, in general, any amendment of the Articles of Association, will be the presence in person or by proxy of shareholders owning at least fifty percent (50%) of the subscribed voting capital.

On second call, the presence of twenty-five percent (25%) of the said capital will be sufficient.

3. If the required capital is not in attendance on first call, the Meeting will be held on second call.

4. Shareholders who cast remote votes will be treated for purposes of constitution of a quorum for the General Meeting as being present, this Regulation being applicable as regards the requirements and guarantees imposed for their validity.

5. For purposes of determining the quorum for the General Meeting as provided by law, treasury shares of the Company will be included within capital for purposes of calculating the amounts necessary for establishment of a quorum and adoption of resolutions, although the exercise of voting rights and other political rights incorporated in the treasury shares of the Company will be in suspense.

6. Before considering the agenda, the Secretary will report the number of shareholders in attendance, both in person and by proxy, the number of shares, the nominal amount of capital and the percentage thereof present in person and by proxy.

7. This information having been publicly disclosed, the Chairman will declare the General Shareholders Meeting to have been duly and validly constituted, on first or second call, as applicable.

8. Shareholders present may state to the notary, for due reflection in the minutes of the Meeting, any reservation or protest they may have regarding the quorum for the Meeting or the general details of the list of attendees that have been read in public.

#### **Article 18. Conduct of General Meeting**

1. After such reports and communications to the Meeting as the Chair deems to be appropriate, presentations of shareholders regarding matters on the agenda will begin.

2. Shareholders wishing to speak at the Meeting will identify themselves to the notary or, at the direction of the notary, to the personnel assisting the notary, stating their names,

*(Free translation from the original in Spanish language)*

the number of shares they hold and those they represent and the points of the agenda in respect of which they will speak. If they intend to request that their presentation be reflected literally in the minutes of the Meeting, they must deliver it in writing, at that time, to the notary, so that the notary will be in a position to check the shareholder's presentation against the written version when the presentation is made.

3. Once the Chairman or Secretary has the list of shareholders wishing to participate, and before the voting on the matters on the agenda, the presentations of shareholders will begin, with the shareholders appearing in the order in which they are called.

4. Considering the number of such requests and other circumstances, the Chairman will decide how much time to allocate to each speaker, each speaker being given the same amount of time.

The Chairman has the right to allow shareholders to speak beyond their allotted time or cut their presentations short; to take such measures or decisions as may be necessary in order to maintain or re-establish order at the General Meeting when participants flout the rules or abuse their rights; and, for the benefit of the General Meeting as a whole, even to ask unruly members to leave the premises and, if necessary, take the necessary steps to ensure that they do so.

#### **Article 19. Request for Information during General Meeting**

1. When it is their turn to speak, shareholders may verbally request such information or clarifications as they deem to be appropriate regarding the matters on the agenda as well as on the information available to the public that has been provided by the company to the National Securities Market Commission since the last General Meeting, and on the auditor's report.

2. The administrators will be required to provide the requested information, unless it is not available at the Meeting, in which case the administrators will be required to provide the information in writing within the seven (7) days following the end of the Meeting, without prejudice to the provisions of the following section.

3. Information need not be delivered when it is not necessary for the protection of the rights of the shareholder, or there are objective reasons to believe that it could be used other than for corporate purposes, or its disclosure would harm the Company or related companies. The request for information may not be refused for this reason if it is supported by shareholders representing at least twenty-five per cent (25%) of capital.

Also, when, prior to the request, the information requested is available in a clear, express and direct manner to all shareholders on the Company's website in question and answer format, the administrators may limit their answer to remitting to the information provided in that format.

4. The information or clarification requested of members of the Board will be provided by the Chairman, by the Chief Executive Officer, by the Secretary or, on direction of the

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Chairman, by a Director, by the Chairman of the Audit Committee or by any employee or expert in the subject matter.

5. The Chairman will decide the order of responses to shareholders and whether they will be given after each presentation, or collectively after the last of the presentations. Shareholders have no right of reply, unless the Chairman grants it based on the importance of the matter.

## **Article 20. Voting**

1. Once all shareholder questions and comments have concluded and answers have been provided as contemplated in this Regulation, the shareholders will vote on the resolutions proposed on the matters on the agenda, and such others as are not required by law to be included thereon.

2. The reading of proposed resolutions by the Secretary of the Meeting may be dispensed with, resumed or provided in extracted form, in the discretion of the Chairman, absent express opposition of shareholders representing at least one percent (1%) of capital.

3. Full reading of proposals will however be necessary if the text thereof has not been made available to shareholders at least fifteen days before the date set for holding the Meeting, on the terms set forth in this Regulation.

4. If any of the proposals made available or provided to the shareholders was modified by the Board of Directors, the aforesaid modification must be read before voting on the proposal.

5. Those matters that are substantially independent of each other must be voted on separately. In any event, the following must be voted on separately:

- a) the appointment, ratification, re-election or separation of each Director, and
- b) when amending the Articles of Association, each section or group of articles that are independent of the others.

6. The voting on proposals will be made, as regards votes cast at the Meeting, in accordance with the following procedure:

a) When dealing with resolutions proposed by the Board of Directors, regarding matters included on the agenda:

(i) the votes corresponding to all shares physically present at the Meeting and represented (absent other instructions from the represented shareholder), plus affirmative votes cast remotely will be treated as votes in favour of the proposal.

(ii) the votes corresponding to shares the holders of or representatives for which state that they vote against, by communication or statement of their vote to the notary at the

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Meeting, for reflection in the minutes, as well as negative votes cast remotely will be treated as votes against the proposal.

b) When dealing with resolutions proposed other than by the Board of Directors, on matters included on the agenda:

(i) the votes corresponding to all shares physically present at the Meeting and represented (absent other instructions from the represented shareholder), plus negative votes cast remotely will be treated as votes against the proposal.

(ii) the votes corresponding to shares the holders of or proxies for which state that they vote in favour, by communication or statement of their vote to the notary at the Meeting, for reflection in the minutes, plus affirmative votes cast remotely will be treated as votes in favour of the proposal.

c) In the case of proposed resolutions regarding matters not included on the agenda, the same scheme as established in b) above (excluding the reference to votes cast remotely) will be used.

7. Blank votes and abstentions also must be communicated to the notary for reflection in the minutes.

8. However, by decision of the Meeting Officers, other voting schemes may be established for the adoption of resolutions that allow evidencing the sense of votes and reflection of the results of voting in the minutes.

9. In any event, the proposed resolutions prepared by the Board of Directors will be voted on first. Once a proposed resolution is approved, the others in respect of to the same matter will fail, without, therefore, proceeding to vote on them.

10. Division of votes will be permitted so that entities having status as shareholders, by virtue of the share registry records, that act on behalf of multiple persons may, in any event, cast votes in different senses, in compliance with differing voting instructions, if they have received them. In particular, division of votes will be permitted by a custodian of shares issued by the Company within the framework of a programme of American Depositary Shares (ADS) represented by American Depositary Receipts (ADRs).

## **Article 21. Scheme for Adoption of Resolutions**

1. The General Meeting, whether ordinary or extraordinary, will adopt its resolutions with the majorities of votes present in person or by proxy as required by the Articles of Association or by law. Each share with a right to vote, present in person or by proxy at the General Meeting, gives the right to one vote.

2. Corporate resolutions will be adopted by simple majority of the votes of shareholders present at the Meeting in person or by proxy, a resolution being understood to have been adopted when it obtains more favourable than unfavourable votes.

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3. Without prejudice to the provisions of law, the favourable vote of the absolute majority of the voting shares present in person or by proxy at the General Meeting of shareholders will be required if the capital present in person or by proxy is more than fifty percent (50%), or the favourable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent twenty-five percent (25%) or more of the subscribed voting capital without reaching fifty percent (50%), for approval of the following matters:

- a) Articles amendments, including increase or reduction of capital, unless the law otherwise provides.
- b) Issuance of bonds.
- c) Transformation, merger or splitup in any of their forms, as well as bulk assignment of assets and liabilities and transfer of the Company's registered office abroad.
- d) Disapplication or limitation of pre-emption rights for new shares.

#### **Article 22. Conclusion of Meeting**

Once the result of voting is announced the Chairman of the Meeting may close the proceedings, adjourning the meeting.

#### **Article 23. Minutes of Meeting**

1. If the Board of Directors has appointed a notary to prepare the minutes of the meeting, the notarial minutes will be considered to be an act of the Board, and its approval thereof will not be necessary.

2. Otherwise the Secretary of the Meeting will prepare minutes of the meeting, which will be entered in the Minute Book, and may be approved by the Meeting at the end thereof or, if not, within the term of fifteen (15) days, by the Chairman of the Meeting and two (2) participants, proposed by the Meeting Officers, one representing the majority and the other the minority. The minutes will be signed by the Secretary with the approval of the Chairman.

#### **Article 24. Publicity of Resolutions**

Without prejudice to registration of registrable resolutions in the Commercial Registry and such legal provisions regarding publicity of corporate resolutions as may be applicable, on the same day as the holding of the Meeting or the immediately following business day the Company will send the text of the approved resolutions to the National Securities Market Commission, by way of the corresponding material disclosure. The full text of the resolutions and results of votes will be published on the Company's website within the five (5) days following the end of the Meeting.

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## **Article 25. Dissemination of Meeting Regulation**

The Board of Directors will adopt the measures necessary to ensure dissemination of this Regulation among the shareholders, by communicating it to the National Securities Market Commission, registering it in the Commercial Registry and publishing it on the Company's website.

## **Article 26. Interpretation and Amendment**

1. This Regulation completes and develops the provisions of the Articles of Association regarding the General Meeting. It therefore must be interpreted by the Board of Directors consistently with the Articles and the applicable legal provisions. Such doubts as may arise during the holding of the General Meeting regarding interpretation of this Regulation will be resolved by the Chairman of the Meeting with the assistance of the Secretary of the Meeting.

2. Any amendment of this Regulation must be approved by the General Meeting, meeting with the quorum under article 17.1 above, with the required report of the administrators or shareholders making the amendment proposal, explaining it.

## **Article 27. Approval and Effectiveness**

This Regulation will apply once it is approved by the General Shareholders Meeting of the Company, communicated to the National Securities Market Commission and registered in the Commercial Registry.

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February 27, 2015



**REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. CONCERNING THE PROPOSAL OF DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL INCLUDED IN ITEM SEVEN ON THE AGENDA OF THE GENERAL ORDINARY SHAREHOLDERS MEETING TO BE HELD ON APRIL 19 AND APRIL 20, 2015, IN AN INITIAL AND SECOND QUORUM CALL, RESPECTIVELY.**

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**I. Purpose of the report**

This report is prepared in relation to the proposed delegation of authority to the Board of Directors to increase the share capital of Promotora de Informaciones, S.A. (hereinafter “Prisa” or the “Company”), with the power to exclude, where appropriate, the pre-emption right on subscription, which will be submitted for approval under item seven on the Agenda for the Ordinary General Meeting of Shareholders to be held on April 19, 2015 on the initial call or, in the event that a sufficient quorum is not obtained, on April 20, 2015, in the same place on the second call.

The report is issued in compliance with the provisions of articles 286, 297.1.b) and 506 of the Capital Companies Act [*Ley de Sociedades de Capital*].

**II. Reason and justification for the proposal**

The purpose of the resolution proposed by the Board of Directors to the General Meeting of Shareholders is to delegate to the Board the power to resolve on one or more occasions to increase the share capital in the terms of article 297.1.b) of the Capital Companies Act, with the inclusion of the power to exclude the pre-emption right in the terms of article 506 in conjunction with article 308 of the same Act.

The volume of funds needed by Prisa in order to be able to make investments and/or to undertake the current process of restructuring its liabilities means that it needs to be able to access whatever sources of financing may be available in the market, using the ones that are most appropriate for the Company at any given point in time. Access to the debt markets is sometimes subject to constraints deriving from economic policy measures which, at certain times, may reduce or slow down the growth of the monetary and credit variables and the very evolution of the financial markets. It is therefore helpful for Prisa, through its Board of Directors, to have the routes of capital increases open to it so that it can use them if the market conditions make this advisable.

In addition, and independently of the above points, Prisa’s Board of Directors thinks that it is advisable to have available an instrument that the current legislation authorises and that enables it at any time and without needing to call and hold a new General Meeting of Shareholders, to resolve to make such capital increases as it thinks advisable for the

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Company's interests within the limits, terms and time periods and on the conditions that the General Meeting decides.

The dynamic of every company, particularly large companies, demands that its management and governing bodies have available at all times the instruments that are most suitable for giving an adequate response to the needs of the Company in each case in light of market circumstances. These circumstances may include providing the Company with new funding via new capital contributions.

In general, it is not possible to predict in advance what the Company's requirements will be in terms of capital provision and, in addition, the natural recourse to the General Meeting in order to increase the capital, with the consequent delay and increase in costs that this involves, may make it more difficult in certain circumstances for the Company to be able to respond rapidly and effectively to market requirements. This mechanism for delegating the power to increase the capital means that the Company can take advantage of a market opportunity that it may identify from time to time, eliminating the uncertainty about whether this opportunity will remain open during the hypothetical period required to convene the General Meeting. That being the case, the power of delegation provided for in article 297.1.b) of the Capital Companies Act means that these difficulties can largely be avoided, at the same time as giving the Board of Directors a sufficient degree of flexibility to meet the Company's needs, according to the circumstances.

During the past year the Company has used the delegation resolved by the Ordinary General Meeting of Shareholders held on 22 June 2013, which has enabled it to raise funds on very favourable terms, given the current situation of the financial markets, and to reduce debt, improving its leverage and helping it to fulfil the execution of its refinancing plan.

With these aims therefore, the proposal is put to the General Meeting of Shareholders to delegate to the Board of Directors the power to resolve to increase the Company's capital by a maximum amount of the equivalent of half of the share capital at the time when the increase is authorised, which includes the revocation of the unused part of the authorisation granted to the Board of Directors to increase the capital in accordance with the resolution adopted under item nine on the Agenda of the Ordinary General Meeting of Shareholders held on 22 June 2013.

The authorisation may also be used to cover any remuneration scheme or agreement by means of the delivery of shares and share options for members of the Board of Directors and Company executives that may be in force from time to time.

By virtue of the proposed resolution the corresponding capital increase will be carried out, where appropriate, within a period of no more than five years from the date of the resolution of the General Meeting of Shareholders, without the need to hold a General Meeting or have a resolution adopted by it, on one or more occasions, if and to the extent that the needs of the Company so require, up to the maximum amount of the equivalent of half of the share capital at the time when the increase is authorised, by means of the issue of new shares, both ordinary shares and shares of any other kind and/or class permitted by the Act, ordinary or preference shares, including redeemable shares, with or without voting rights, with or without issue premium. The consideration must consist of cash contributions and the Board of Directors may fix the terms and conditions of the increase, all in accordance with the

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provisions of article 297.1.b) of the Capital Companies Act. The proposal expressly provides for the possibility of an incomplete subscription of the shares issued, pursuant to the provisions of article 311.1 of the same Act.

The powers which it is proposed to confer on the Board include the power to fix the terms and conditions of each capital increase and the characteristics of the shares, along with the power freely to offer the new shares not subscribed in the pre-emption period or periods, to redraft the article of the Bylaws dealing with capital, to take all necessary steps to enable the new shares that are the subject of the capital increase to be admitted for trading on the stock exchanges on which the Company's shares are quoted, in accordance with the procedures of each of the said exchanges, and to request the inclusion of the new shares in the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear).

It is also proposed that the Board should be authorised to delegate in turn such of the powers received from the Board as may be delegated to the Executive Committee, to the Chairman or to the Managing Director.

In addition, and as permitted by article 506.1 of the Capital Companies Act in the case of listed companies, if the General Meeting delegates the power to increase the share capital to the directors, it may also give them the power to exclude the pre-emption right in relation to share issues made pursuant to the delegation if the Company's interests demand this. To that end that proposed exclusion must appear in the notice of the General Meeting and a report from the directors justifying the proposal will be made available to the shareholders.

In this sense we report that the delegation to the Board of Directors of the power to increase the capital that is contained in the proposal to which this report refers also includes, as permitted by article 506.1 of the Capital Companies Act, the grant to the directors of the power to exclude all or part of the pre-emption right of the shareholders and holders of debentures or other convertible securities if the Company's interests demand this, all in accordance with the terms of article 506.1 itself in conjunction with article 308 of the same Act.

The Board of Directors takes the view that this additional possibility, which considerably increases the room for manoeuvre and ability to respond offered by the simple delegation of the power to increase the share capital in the terms of article 297.1.b) of the Capital Companies Act, is justified by the flexibility and agility with which on occasions it is necessary to act on the current financial markets in order to be able to take advantage of the times when the market conditions are at their most favourable. In addition, the exclusion of the pre-emption right normally enables a relative reduction in the costs associated with the operation (including in particular the fees of the financial institutions participating in the issue) in comparison with an issue with pre-emption rights, and at the same time it has less of a distorting effect on the trading of the Company's shares during the issue period, which tends to be shorter than in the case of an issue with rights. The exclusion may also be necessary if the intention is to raise funds on the international markets or via the use of bookbuilding techniques.

In any event it is noted for the record that the total or partial exclusion of the pre-emption right is only a power that the General Meeting confers on the Board and the exercise of that

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power will depend on the Board of Directors itself deciding to use it, by reference to the circumstances existing in each case and with respect for the legal requirements. If, in using the aforementioned powers, the Board of Directors should decide to exclude the pre-emption right in respect of a particular capital increase that it may decide to make pursuant to the authorisation granted by the General Meeting of Shareholders, at the time it resolves to make the increase it will issue a report detailing the specific reasons why the Company's interests justify that measure, which will be the subject of the corresponding report from the auditors referred to in article 506.3 of the Capital Companies Act. Both reports will be made available to the shareholders and communicated to the first General Meeting held after the resolution to increase the capital is adopted, in accordance with the provisions of article 506.4 of the said Act.

By virtue of everything that is said above, the proposed resolution set out below is presented to the Ordinary General Meeting of Shareholders:

### **III. Proposed resolution that is submitted to the General Meeting of Shareholders for approval:**

*"1.- To revoke the unused part of the resolution adopted under item nine on the Agenda of the Ordinary General Meeting of Shareholders held on 22 June 2013 in relation to the delegation to the Board of Directors of the power to increase the share capital in accordance with the provisions of article 297.1.b) of the Capital Companies Act.*

*2.- To authorise the Board of Directors, in the broadest and most effective way possible in law and in accordance with the provisions of article 297.1.b) of the Capital Companies Act, within a period of no more than five years from the date of adoption of this resolution and without the need to hold a General Meeting or have a resolution adopted by it, to resolve on one or more occasions, if and to the extent that in the view of the Board the needs of the Company so require, up to the maximum amount of the equivalent of half of the share capital at the time when the increase is authorised, issuing and placing in circulation for this purpose the corresponding new shares, both ordinary shares and shares of any other kind and/or class permitted by the Act, ordinary or preference shares, including redeemable shares, with or without voting rights, with or without issue premium. The consideration must consist of cash contributions and the resolution must expressly provide for the possibility of an incomplete subscription of the shares issued in accordance with the provisions of article 311.1 of the Capital Companies Act and the Board of Directors may fix the terms and conditions of the increase, all in accordance with the provisions of article 297.1.b) of the Capital Companies Act. The powers attributed to the Board of Directors include the power to fix the terms and conditions of each capital increase and the characteristics of the shares, along with the power freely to offer the new shares not subscribed in the pre-emption period or periods, to redraft the article of the Bylaws dealing with capital, to take all necessary steps to enable the new shares that are the subject of the capital increase to be admitted for trading on the stock exchanges on which the Company's shares are quoted in accordance with the procedures of each of the said exchanges, and to request the inclusion of the new shares in the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear). This authorisation may be used to cover any remuneration scheme or agreement by means of the delivery of shares and share options for members of the Board of Directors and Company executives that may be in force from time to time. The Board also has the power totally or partly to exclude the pre-emption right in the*

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*terms of article 506 in conjunction with article 308 of the same Act. The Board is also authorised to substitute the powers that have been delegated to it by this General Meeting of Shareholders in relation to this resolution in favour of the Executive Committee, the Chairman of the Board of Directors or the Managing Director.”*

*Madrid, 27 February 2015*

*(Free translation from the original in Spanish language)*



**REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. CONCERNING THE PROPOSAL OF DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO ISSUE FIXED INCOME SECURITIES, BOTH NON-CONVERTIBLE SECURITIES AND SECURITIES CONVERTIBLE INTO NEWLY ISSUED SHARES AND/OR EXCHANGEABLE FOR SHARES ALREADY IN CIRCULATION INCLUDED IN ITEM EIGHT ON THE AGENDA OF THE GENERAL ORDINARY SHAREHOLDERS MEETING TO BE HELD ON APRIL 19 AND APRIL 20, 2015, IN AN INITIAL AND SECOND QUORUM CALL, RESPECTIVELY.**

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**I. Purpose of the report**

This report is prepared in relation to the proposed delegation of authority to the Board of Directors to issue fixed income securities, both non-convertible securities and securities convertible into newly issued shares and/or exchangeable for shares already in circulation of Promotora de Informaciones, S.A. (“Prisa” or the “Company”) and other companies, warrants, promissory notes and preference shares, including the power to fix the criteria for the determination of the bases and methods for the conversion, exchange or exercise and, where appropriate, to increase the share capital by the amount necessary to meet the requests for conversion of debentures or exercise of warrants, as well as the power to exclude the pre-emption right, which will be submitted for approval under item eight on the Agenda of the Ordinary General Meeting of Shareholders to be held on April 19, 2015 on the initial call or, in the event that a sufficient quorum is not obtained, on April 20, 2015, in the same place on the second call.

This report is issued in compliance with the provisions of articles 286, 297.1.b) and 511 of the Capital Companies Act [*Ley de Sociedades de Capital*], pursuant to which the Board must prepare a report with the justification for the proposed resolution to delegate the authority to increase the share capital with the power to exclude the pre-emption right where appropriate, which is submitted to the General Meeting of Shareholders for approval.

**II. Reason and justification for the proposal**

The Board of Directors considers that it is highly advisable to have the delegated powers permitted by the current legislation so that it can be ready at all times to go to the primary securities markets to obtain the funds that are needed in order to manage the Company’s interests properly, to make investments and/or disinvestments and to undertake the current process of restructuring its liabilities. The purpose of this delegation is therefore to give the Company’s management body the room for manoeuvre and ability to respond that is demanded by the competitive environment in which it operates, in which the success of a particular operation or a strategic initiative frequently depends on the possibility of carrying it out promptly, without the delays and costs that the calling and holding of a new General Meeting inevitably involves.

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To that end, in accordance with the general regime for the issue of debentures contained in articles 401 onwards of the Capital Companies Act and with the special regime for listed companies contemplated in articles 510 and 511 of the same Act, pursuant to the provisions of article 319 of the Companies Registry Regulation [*Reglamento del Registro Mercantil*] and applying by analogy the provisions of article 297.1.b) of the Capital Companies Act, the General Meeting is presented with the proposed resolution prepared under item eight on the agenda in relation to the delegation to the Board of Directors of the power to issue, on one or more occasions, within the maximum period of five years, both non-convertible and convertible and/or exchangeable fixed income securities, along with warrants and preference shares.

The proposal contemplates the revocation of the unused part of the resolution adopted under item ten on the agenda of the General Meeting of Shareholders held on 22 June 2013 in relation to the delegation of powers to issue convertible and/or exchangeable debentures, along with warrants and other similar securities, because Prisa's share capital has been altered since that date.

The proposal contemplates that the maximum total amount of the issue or issues of securities resolved pursuant to this delegation will be one thousand million euros (€1,000,000.000) or its equivalent in another currency. This amount is considered adequate in light of the Company's size and the current financial and market conditions.

It is noted for the record that, in accordance with the provisions of article 510 of the Capital Companies Act, the limit contemplated in article 405 of the Act does not apply to Prisa.

The proposed resolution also includes the authorisation for the Board of Directors, if it decides to issue debentures that are convertible into newly issued shares of the Company itself (or warrants over newly issued shares), to pass a resolution for the capital increase needed to meet the conversion, provided that this increase, when added to any increases that may have been resolved pursuant to authorisations granted by the General Meeting, does not exceed half of the amount of the share capital, as established in article 297.1.b) of the Capital Companies Act. As a result, any capital increases that are necessary in order to meet the conversion of the debentures will be deemed to be included within the available limit at any point in time of the authorisation which, if the resolution is adopted, is granted to the Board pursuant to the provisions of the proposed resolution that is submitted to this General Meeting under item seven on its agenda, or any resolution that may replace it in the future, in order to increase the share capital up to the maximum amount of the equivalent of half of the share capital. In the case of the warrants, it is specifically provided that the legal rules on convertible debentures will apply, to the extent that they are compatible with the nature of the warrants.

In addition, in the case of an issue of exchangeable and/or convertible bonds or debentures or an issue of warrants, the proposed resolution includes the criteria for the determination of the bases and methods for the conversion and/or exchange and exercise, although it is left to the Board of Directors, in the event that it resolves to make use of the authorisation from the General Meeting, to specify some of those bases and methods for each issue, within the limits and subject to the criteria established by the General Meeting. Thus it will be the Board of Directors that determines the specific conversion ratio and to that end, when it approves an issue of convertible debentures (or warrants over newly issued shares) pursuant to the

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authorisation conferred by the General Meeting, it will issue a report from the directors detailing the specific bases and methods for the conversion applicable to the issue in question, which will also be the subject of the related report from the auditors to which article 414.2 of the Capital Companies Act refers.

Specifically, and in the case of an issue of exchangeable and/or convertible bonds or debentures, the resolution submitted by the Board for the approval of the General Meeting provides that the fixed income securities issued will be convertible into newly issued shares and/or exchangeable for shares already in circulation in accordance with a conversion and/or exchange ratio that is determined or determinable. To that end, the fixed income securities will be valued at their nominal value and the shares at the rate determined in the corresponding resolution of the Board of Directors in which this delegation is used, or at the rate determinable on the date or dates indicated in the Board resolution itself, and by reference to the quoted price of Prisa shares on the stock exchange on the date/s or period/s taken as the reference in the resolution itself, with or without a premium or discount on that quoted price, and in any event with a minimum of the greater of (a) the average of the weighted average prices of Prisa shares on the Continuous Market of the Spanish stock exchanges during the period to be determined by the Board of Directors, not more than three months or less than fifteen calendar days prior to the date on which the issue resolution is adopted by the Board, and (b) the closing price of Prisa shares on the same Continuous Market on the stock exchange business day prior to the date on which the aforementioned issue resolution is adopted. The Board may determine that the share valuation for the purposes of the conversion and/or exchange may be different for each conversion and/or exchange date. The same rules will be applied in the case of an exchange for shares in another company (whether or not a Group company), to the extent that they are required and with such adaptations as may be necessary, albeit that they will be referable to the quoted price of the shares of that company on the corresponding market.

In the case of warrants, the exercise price may be determined or determinable in the same way, by reference to the time at which the warrant is exercised, but in all cases the share price to be considered may not be less than the greater of the values indicated above for the case of an issue of convertible debentures or bonds. In the case of a call option over existing shares of another company (whether or not a Group company), the same rules will be applied, to the extent that they are required and with such adaptations as may be necessary, albeit that they will be referable to the quoted price of the shares of that company.

In this way the Board takes the view that it is being given a sufficient degree of flexibility to enable it to fix the value of the shares for the purposes of conversion and/or exchange or exercise by reference to the market conditions and other applicable considerations, although this will have to be, at least, broadly equivalent to their market value at the time when the Board resolves to issue the fixed income securities or the warrants.

In addition, and as required by article 415.2 of the Capital Companies Act, the resolution provides that for the purposes of their conversion, the nominal value of the debentures must not be less than the nominal value of the shares. Similarly in the case of a warrant issue, the resolution provides that the sum of the premium paid for each warrant and its exercise price will not be less than the quoted price of the underlying share, considered in accordance with

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the parameters established above, nor less than the nominal value of the shares at the time of the issue.

Furthermore, it is noted for the record that the authorisation for the issue of fixed income securities includes, in accordance with the provisions of articles 308, 417 and 511 of the Capital Companies Act and in the event that the issue relates to convertible debentures and/or warrants over newly issued shares, the grant of the power to the Board of Directors to exclude in full or in part the pre-emption right of the shareholders and the holders of convertible debentures and warrants over newly issued shares, where this is required in order to obtain funds on the markets or the Company's interests justify it in some other way. The Board of Directors takes the view that this additional possibility, which notably increases the room for manoeuvre and ability to respond offered by the simple delegation of the power to issue convertible debentures and/or warrants, is justified by the flexibility and agility with which it is necessary to act on the current financial markets in order to be able to take advantage of the times when the market conditions are at their most favourable. This justification also exists when the intention is to obtain the funds on the international markets. The large sums traded on those financial markets and the agility and speed of action on them means that a high volume of funds can be obtained on very favourable conditions, provided that it is possible to launch an issue on those markets at the most opportune time, which cannot be determined in advance. Similarly, the exclusion of the pre-emption right may be necessary if the intention is to obtain funds by using bookbuilding techniques. Furthermore, and if it is considered necessary or advisable, the exclusion is appropriate in order to place the convertible debentures and/or warrants over newly issued shares between one or more qualified investors (such as institutional investors) or, where appropriate, to give Prisa entry to one or more industrial or financial partners who may contribute to the creation of value and the fulfilment of the Group's strategic objectives. Finally, the exclusion of the pre-emption right enables a relative reduction in the financial cost of the loan or the warrant and in the costs associated with the operation (including in particular the fees of the financial institutions participating in the issue) when compared with an issue with a pre-emption right. At the same time it has less of a distorting effect on trading in the Company's shares during the issue period.

In any event the exclusion of the pre-emption right is a power that the General Meeting delegates to the Board of Directors and it is up to the Board to decide in each case whether or not it is appropriate to exclude that right, taking account of the specific circumstances and respecting the legal requirements. In that context, if the Board decides to exclude the pre-emption right in relation to a particular issue of convertible debentures and/or warrants over newly issued shares that it may decide to make pursuant to the authorisation requested from the General Meeting of Shareholders, at the time when it approves the issue it will issue a report detailing the specific reasons why the Company's interests justify that measure, which will be the subject of the related report from the auditors in the terms established in article 511.3 of the Capital Companies Act. Both reports will be made available to the shareholders and holders of debentures and other convertible securities and communicated to the first General Meeting held after the issue resolution is adopted.

In addition, it is proposed to adopt the necessary resolutions to enable the securities issued pursuant to this delegation to be admitted to trading on any secondary market, whether or not it is an organised market, whether official or unofficial, domestic or foreign.

*(Free translation from the original in Spanish language)*

Likewise the proposal includes authorisation for the Board to guarantee issues that companies in the Prisa Group may make, where appropriate, of convertible and/or exchangeable fixed income securities or warrants, including promissory notes and preference shares.

Finally, the proposal contemplates the express possibility that the Board of Directors may delegate those powers received from the Board that are capable of delegation to the Executive Committee, the Chairman or the Managing Director.

On the basis of everything set out above, Prisa's Board of Directors presents the proposal indicated below to the Ordinary General Meeting of Shareholders:

### **III. Proposed resolution submitted to the General Meeting of Shareholders for approval:**

*"I) To revoke the unused part of the resolution adopted under item ten on the agenda of the General Meeting of Shareholders held on 22 June 2013 in relation to the delegation of powers to issue convertible and/or exchangeable debentures, along with warrants and other similar securities.*

*II) To delegate to the Board of Directors of Promotora de Informaciones, S.A. ("Prisa" or the "Company"), in accordance with the general regime for the issue of debentures, pursuant to the provisions of article 319 of the Companies Registry Regulation and applying by analogy the provisions of article 297.1.b) of the Capital Companies Act, the power to issue, on one or more occasions, both non-convertible and convertible and/or exchangeable fixed income securities, including warrants, along with promissory notes and preference shares or debt instruments of a similar kind, in accordance with the following conditions:*

*1. Securities being issued. The securities to which this delegation refers may be debentures, bonds and other fixed income securities of a similar kind, both non-convertible securities and securities convertible into newly issued shares of the Company and/or exchangeable for shares in the Company. This delegation may also be used to issue debentures that can be exchanged for shares in another company that are already in circulation, which may or may not be a company in the Prisa Group (the "Group"), for the issue of warrants or other similar securities that may give a direct or indirect right to subscribe or acquire newly issued shares or shares already in circulation of the Company or another company, whether or not a Group company, to be settled by means of the physical delivery of the shares, or, as the case may be, by net settlement, which may, where appropriate, be linked to or connected in any way with each issue of debentures, bonds and other non-convertible fixed income securities of a similar kind made pursuant to this delegation, or with other loans or financing instruments by which the Company acknowledges or creates a debt. The delegation may also be used to issue promissory notes or preference shares.*

*2. Duration. The issue of the securities may take place on one or more occasions at any time within the maximum period of five (5) years from the date on which this resolution is adopted.*

*(Free translation from the original in Spanish language)*

3. Maximum amount. *The maximum aggregate amount of the issue or issues of securities resolved pursuant to this delegation will be one thousand million euros (€1,000,000.000) or its equivalent in another currency.*

*For the purposes of calculating the above limit, in the case of warrants, the sum of the premiums and exercise prices of the warrants of each issue resolved pursuant to this delegation will be taken into account. In turn, in the case of promissory notes, the outstanding balance of the promissory notes issued pursuant to the delegation will be computed for the purposes of the above limit.*

*It is noted for the record that in accordance with the provisions of article 510 of the Capital Companies Act, the limit contemplated in article 405.1 of the Act does not apply to Prisa.*

4. Scope of the delegation. *When using the delegation of powers resolved here and by way of illustration and without limitation, the Board of Directors will be responsible for determining, for each issue, its amount, which must always be within the expressed global quantitative limit; the place of issue – domestic or foreign – and the currency and, in the case of a foreign issue, its equivalent in euros; the denomination, whether bonds or debentures – including subordinated ones – warrants (which in turn may be settled by the physical delivery of the shares or, where appropriate, by net settlement), promissory notes, preference shares or any other security acceptable in law; the issue date or dates; whether the securities are compulsorily or voluntarily convertible and/or exchangeable, including on a contingent basis, and in the event that they are voluntarily convertible, whether this is at the election of the holder of the securities or the issuer; if the securities are not convertible, the possibility that they may be fully or partly exchangeable for shares in the issuing Company itself or in another company, whether or not a Group company, or may incorporate a right to buy the aforementioned shares, the number of securities and their nominal value, which, in the case of convertible and/or exchangeable securities, will not be less than the nominal value of the shares; the interest rate, dates and procedures for payment of the coupon; whether they are perpetual (including, where appropriate, the possibility of retirement by the issuer) or redeemable and, in the latter case, the redemption period and the expiry date; the reimbursement rate, premiums and lots, the guarantees, the form of representation, by certificates or book entries; pre-emption right, if appropriate, and subscription regime; anti-dilution clauses; priority and, if appropriate, subordination regime; applicable legislation; to apply, where appropriate, for the securities issued to be admitted to trading on official or unofficial secondary markets, organised or unorganised, domestic or foreign, with the requirements laid down in each case by the current rules and regulations, and, in general, to fix any other condition of the issue (including its subsequent modification), and, where appropriate, to appoint the trustee and approve the basic rules that are to govern the legal relations between the Company and the syndicate of holders of the securities issued, in the event that this is necessary or if the constitution of that syndicate so decides. In relation to each specific issue made pursuant to this delegation, the Board of Directors may determine all matters not covered in this resolution. The delegation also includes the grant to the Board of Directors of the power to decide on the terms for redemption of the securities issued using this authorisation in each case, with the power to use the collection methods referred to in article 430 of the Capital Companies Act, to the extent that they are applicable, or any other methods that may be applicable. Likewise the Board of Directors has the power, if it deems fit and subject to obtaining the necessary official authorisations and, where appropriate, the*

*(Free translation from the original in Spanish language)*

*approval of the assemblies of the corresponding syndicates or representative bodies of the holders of the securities, to modify the terms for the redemption of the securities issued and their respective duration and the rate of interest which, where appropriate, accrues on the securities in each of the issues made pursuant to this authorisation.*

5. *Bases and methods for the conversion and/or exchange.* *In the event of an issue of convertible and/or exchangeable debentures or bonds and for the purposes of determining the bases and methods for the conversion and/or exchange, it is resolved to establish the following criteria:*

(i) *The securities issued pursuant to this resolution may be convertible into new Prisa shares and/or exchangeable for shares already in circulation of the Company itself, any of the Group companies or any other company, in accordance with a determined or determinable conversion and/or exchange ratio, with the Board of Directors having the power to determine whether they are convertible and/or exchangeable and to determine whether they are compulsorily or voluntarily convertible and/or exchangeable and, in the event that they are voluntarily convertible and/or exchangeable, whether this is at the election of the holder or the issuer, with the frequency and during the period established in the issue resolution, which may not exceed fifteen (15) years from the issue date.*

(ii) *The Board may also establish, in a case where the issue is convertible and exchangeable, that the issuer reserves the right to choose at any time between conversion into new shares or exchange for shares already in circulation, specifying the type of shares to be delivered at the time when the conversion or exchange takes place, and it may even have the right to elect to deliver a combination of newly issued shares and pre-existing shares or a cash equivalent. In all cases the issuer must ensure equality of treatment between all the holders of the fixed income securities being converted and/or exchanged on a given date.*

(iii) *For the purposes of the conversion and/or exchange, the fixed income securities will be valued at their nominal value and the shares at the rate determined in the resolution of the Board of Directors in which use is made of this delegation, or at the rate determinable on the date or dates indicated in the Board resolution itself and by reference to the quoted price of Prisa shares on the stock exchange on the date/s or period/s taken as the reference in the resolution itself, with or without a premium or with or without a discount on that quoted price, and in any event with a minimum of the greater of (a) the average of the weighted average prices of Prisa shares on the Continuous Market of the Spanish stock exchanges during the period to be determined by the Board of Directors, not more than three (3) months or less than fifteen (15) calendar days prior to the date on which the resolution to issue the fixed income securities is adopted by the Board, and (b) the closing price of Prisa shares on the same Continuous Market on the stock exchange business day prior to the date on which the aforementioned issue resolution is adopted. The Board may determine that the share valuation for the purposes of the conversion and/or exchange may be different for each conversion and/or exchange date. The same rules will be applied in the case of exchange for shares in another company (whether or not a Group company), to the extent that they are required and with such adaptations as may be necessary, albeit that they will be referable to the quoted price of the shares of that company on the corresponding market.*

*(Free translation from the original in Spanish language)*

- (iv) *The Board may establish, in a case where the issue is convertible and exchangeable, that the issuer reserves the right to choose at any time between conversion into new shares or exchange for shares already in circulation, specifying the type of shares to be delivered at the time when the conversion or exchange takes place, and it may even have the right to elect to deliver a combination of newly issued shares and pre-existing shares. In any event the issuer must ensure equality of treatment between all the holders of the fixed income securities being converted and/or exchanged on a given date.*
- (v) *Where the conversion or exchange occurs, any fractions of shares that may have to be delivered to the holder of the debentures will be rounded down to the whole number immediately below. It will be up to the Board to decide whether to pay each holder any difference that may arise in such a situation in cash.*
- (vi) *In no case may the share value for the purposes of the conversion ratio of the debentures for shares be less than their nominal value. In accordance with the provisions of article 415.2 of the Capital Companies Act, debentures may not be converted into shares if the nominal value of the debentures is less than the nominal value of the shares. Likewise convertible debentures may not be issued for a figure below their nominal value.*

*At the time when it adopts a resolution for a convertible debenture issue pursuant to the authorisation conferred by the General Meeting, the Board of Directors will issue a report from the directors detailing and specifying the bases and methods for the conversion applicable to the issue in question, starting from the criteria described above. This report will be accompanied by the related report from the auditors as provided in article 414.2 of the Capital Companies Act.*

6. *Bases and form of the exercise of the warrants. In the case of an issue of warrants that are convertible into and/or exchangeable for shares, to which the provisions of the Capital Companies Act in respect of convertible debentures will apply by analogy, and for the purposes of the determination of the bases and methods for their exercise, it is resolved to establish the following criteria:*
- (i) *The warrants issued pursuant to this resolution may give the right to subscribe new shares issued by the Company or to acquire shares in Prisa or another company, whether or not a Group company, that are already in circulation, or a combination of the two. In all cases the Company may reserve the right to choose, at the time of the exercise of the warrant, between delivering new shares, old shares or a combination of the two, and to proceed to a net settlement.*
  - (ii) *The time period for the exercise of the warrants will be determined by the Board of Directors and may not exceed fifteen (15) years starting from the issue date.*

*(Free translation from the original in Spanish language)*

- (iii) *The exercise price of the warrants may be fixed or variable depending on the date/s or period/s taken as the reference. Thus the price will be determined by the Board of Directors at the time of issue or will be determinable at a later date in accordance with the criteria fixed in the resolution itself. In all cases the share price to be considered may not be less than the greater of (a) the average of the weighted average prices of Prisa shares on the Continuous Market of the Spanish stock exchanges during the period to be determined by the Board of Directors, not more than three (3) months or less than fifteen (15) calendar days prior to the date on which the issue resolution is adopted by the Board, and (b) the closing price of the Company's shares on the same Continuous Market on the stock exchange business day prior to the date on which the aforementioned issue resolution is adopted. In the case of a call option over existing shares in another company (whether or not a Group company) the same rules will be applied, to the extent that they are required and with such adaptations as may be necessary, albeit that they will be referable to the quoted price of the shares of that company on the corresponding market.*
- (iv) *When warrants are issued with simple exchange ratios or at par – that is to say one share for each warrant – the sum of the premium or premiums paid for each warrant and its exercise price may not in any case be less than the value of the underlying share considered in accordance with the provisions of paragraph (iii) above, or less than its nominal value.*

*When warrants are issued with multiple exchange ratios – that is to say ratios other than one share for each warrant – the sum of the premium or premiums paid for the warrants issued as a whole and their aggregate exercise price may not in any case be less than the result of multiplying the number of shares underlying the total warrants issued by the value of the underlying shares considered in accordance with the provisions of paragraph (iii) above, or less than the nominal value as a whole at the time of issue.*

*When it adopts a resolution to issue warrants pursuant to this authorisation, the Board of Directors will issue a report developing and specifying the bases and methods for exercise specifically applicable to the issue in question, starting from the criteria described in the preceding paragraph. This report will be accompanied by the related report from the auditors as provided in article 414.2 of the Capital Companies Act.*

7. *Rights of the holders of convertible securities. While the conversion and/or exchange of any fixed income securities that may be issued or the exercise of the warrants is possible, their holders will have whatever rights the current legislation recognises and, in particular, where appropriate, the rights relating to the pre-emption right (in the case of convertible debentures or warrants over newly issued shares) and an anti-dilution clause in the circumstances provided by law, without prejudice to the provisions of paragraph 8 (i) below.*
8. *Capital increase and exclusion of the pre-emption right in the case of convertible securities. The delegation to the Board of Directors also includes, by way of illustration and without limitation, the following powers:*

*(Free translation from the original in Spanish language)*

- (i) *The power to enable the Board of Directors, pursuant to the provisions of article 308, 417 and 511 of the Capital Companies Act, totally or partly to exclude the pre-emption right of shareholders and holders of convertible debentures and, where appropriate, of warrants over newly issued shares if this is required in the context of a particular issue of convertible debentures or of warrants over newly issued shares in order to obtain funds on the international markets, to use bookbuilding techniques or to incorporate industrial or financial investors who may facilitate the creation of value and the attainment of the Group's strategic objectives, or if the Company's interests justify it in some other way. In any event, if the Board decides to exclude the pre-emption right in relation to a particular issue of convertible debentures or warrants that it may decide to make pursuant to this authorisation, when it approves the issue and in accordance with the applicable rules and regulations it will issue a report detailing the specific reasons why the Company's interests justify that measure, which will be the subject of the related report from the auditors in the terms established in article 417.2 and 511.3 of the Capital Companies Act. Those reports will be made available to the shareholders and holders of convertible debentures and warrants over newly issued shares and communicated to the first General Meeting held after the issue resolution is adopted.*
- (ii) *The power to increase the capital by the amount necessary to meet the requests for conversion or the exercise of warrants over newly issued shares. This power may only be exercised to the extent that the Board, when adding the capital being increased to meet the issue of convertible obligations or the exercise of warrants to any other capital increases that may have been resolved pursuant to the authorisations granted by the Board, does not exceed the limit of half of the amount of the share capital established in article 297.1.b) of the Capital Companies Act. This authorisation to increase the capital includes the authorisation to issue and place in circulation, on one or more occasions, the shares that represent it that are needed to give effect to the conversion or the exercise of the warrant, together with the authority to redraft the article of the Bylaws relating to the amount of the share capital and, where appropriate, to cancel the part of that capital increase that turned out not to be necessary for the conversion into shares or for the exercise of the warrant.*
- (iii) *The power to develop and specify the bases and methods of the conversion and/or exchange, bearing in mind the criteria established in paragraphs 5 and 6 above, including, among other matters, fixing the time of the conversion and/or exchange or exercise of the warrants and, in general and in the broadest possible terms, determining whatever matters and conditions may be necessary or advisable for the issue.*

*In the successive General Meetings that the Company holds, the Board of Directors will inform the shareholders of any use that has been made, as the case may be, of the delegation of the authority to issue securities to which this resolution refers up to that point in time.*

9. *Admission to trading. The Company will apply, where appropriate, for the admission of the debentures, bonds, preference shares, warrants and any other securities that may be issued pursuant to this delegation to trading on official or unofficial secondary markets, whether organised or unorganised, domestic or foreign, authorising the Board to take the necessary steps and actions to secure the admission to trading with the competent bodies of the different domestic or foreign stock markets.*

*(Free translation from the original in Spanish language)*

10. *Guarantee of issues of fixed income securities. The Board of Directors is also authorised, for a period of five years, to guarantee on behalf of the Company and within the limit indicated above, any issues that Group companies may make of fixed income securities, convertible and/or exchangeable as the case may be, including warrants, along with promissory notes and preference shares.*
11. *Substitution. The Board of Directors is authorised to delegate the powers conferred by this resolution which are capable of delegation to the Executive Committee, the Chairman or the Managing Director.”*

In Madrid, on 27 February 2015



**REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. REGARDING A PROPOSAL FOR A CAPITAL DECREASE FOR THE SOLE PURPOSE OF PERMITTING THE ADJUSTMENT OF THE NUMBER OF SHARES FOR THE REVERSE STOCK SPLIT PROPOSED IN ITEM 9.2 ON THE AGENDA AND AMENDMENT TO SECTION 6.1 OF THE COMPANY'S BY-LAWS, INCLUDED IN ITEM 9.1 ON THE AGENDA OF THE GENERAL ORDINARY SHAREHOLDERS MEETING TO BE HELD ON APRIL 19 AND APRIL 20, 2015, IN AN INITIAL AND SECOND QUORUM CALL, RESPECTIVELY.**

### **1. Purpose of the Report**

Section 286 in the restatement of the Spanish Companies Act approved by Spanish Royal Decree 1/2010, of July 2 (the “**Companies Act**”) imposes, as a requirement for any amendment of the company’s by-laws by the General Meeting, an obligation on the directors to submit to the shareholders the full text of the proposed amendment and a written explanatory report.

Additionally, Section 287 of the Companies Act requires that the articles to be amended be clearly referred to in the notice of the meeting, including a reference to the right of all shareholders to review the full text of the proposed amendment and the directors’ report at the company’s registered address, and to request provision or delivery thereof at no cost.

This report was prepared by the Board of Directors in order to comply with such requirements.

### **2. Reasons for the proposal**

The share capital reduction is prompted by a technical requirement to enable the consolidation of shares as a consequence of the reverse stock split proposed to the General Meeting as item 9.2 of the agenda. As explained below, this proposal, if finally approved, could result in a share capital reduction of one euro and sixty cents (€1.60) or one euro and thirty cents

(€1.30). Although the choice of two different amounts of the share capital reduction is presented to the General Meeting, only one of them may ultimately be implemented.

The reason for presenting the choice of two amounts of the share capital reduction is that, as at the date of this report, the share capital increase addressed to the company International Media Group Ltd amounting to €74,999,999.49 and approved by this Board of Directors and announced in a significant event on 27 February 2015 (the “**Media Group Share Capital Increase**”), is subject to the compulsory reception of the independent expert report, the conduction of a due diligence by the referred investor and is yet to be executed. Consequently, the amount of the technical adjustment to be applied to the share capital to enable the referred consolidation of shares will depend on whether the Media Group Share Capital Increase is executed before or after the General Meeting. In any case, only one of the options of the amounts in which the share capital may be reduced, if approved, may be implemented, since both are subject to a condition precedent as follows:

- (i) The first option, subject to the Media Group Share Capital Increase having taken place before the General Meeting, would imply that as a result of the capital reduction proposed to the General Meeting, and on the assumption that such reduction is approved and implemented, then the share capital would be set at two hundred and twenty nine million nine hundred and fifty eight thousand eight hundred and seventeen euros (€229,958,817), represented by two thousand two hundred and ninety-nine million five hundred and eighty-eight thousand one hundred and seventy (2,299,588,170) shares in book-entry form.
- (ii) The second option, subject to the Media Group Share Capital Increase not having taken place before the General Meeting, would imply that as a result of the capital reduction proposed to the General Meeting, and on the assumption that such reduction is approved and implemented, then the share capital would be set at two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy four euros (€215,807,874), represented by two thousand one hundred and fifty-eight million seventy-eight thousand seven hundred and forty (2,158,078,740) shares in book-entry form.

In any case, and without prejudice to the Company's obligations in relation to the notification of certain information to the market which are imposed by the legislation in force, during the General Meeting the shareholders will be informed whether the Media Group Share Capital Increase has been executed or not.

The proposed capital reduction would proceed through the redemption of treasury shares so as to increase the statutory reserve. Accordingly, and pursuant to Section 335.b) of the Companies Act, no creditors of the Company shall have a right to object to this transaction.

The Board of Directors believes that the proposed agreement to be submitted to the General Meeting to reduce the Company's share capital by one euro and sixty cents (€1.60) or, alternatively by one euro and thirty cents (€1.30) – depending on whether the Media Group Capital Increase has been executed or not, respectively by cancelling sixteen (16) or thirteen (13) treasury shares, respectively – is fully supported on the technical requirement to enable the consolidation of shares as a consequence of the reverse stock split proposed to the General Meeting as item 9.2 of the agenda.

### [3. Full text of the proposal](#)

It was resolved to reduce the Company's share capital figure by the amount and in the manner set out below. The share capital reduction is prompted by a technical requirement to enable the consolidation of shares resulting from the reverse stock split proposed to the General Meeting as item 9.2 of the agenda, so as to comply with Section 90 of the Spanish Companies Act.

The share capital reduction amounts to:

- (i) One euro and sixty cents (€1.60), that is, from two hundred and twenty nine million nine hundred and fifty eight thousand eight hundred and eighteen euros and sixty cents (€229,958,818.60) to two hundred and twenty-nine million nine hundred and fifty-eight thousand eight hundred and seventeen (€229,958,817) by redeeming sixteen (16) shares with a par value of ten cents (€0.10). The share capital reduction in this amount is subject to the share capital increase addressed to the company International Media Group Ltd amounting to €74,999,999.49 and approved by this Board of Directors and announced in a significant event on 27 February 2015 (the “**Media Group Share**

**Capital Increase**") having been executed as at the date of this report (the "**Condition Precedent I**"). If on the date of the General Meeting the Media Group Share Capital Increase has not been executed and, therefore, Condition Precedent I has not been fulfilled, this option will not be effective; or alternatively

- (ii) One euro and thirty cents (€1.30), that is, from two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy-five euros and thirty cents (€215,807,875.30) to two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy four euros (€215,807,874) by redeeming thirteen (13) shares with a par value of ten cents (€0.10). The share capital reduction in this amount is subject to the Media Group Share Capital Increase not having been executed as at the date of this report (the "**Condition Precedent II**"). If on the date of the General Meeting the Media Group Share Capital Increase has been executed and, therefore, Condition Precedent II has not been fulfilled, this option will not be effective.

The proposed capital reduction shall proceed by redeeming treasury shares so as to increase the statutory reserve. Accordingly, and pursuant to Section 335.b) of the Spanish Companies Act, no creditors of the Company shall have a right to object to this transaction.

The balance sheet considered to approve the share capital reduction has been the Company's balance sheet closed on December 31, 2014, as reviewed by the Company's auditors, i.e., Deloitte, S.L. on March 2, 2015 and approved by the General Meeting of the Company in item 1 on the agenda.

Given its nature, this reduction shall take effect immediately upon execution hereof.

Accordingly, it was resolved to amend Section 6.1 of the Company's By-Laws.

- (i) If as of the date of the General Meeting the Media Group Share Capital Increase has been executed and, therefore, Condition Precedent I has been fulfilled, this section shall hereinafter read as follows:

*The share capital is two hundred and twenty-nine million nine hundred and fifty-eight thousand eight hundred and seventeen EUROS (€229,958,817), and is represented by:*

*two thousand two hundred and ninety-nine million five hundred and eighty-eight thousand one hundred and seventy (2,299,588,170) ordinary shares, all of the same class and*

*series, having a nominal value of TEN CENTS ON THE EURO (€0.10) each, consecutively numbered from 1 to 2,299,588,170.*

- (ii) If as of the date of the General Meeting the Media Group Share Capital Increase has not been executed and, therefore, Condition Precedent II has been fulfilled, this section shall hereinafter read as follows:

*The share capital is two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy-four EUROS (215,807,874 €), and is represented by:*

*two thousand one hundred and fifty-eight million seventy-eight thousand seven hundred and forty (2,158,078,740) ordinary shares, all of the same class and series, having a nominal value of TEN CENTS ON THE EURO (€0.10) each, consecutively numbered from 1 to 2,158,078,740.*

Without prejudice to any other authority that may be available to the Board of Directors, it was resolved to delegate to the Board of Directors any and all authority –including the authority to delegate on the Executive Committee, the Chairman and the Managing Director– expressly granted to it in this resolution, as well as the authority to establish any terms and conditions not expressly provided for herein and to carry out any and all actions and proceedings necessary or convenient to ensure the implementation and completion of the share capital decrease and, specifically and without limitation:

- (a) To complete any relevant procedures before the Spanish *Comisión Nacional del Mercado de Valores*, the Governing Bodies (*Sociedades Rectoras*) of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, the *Sociedad de Bolsas*, the *Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear), the *Servicio de Liquidación y Compensación de Valores* or any other Spanish or foreign entity, authority, public and/or private registry, and to take any necessary measures to comply with all requirements in the Spanish Companies Act, the Securities Market Act, the Royal Decree governing securities in book-entry form and any other applicable regulations, including specifically to perform all acts necessary in respect of any American depositary shares issued by the Company;
- (b) To appear before any Spanish Notary to record the share capital reduction and amendment of the by-laws resolution as a public deed, and to perform any actions as may be required and approve and formalize any public and private documents as may

be necessary or convenient to ensure full effectiveness thereof and, specifically, to correct any deficiencies, omissions or errors evidenced or disclosed as a result of any oral or written description (*calificación*) by the Commercial Registrar;

- (c) To draft and publish any required or appropriate notices.

This share capital reduction resolution, either in the amount of one euro and sixty cents (€1.60) or one euro and thirty cents (€1.30) is subject to resolution 9.2 below being passed.



**REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. REGARDING A PROPOSAL FOR A REVERSE STOCK SPLIT IN A RATIO OF ONE (1) NEW SHARE FOR EVERY THIRTY OLD SHARES AND AMENDMENT TO SECTION 6.1 OF THE COMPANY'S BY-LAWS, INCLUDED IN ITEM 9.2 ON THE AGENDA OF THE GENERAL ORDINARY SHAREHOLDERS MEETING TO BE HELD ON APRIL 19 AND APRIL 20, 2015, IN AN INITIAL AND SECOND QUORUM CALL, RESPECTIVELY.**

### **1. Purpose of this Report**

Section 286 in the restatement of the Spanish Companies Act approved by Spanish Royal Decree 1/2010, of July 2 (the “**Companies Act**”) imposes, as a requirement for any amendment of the company’s by-laws by the General Meeting, an obligation on the directors to submit to the shareholders the full text of the proposed amendment and a written explanatory report.

Additionally, Section 287 of the Companies Act requires that the specific articles to be amended be clearly referred to in the notice of the meeting, including a reference to the right of all shareholders to review the full text of the proposed amendment and the directors’ report at the company’s registered address, and to request provision or delivery thereof at no cost.

Consequently, this report was prepared by the Board of Directors in order to comply with such requirements.

### **2. Reasons for the proposal**

As a result of the capital reduction which is being proposed to the General Meeting under item 9.1 on the agenda, and on the assumption that such reduction is approved and implemented, then the share capital would be set at either (i) two hundred and twenty-nine million nine hundred and fifty-eight thousand eight hundred and seventeen Euros (€229,958,817), represented by two thousand two hundred and ninety-nine million five hundred and eighty-eight thousand one hundred and seventy (2,299,588,170) shares or (ii)

two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy-four Euros (€215,807,874), represented by two thousand one hundred and fifty-eight million seventy-eight thousand seven hundred and forty (2,158,078,740) shares. The amount in which the capital will be finally reduced, if the proposal is finally approved by the General Meeting, will depend, as explained in the report of this Board of Directors regarding the referred item on the agenda, on whether the share capital increase addressed to the company International Media Group Ltd amounting to €74,999,999.49 and approved by this Board of Directors and announced in a significant event on 27 February 2015 (the “**Media Group Share Capital Increase**”) is executed before or after the General Meeting.

The proposed reverse split would (i) reduce the total number of shares in the Company; (ii) make proper fixing of the stock market price of the Company’s shares easier; (iii) restrict the volatility of the Company’s shares in the market, without any loss of liquidity; and (iv) ensure that the shares in the Company are valued in line with comparable companies.

The current market value of the shares in the Company may cause sharp movements in the share price of the Company, as a minimal variation in unit terms results in a high percentage variation – a situation that should be avoided through this reverse split transaction.

These situations lead to a case where most trading in securities in similar circumstances is performed by investors heavily focused in the short term (“intraday trading”), while institutional investors rarely become attracted to such securities as they consider them to be high risk.

In short, the purpose of this transaction is to adapt the market price of the shares in the Company so that it is no longer conditioned by the aforementioned factors and to facilitate a better formation of the market price for such shares, based on market conditions and the circumstances of the Company itself.

The reverse stock split which is submitted to the General Meeting under this item on the agenda does not lead to any increase or reduction of capital, affecting only the number of shares making up the share capital of the Company, without prejudice to the resolution under item 9.1 on the agenda which is proposed in view of the technical need for permitting the reverse stock split.

Shareholders holding a number of shares that is not a multiple of 30 may:

- (i) acquire or transfer any relevant number of shares necessary to own a multiple of the number fixed in the exchange ratio; or
- (ii) join other shareholders to reach a number of shares that is a multiple of the number fixed in the exchange ratio.

On the other hand, in accordance with Sections 26.1.b) and 41.1 a) of Royal Decree 1310/2005, of 4 November, implementing Spanish Act 24/1988, of 28 July, on the Securities Market (governing the admission to trading of securities in official secondary markets, public offerings or subscriptions and the relevant prospectus), the Company shall not, as a result of this transaction, be required to publish such a prospectus, as the new shares shall be issued to replace older shares of the same class which have already been issued and thus there is no share capital increase.

If, following the closing of the market session the day before that on which the share exchange is to take effect as described above, a shareholder still holds any number of shares that is not a multiple of the number fixed in the exchange ratio, any fractions shall be purchased by the Company itself. The purchase price shall be the closing price for that day, and the sale shall proceed at no cost to the selling shareholders, except for any charges and brokerage fees charged by their own custodian.

The price for such sale shall be paid by the Company to the relevant participating entities in Iberclear, to be credited to the accounts held with such entities by the selling shareholders. Payment shall proceed between the effective date of the exchange and the third following business day. The Board of Directors may, if it deems necessary, appoint an agent bank and give a mandate to such bank to acquire, on behalf of the Company, any such remaining shares.

A proposal is also being made to delegate to the Board –itself being also authorised to delegate to the Executive Committee, the Chairman and the Managing Director–, among others, any and all authority to implement the proposed resolution and to perform all acts necessary to such effects in accordance with applicable laws; to apply for admission of the new shares to trading on the Madrid, Barcelona, Bilbao and Valencia Exchanges on the

Automated Quotation System, and on the remaining Exchanges where the share is currently admitted to trading, and for registration thereof with Iberclear; to apply to have the old shares (being simultaneously cancelled) excluded therefrom; and to declare the reverse split transaction duly closed and, as such, Section 6.1 of the bylaws duly amended accordingly, being also expressly authorised to delegate its own authority to third parties.

As a result of the proposed transaction, and on the assumption that the share capital reduction to be submitted to the General Meeting as item 9.1 on the agenda is approved and executed as proposed by the Board of Directors, then the share capital would be set at a figure of

- (i) if the Media Group Share Capital Increase has been executed, two hundred and twenty-nine million nine hundred and fifty-eight thousand eight hundred and seventeen Euros (€229,958,817), represented by seventy six million six hundred and fifty-two thousand nine hundred and thirty-nine (76,652,939) shares in book-entry form; or alternatively
- (ii) if the Media Group Share Capital Increase has not been executed, two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy-four Euros (€215,807,874) represented by seventy-one million nine hundred and thirty-five thousand nine hundred and fifty-eight (71,935,958) shares in book-entry form.

### **3. Reasons for the exchange ratio**

The proposed exchange ratio (30 old shares for each new share) shall result in a face value of 3 Euros per new share.

Such ratio has been determined, on the one hand, in order to obtain a face value of the new share such that the purposes of this transaction, described above, are achieved without, on the other hand, the new face value affecting the liquidity of the share pursued by retail investors. Moreover, as referred to in Section 3 above, the new face value should allow for a better comparison between the value of the Company shares and the value of the shares in comparable companies.

The share exchange shall be effective on the date resolved by the Board of Directors, following registration of the reverse split resolution and the relevant amendment to the by-laws with the Commercial Registry. The exchange shall proceed from the date specified in

the notices to be published in the Official Gazette of the Commercial Registry, a national newspaper, on the Company's website and, where mandatory, in the Listing Gazettes of the Spanish Stock Exchanges. Such date shall also be disclosed by publishing the relevant notice of a significant event.

#### **4. Full text of the proposal**

It was resolved to approve a stock consolidation in respect of the outstanding shares in the Company, which shall proceed by consolidating every thirty (30) existing shares valued at par at ten Euro cents (€0.10) each into one (1) new share valued at par at three Euros (€3) each. The number of shares resulting from the stock consolidation will be the following:

- (i) if as a result of the share capital reduction proposed in item 9.1 on the agenda, the number of shares is set at 2,299,588,170 shares, the share capital will be composed of 76,652,939 shares without this entailing a change in the Company's share capital; or alternatively
- (ii) if as a result of the share capital reduction proposed in item 9.1 on the agenda, the number of shares is set at 2,158,078,740 shares, the share capital will be composed of 71,935,958 shares without this entailing a change in the Company's share capital.

The newly-issued shares shall be ordinary shares held in book-entry form and registered with the *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (Iberclear) and its participating entities. The new shares shall be of the same class and series and have the same economic and voting rights as the existing shares, prorated to each new share's face value.

In accordance with Sections 26.1.b) and 41.1 a) of Royal Decree 1310/2005, of 4 November (implementing Spanish Act 24/1988, of 28 July, on the Securities Market in respect of the admission of securities to trading in official secondary markets, public offerings or subscriptions and the relevant prospectus), the Company shall not, as a result of this transaction, be required to publish such a prospectus, as the new shares shall be issued to replace older shares of the same class which have already been issued and thus there is no share capital increase.

## **1. EFFECTIVE DATE AND EXCHANGE PROCEDURE**

The share exchange shall be effective on the date determined by the Board of Directors, following registration of the reverse split resolution and the relevant amendment to the by-laws with the Commercial Registry. The exchange shall proceed from the date specified in the notices to be published in the Official Bulletin of the Commercial Registry, a national newspaper, on the Company's website and, where mandatory, in the Listing Bulletins of the Spanish Stock Exchanges. Such date shall also be disclosed by publishing the relevant notice of a significant event.

Any shareholders in the Company registered as such with the *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (“**Iberclear**”) and Iberclear's participating entities on the effective day determined by the Board of Directors shall have a right to receive one (1) new share for every thirty (30) old shares. This exchange shall proceed automatically.

The exchange shall further proceed pursuant to the procedures established for securities in book-entry form, through the relevant participating entities, in accordance with the instructions issued by Iberclear and, if appointed, by the agent.

## **2. REMAINING SHARES**

Shareholders who, after applying the exchange ratio resulting from the reverse split, hold a number of shares that is not a multiple of thirty (30) may:

- (i) acquire or transfer any relevant number of shares necessary to own a multiple of the number fixed in the exchange ratio; or
- (ii) join other shareholders to reach a number of shares that is a multiple of the number fixed in the exchange ratio.

If, following the closing of the market session the day before that on which the share exchange is to take effect as described above, a shareholder still holds any number of shares that is not a multiple of the number fixed in the exchange ratio, such shares shall be purchased by the Company itself.

The purchase price shall be the closing price for that day, and the sale shall proceed at no cost to the selling shareholders, except for any charges and brokerage fees charged by their own custodian.

The price for such sale shall be paid by the Company to the relevant participating entities in Iberclear, to be credited to the accounts held with such entities by the selling shareholders. Payment shall proceed between the effective date of the exchange and the third following business day. The Board of Directors may, if it deems necessary, appoint an agent bank and give such bank a mandate to acquire, on behalf of the Company, any such remaining shares.

### **3. APPLICATION FOR ADMISSION TO TRADING**

It was resolved to apply –following registration with the Madrid Commercial Registry of the public deed recording the consolidation of the outstanding shares and the exchange thereof for the newly-issued shares and the amendment to their face value– for the old shares and the new shares to be simultaneously excluded and admitted, respectively, from and to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (where the Company’s shares are currently listed) on the Spanish Automated Quotation System (*Mercado Continuo*) and on any other Stock Markets where such shares are so listed; and further resolved to take any actions and complete any procedures before the relevant regulatory bodies required to have any new shares issued as a result of the foregoing resolution admitted to trading. The Company expressly submits to any applicable stock market regulations or future regulations, including without limitation any regulations governing securities trading, maintenance and exclusion from trading.

It is expressly noted that, if a delisting of the Company shares is subsequently applied for, any such delisting shall comply with any applicable rules and procedures and, in such a case, the rights of any shareholders opposing or voting against the delisting resolution shall be guaranteed as required by the Spanish Companies Act and related provisions, in accordance with Spanish Act 24/1988, of 28 July, on the Securities Market and any implementing regulations in force from time to time.

### **4. CONDITION PRECEDENT**

This stock consolidation resolution is subject to a condition precedent that the resolution in 9.1 above is passed.

## 5. DELEGATION OF POWERS TO THE BOARD OF DIRECTORS

It was resolved to delegate to the Board of Directors any and all authority, as broadly as required in law –including the authority to delegate on the Executive Committee, the Chairman and the Managing Director– to implement the reverse stock split, including without limitation the authority:

- (i) to implement the reverse split resolution. The effective date of the share exchange shall be timely advised by notice to the Governing Bodies (*Sociedades Rectoras*) of the Stock Exchanges and the *Comisión Nacional del Mercado de Valores*, and announced on the Official Bulletin of the Commercial Registry;
- (ii) to prepare, notify and deal with any document, publication or certificate required in relation to the reverse split process;
- (iii) to determine the precise number of new shares, following completion of the reverse split process, and the effective date of the consolidation; and to declare such process duly completed;
- (iv) to draft the new wording for Section 6.1 of the Company by-laws regarding the Company's share capital, in order to adapt it to the outcome of the reverse split process;
- (v) to complete all required formalities so that the new shares are registered on the accounting records held by Iberclear in accordance with applicable regulatory procedures;
- (vi) to file, whenever deemed appropriate, with the CNMV, the Governing Bodies (*Sociedades Rectoras*) of the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges, the *Sociedad de Bolsas*, Iberclear and any other Spanish or foreign public or private authority, the relevant application to have all new shares in the Company admitted to trading on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges and on the Automated Quotation System (*Mercado Continuo*) and, simultaneously, to have the old shares delisted from such markets; and to that end carry out any procedures, take any actions and issue any declarations as necessary or convenient, including without limitation for the purposes of obtaining the authorisation, verification and admission to trading of the new shares, and to draft and publish any announcements required or convenient for such purposes; and to take any measures

- required to comply with any and all obligations of the Company arising in respect of any American depositary shares issued by the Company;
- (vii) to take any actions as may be necessary or convenient to implement and formalise the reverse split transaction before any public and/or private Spanish and/or foreign bodies and entities, including without limitation in order to clarify, supplement or rectify any errors or omissions that may prevent or hinder full effectiveness of the foregoing resolutions;
  - (viii) to select, where appropriate, any entities to be engaged in the process to coordinate the transaction (including without limitation to appoint an agent bank and to give a mandate to such bank under the terms stated above) and generally to determine any criteria to be followed in the process;
  - (ix) to agree and sign any undertakings, commitments, agreements or any other documents with any entity related to the transaction, in whatever terms may be deemed appropriate;
  - (x) to execute any public and/or private documents as may be appropriate to implement, wholly or in part, the reverse split; to carry out any actions as may be convenient in connection with the foregoing resolutions in order to have them duly registered with the Spanish Commercial Registry and any other registries including without limitation with authority to appear before a Spanish notary and execute any deeds necessary or convenient to that effect and to correct, rectify, ratify, construe or supplement such resolutions and execute any other public and/or private document necessary or convenient to ensure full registration thereof, without a need for a new resolution; and
  - (xi) generally to take such actions and execute such public and/or private documents as required or deemed appropriate by the Board of Directors, the Executive Committee, the Chairman and the Managing Director or, where appropriate, by any delegating authority, to ensure full effectiveness of and compliance with the foregoing resolutions.

## **6. AMENDMENT TO SECTION 6.1 OF THE COMPANY'S BY-LAWS**

Following completion of the reverse stock split, Section 6.1 in the Company's by-laws shall be amended. This amendment shall be carried out as follows:

- (i) if the share capital prior to the execution of this stock combination resolution is composed of 2,299,588,170 shares, Section 6.1 of the Company's by-laws shall read as follows:

*The share capital is two hundred and twenty-nine million nine hundred and fifty-eight thousand eight hundred and seventeen EUROS (229,958,817 €), and is represented by:*

*seventy-six million six hundred and fifty-two thousand nine hundred and thirty-nine (76,652,939) ordinary shares, all of the same class and series, having a nominal value of THREE EUROS (€3) each, consecutively numbered from 1 to 76,652,939.*

- (ii) if the share capital prior to the execution of this stock combination resolution is composed of 2,158,078,740 shares, Section 6.1 of the Company's by-laws shall read as follows:

*The share capital is two hundred and fifteen million eight hundred and seven thousand eight hundred and seventy-four EUROS (€ 215,807,874), and is represented by:*

*seventy-one million nine hundred and thirty-five thousand nine hundred and fifty-eight (71,935,958) ordinary shares, all of the same class and series, having a nominal value of THREE EUROS (€3) each, consecutively numbered from 1 to 71,935,958.*



## **REPORT OF THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. ON THE AMENDMENT OF THE BOARD OF DIRECTORS REGULATION.**

The Board of Directors of PROMOTORA DE INFORMACIONES, S.A. (**PRISA** or the **Company**), at the request of the Chairman of the Corporate Governance Committee, following a favourable report from the Corporate Governance Committee, the Appointments and Remuneration Committee and the Audit Committee, according to the subject-matter, and in accordance with article 528 of the Capital Companies Act [*Ley de Sociedades de Capital*] and article 3 of the Board of Directors Regulation [*Reglamento del Consejo de Administración*], has resolved in its meeting on 27 February 2015 to approve the amendment of certain articles of the Board of Directors Regulation, in order to:

- (i) adapt it to the provisions of Act 31/2014 of 3 December 2014, the Capital Companies Act, which amends the Capital Companies Act for the improvement of corporate governance, and to the amendments of the Articles submitted for the approval of the next Ordinary General Meeting of Shareholders under item five of its Agenda;
- (ii) incorporate certain recommendations in relation to good corporate governance;
- (iii) bring it into line with the internal situation and the Company's customary corporate governance practices; and
- (iv) make technical improvements of a purely formal, systematic or grammatical nature.

The Board has also approved a consolidated text of the Board of Directors Regulation, solely for the purposes of including the articles that have been amended and ensuring that all the provisions of the Regulation are incorporated into a single public instrument.

The effectiveness of the resolutions to amend the Board of Directors Regulation and to approve the consolidated text of it is conditional upon the approval of the resolutions to amend the Articles included under item five of the Agenda for the next Ordinary General Meeting of Shareholders and their registration in the Companies Register.

The following articles of the Board of Directors Regulation have been amended:

- Article 3 (**Amendment**) incorporates the requirement that proposed amendments to the Regulation that affect the authority or operating procedures of the Technological

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Transformation Committee must be reported on by it, as is the case with the other Board Committees.

- Article **5 (Functions)** incorporates, on the basis of the non-delegable authority conferred until now on the Board of Directors and in line with the proposed amendment of article 20, which becomes article 23, of the Articles, the authority referred to in articles 249 bis, 529 ter and 529 nonies LSC.
- Article **7 (Other Interests)** changes its title to “*Corporate Responsibility*” in order to give greater weight to its content.
- Article **8 (Kinds of Directors)**: (i) refers, in relation to the classification of Directors, to the definitions and criteria contained in the regulations applicable from time to time; (ii) includes the duty of the Board to ensure that the criteria used in the procedures for selecting Directors favour diversity of gender, experience and knowledge (article 529.bis.2 LSC); and (iii) removes the reference to the NYSE, because the Company’s shares are no longer quoted on the US market.
- A new article **10 (Limitations on Positions of Directors)** is introduced to reflect the recommendation that listed companies establish rules on the number of boards on which their directors may serve.
- The old article **10 (Chairman of the Board)** becomes article 11 and it: (i) sets out that the Chairman may or may not be an executive Director, regulating his functions in each case; (ii) includes the provision that the designation of the Chairman of the Board requires a prior report from the Appointment and Remuneration Committee (article 529 sexies LSC); and (iii) clarifies the provision relating to the chairmanship of the General Meeting in line with the provision of article 15.5, which becomes article 16.5, of the Articles.
- Introduces a new article **12 (Coordinating Director)** so that, in line with the proposed amendment of article 17, which becomes article 19, of the Articles, it includes the appointment of the Coordinating Director and his functions (article 529 septies LSC).
- Introduces a new article **13 (Honorary Chairman)** to include the regulation of this figure, which until now did not have an express regime.
- Article **11 (Managing Director)** becomes article 14 and: i) includes the provision that the Managing Director is appointed by the Board following a report from the Corporate Governance Committee and the Appointment and Remuneration Committee; and ii)

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defines the authority of the Managing Director according to whether or not the Chairman is an executive Director.

- Article **12 (Vice Chairman or Chairmen)** becomes article 15 and includes, in relation to the designation, the requirement for a prior report from the Appointment and Remuneration Committee (article 529 sexies LSC), and it adapts its wording to the provisions of articles 17 and 21, which become articles 19 and 24, of the Articles.
- Article **13 (Secretary of the Board)** becomes article 16 and: (i) incorporates the requirement for a prior report from the Appointment and Remuneration Committee and the Corporate Governance Committee for the appointment and removal of the Secretary and Assistant Secretary; (ii) brings its wording into line with articles 17 and 21, which become articles 19 and 24, of the Articles; and (iii) includes the function of the Secretary to assist the Chairman in seeing to it that Directors receive the relevant information for the exercise of their duties sufficiently in advance and in the appropriate format (article 529 octies LSC).
- Article **14** becomes article 17 (“Executive Committee”) and: (i) includes, in relation to its composition, that it will be comprised of at least one third of the Board members and of a majority of non-executive Directors; (ii) sets out the alternatives for the chairmanship of the Executive Committee, depending on whether or not the Chairman of the Board is an executive Director; (iii) establishes that on an exceptional basis members who cannot attend may be represented by another Committee member; and (iv) clarifies the information that the rest of the Board members will receive about the business conducted in its meetings.
- Article **15 (Meetings of Board of Directors)** becomes article 18 and: brings its wording into line with the proposed new wording of article 29 of the Articles, including the fact that the Board must meet at least once each quarter (article 245 LSC) and establishing the requirements for requesting that a meeting be called.
- Article **16 (Conduct of Meetings)** becomes article 19 and (i) regulates the duty to attend Board meetings personally and deals with representation in the event that the Director is unable to attend, in line with the proposed new wording of article 30 of the Articles and in accordance with article 529 quáter LSC; and (ii) adapts its wording to that of article 247.2 of the LSC, replacing in paragraph 1 the expression “*half plus one*” with “*majority*”.
- Article **17 (Appointment of Directors)** becomes article 20 and removes the authority of the Corporate Governance Committee in relation to the proposal to appoint

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independent Directors, which is attributed in article 529 quincecies LSC to the Appointment and Remuneration Committee.

- Article **18** becomes article 21 (**Designation of Directors**) and adapts its wording to the requirements of paragraph 5 of article 529 decies LSC that the proposal to appoint Directors must be accompanied in all cases by an explanatory report from the Board that evaluates the competence, experience and merits of the proposed candidate.
- Article **19** (**Re-Election of Directors**) becomes article 22 and includes the authority of the Appointment and Remuneration Committee in relation to the proposed re-election of independent Directors (articles 529 decies and 529 quincecies LSC).
- Article **20** (**Term of Office**) becomes article 23 and (i) reduces the term of office from five to four years (article 529 undecies LSC); and: (ii) incorporates the exceptional case of Directors appointed by co-option to cover a vacancy that has arisen after the General Meeting is called and before it is held (article 529 of the decies LSC).
- Article **21** (**Removal of Directors**) becomes article 24 and in paragraph 3 attributes to the Appointment and Remuneration Committee the function of reporting prior to the removal of Directors that until now has been attributed to the Corporate Governance Committee (article 529 quincecies.3.c) LSC).
- Article **22** (**Objectivity and Secrecy of Voting**) becomes article 25 and: paragraph 1 of it is removed, the contents of which are covered by article 37 (Duty of loyalty).
- Article **23** (**Introduction**) becomes article 26 (Board Committees) and (i) incorporates the duty to have Committee minutes available to Board members (article 529.3 terdecies LSC); and (ii) includes the Technological Transformation Committee.
- Article **24** (**Audit Committee**) becomes article 27 and: (i) establishes that all of the members of the Audit Committee must be non-executive Directors and that at least two of them must be independent Directors in accordance with article 529 quaterdecies LSC; (ii) defines the authority of the Audit Committee by reference to the legislation applicable from time to time; and (iii) removes the reference to the NYSE.
- Article **25** (**Appointment and Remuneration Committee**) becomes article 28 and is amended in order to: (i) incorporate the requirement of article 529 quincecies LSC that the Appointment and Remuneration Committee be made up of at least two independent Directors and establish that the Chairman will be designated from the independent Directors; (ii) adapt the Committee's functions to the provisions of the said article; (iii) incorporate the requirement for a prior report of the Committee in order to remove the

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Secretary and Assistant Secretary of the Board (article 529 octies LSC); (iv) incorporate the authority of the Board to report on the appointment of the individual representative of a Director that is a legal person (article 529 decies LSC); and (v) include the authority to propose the appointment of independent Directors (article 529 decies LSC), attributed until now to the Corporate Governance Committee.

- Article **26 (Corporate Governance Committee)** becomes article 29 and is amended in order to: (i) incorporate the authority of the Corporate Governance Committee to propose to the Board the appointment of the person who will act as Coordinating Director; (ii) adapt paragraph 3.a)vi) to the function of the Coordinating Director to present the evaluation of the Executive Chairman (article 529 septies LSC); (iii) incorporate into the aforementioned paragraph the authority of the Board to evaluate the performance of its Committees and to propose an action plan on the basis of the results (article 529 nonies LSC); and (iv) remove the authority to propose the appointment of independent Directors which must be attributed to the Appointment and Remuneration Committee (article 529 decies LSC), along with certain other functions which, in accordance with the provisions of the LSC, correspond to the Appointment and Remuneration Committee or the Audit Committee.
- A **new article 30** is introduced (**Technological Transformation Committee**) which regulates the Technological Transformation Committee.
- Article **27 (Rights of Information and Examination)** becomes article 31 and establishes: (i) that Directors have a duty not just a power to request information in the performance of his function (article 225.3 LSC); and (ii) the duty to make the minutes available to all Directors (article 529 terdecies.3 LSC).
- Article **28 (Expert Assistance)** becomes article 32 and establishes the need for prior authorisation from the Board to engage experts in specific circumstances.
- Article **29 (Director Compensation)** becomes article 33 and is amended to incorporate: (i) the provisions of articles 217.4 and 541 THE CAPITAL COMPANIES ACT; and (ii) the need for compensation linked to Company earnings to take account of any qualifications stated in the audit report that reduce those earnings.
- Article **30 (Compensation of Executive Directors)** becomes article 34 and is amended to: (i) incorporate the provisions of the proposed new wording of article 22 of the Articles and the provisions relating to the duty to enter into a contract between the Company and the executive Directors (articles 249 and 529 quindecies LSC); and (ii) to move to this article of the Board Regulation the content of the current article 25 of the Articles which is consolidated in the new wording of article 22.

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- Article **32 (General Director Duties)** becomes article 36, changes its title to “*General Director Duties. General Duty of Diligence*” and adapts its wording to the provisions of articles 225 and 226 LSC, in relation to the general duty of diligence and the protection of business discretion.
- Article **33** becomes article 37, changes its title to “Duty of Loyalty” and the provisions of articles 227 and 228 LSC are incorporated into it.
- **Articles 34 (Director Duty of Confidentiality) and 35 (Non-compete Obligation)** are merged in article 38, under the title “Conflicts of Interest and Transactions with Directors”, which is modified to include the provisions of articles 228 to 230 (obligations deriving from the duty of loyalty and duty to avoid situations of conflict of interest) and 529 ter LSC (non-delegable power of the Board to approved related-party transactions with Directors).
- Article **36 (Transactions with Significant Shareholders)** becomes article 39 and the provisions of article 529 ter.1.h) LSC are incorporated into it.
- In **articles 1 (Purpose), 9 (Number of Directors), 38 (Relationships with Shareholders)**, which becomes article 41, and **article 40 (Relationships with Auditors)**, which becomes article 43, changes of a merely formal nature are introduced in order to improve the wording.
- **Articles 31 (Compensation of External Directors), 37 (Principle of Transparency), and 39 (Relations with Markets)** become, respectively, articles 35, 40 and 41 and keep their current wording.

The consolidated text of the Board of Directors Regulation which contains the agreed changes is attached to this report as a schedule.

27 February 2015

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

**Chapter I.- PRELIMINARY**

**Article 1.- Purpose.**

1. The purpose of this Regulation is to establish the operating principles of the Board of Directors of Promotora de Informaciones, S.A. (hereinafter "**PRISA**" or the "**Company**"), the basic rules for its organisation and functioning and the rules of conduct for its members.
2. The code of conduct established in this Regulation for Directors will, to the extent compatible with their specific nature, be applicable to senior managers of the Company that attend the meetings of the Board of Directors.

**Article 2.- Interpretation.**

This Regulation will be interpreted in accordance with the applicable legal and Articles rules, based fundamentally on the spirit and purpose thereof, with the Board of Directors having authority to resolve doubts in interpretation that may arise in application hereof.

**Article 3.- Amendment.**

1. This Regulation may only be amended on initiative of the Chairman, the Corporate Governance Committee or one third of the serving Directors, which must be accompanied by their proposal and an explanatory memorandum.
2. Proposed amendments must be reported on by the Corporate Governance Committee. If they affect the authority or operating procedures of the Appointment and Remuneration Committee or the compensation scheme for Directors or management personnel they must be accompanied by a report of the Appointment and Remuneration Committee. If they affect the authority or operating procedures of the Audit Committee they must be accompanied by a report of the Audit Committee. Similarly, if they affect the authority or operating procedures of the committee for Strategic Digital Change the proposed amendments must be accompanied by a report of the Committee for Strategic Digital Change.
3. The text of the proposal, the explanatory memorandum of the authors thereof and the reports of the Corporate Governance Committee and, if applicable, of the Appointment and Remuneration Committee and/or the Audit Committee must be attached to the call of the meeting of the Board is that is to consider the matter.
4. The amendment of the Regulation for validity will require a resolution adopted by the absolute majority of the members of the Board.

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#### **Article 4.- Dissemination.**

1. The Directors and senior managers of the Company and the companies in its Group will be required to be familiar, comply and cause compliance with this Regulation. To that end, the Secretary of the Board will provide each of them with a copy thereof.
2. The Board of Directors will adopt such measures as may be appropriate in order for the Regulation to be disseminated among shareholders and the general investing public.

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

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

1. Except for matters reserved to the General Meeting, the Board of Directors is the highest decision-making body within the Company.

The Board policy will be to focus its activity on the general functions of supervision and determination of policies and strategies of the Company, and to delegate ordinary management of the Company to the Chief Executive Officer and, if applicable the Executive Chairman, with the assistance of the Company's management team.

2. Authority that is non-delegable by law or in accordance with the Articles may not be delegated. Nor may such authority as the General Meeting has given to the Board without express authorisation of delegation. In any event the Board of Directors of the Company will reserve the following for its review and exclusive decision:

a) Determination of the general policies and strategies of the Company, in particular:

- i) approval of the Strategic or Business Plan, as well as the annual budgets and management objectives;
- ii) determination of investment and financing policy;
- iii) definition of the structure of the Group of companies of which the Company is the controlling entity;
- iv) determination of the corporate governance policy of the Company and the Group of which it is the controlling entity;
- v) the corporate social responsibility policy;
- vi) the policy for management and control of risks, including tax risks, and supervision of the internal information and control systems;
- vii) definition of the dividend policy; and

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- viii) determination of the tax strategy of the Company.
- b) Approval of financial projections, as well as strategic alliances of the Company or its controlled companies, and the policy regarding treasury shares.
- c) Supervision of effective functioning of the committees it has constituted and the actions of the delegated bodies and executives it has appointed.
- d) Authorisation or waiver of the obligations deriving from the duty of loyalty.
- e) Any proposed amendment of the Company's corporate purpose.
- f) Its organisation and functioning and, in particular, approval and amendment of this Regulation.
- g) Preparation of the annual accounts and their presentation to the General Meeting.
- h) Approval of the financial information listed companies must periodically disclose.
- i) Making any kind of report required by law to the Board of Directors, provided that the matter covered by the report is nondelegable.
- j) Appointment and removal of Chief Executive Officer of the Company, delegation of authority, as well as establishment of the terms of their contracts.
- k) Appointment and removal of the executives reporting directly to the Board or any of its members, as well as establishment of the basic terms of their contracts, including their compensation.
- l) Proposal of the general compensation policy, and decisions related to compensation of Directors, within the framework of the Articles and the compensation policy approved by the General Meeting.
- m) Calling general meetings and preparing the agenda and the proposed resolutions.
- n) Approval of investments or transactions of any kind that by reason of their high amount or special characteristics are strategic or pose a special tax risk for the Company or the investee or controlled companies in question, unless approval thereof corresponds to the General Meeting, inter alia including the assumption of financial risks or making of derivative financial commitments, including but not limited to loans, credits, guarantees or other security.
- o) Approval of the creation or acquisition of interests in special purpose vehicles or entities resident in countries or territories considered to be tax havens, and any other transactions or operations of a comparable nature the complexity of which might impair the transparency of the Company or its Group.

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- p) Those resolutions related to mergers, splitups and any relevant decision having to do with the status of the Company as a listed company, unless approval thereof corresponds to the General Meeting.
  - q) Approval, after a report from the Audit Committee, of related party transactions, on the terms contemplated in this Regulation.
  - r) Annual evaluation of the functioning of the Board of Directors, the functioning of its Committees, and proposal, based on the results, of an action plan correcting detected deficiencies.
  - s) The powers the General Meeting has delegated to the Board of Directors, unless expressly authorised by it to subdelegate them.
3. Resolutions related to the matters indicated in 2.n) and 2.o) above, the amount of which is not more than ten million (10,000,000) euros, may be adopted by the Delegated Commission in cases of urgency, duly justified, and must be ratified at the first Board meeting held after adoption of the resolution.

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

1. The criteria that at all times must prevail in the actions of the Board of Directors are as follows: fulfilment of the corporate purpose, defence of the long term viability of the business and development of its actual value, safeguarding the identity and the professional and ethical principles of the Group's publishing and media.
2. Within the scope of corporate organisation, the Board will adopt the measures necessary to ensure that:
  - a) The company's management seeks creation of value for the shareholders and has the proper incentives to do so;
  - b) The company's management is under effective supervision of the Board;
  - c) No shareholder is treated better than others.

#### **Article 7.- Corporate Responsibility.**

The creation of value of the business in the interests of the shareholders necessarily must be developed by the Board of Directors, respecting the requirements imposed by law, in good faith complying with explicit and implicit contracts entered into with workers, suppliers, financial backers and customers and, in general, observing the ethical principles inherent in responsible conduct of the Company.

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

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#### **Article 8.- Kinds of Directors.**

1. The Board of Directors will be so comprised that proprietary and independent Directors represent a majority over executive Directors.
2. For purposes of the provisions of the preceding section, the Company will adjust its classification of the various kinds of Directors to the definitions contained in the regulations applicable from time to time.
3. The nature of each Director will be explained by the Board of Directors before the General Shareholders Meeting which will effectuate or ratify his appointment and confirm this appointment or, if applicable, revise it annually in the Annual Corporate Governance Report, after verification by the Corporate Governance Committee.
4. The provisions of this article are understood to be without prejudice to the right of proportional representation legally recognised for shareholders.
5. Also, the Board of Directors will ensure that the procedures for selection of its members favour diversity of gender, experience and knowledge and do not suffer from implicit bias that could imply any discrimination.

#### **Article 9.- Number of Directors.**

1. The Board of Directors will be comprised of the number of Directors determined by the General Meeting within the limits set by the Company's Articles.
2. The Board will propose to the General Shareholders Meeting the number of Directors that, in accordance with the Company's changing circumstances, is most appropriate to ensure the due representativeness and proper functioning thereof.

#### **Article 10.- Limitations on Positions of Directors.**

1. The executive Directors of the Company may not serve as directors of more than four (4) companies other than the Company and its Group, the shares of which are admitted to trading on domestic or foreign stock exchanges. They also may not assume executive functions of any kind within such companies.
2. The non-executive Directors of the Company may not serve as directors of more than four (4) companies other than the Company and its Group, the shares of which are admitted to trading on domestic or foreign stock exchanges.
3. For purposes of the rules established in 1 and 2 above:
  - a) All of the administration bodies of companies that are a part of the same group, as well as those of which a Director is a member in the capacity of a proprietary Director proposed by any company in that group, will be considered to be a single

*(Free translation from the original in Spanish language)*

administration body, even if the equity interest in or the degree of control over the company does not allow it to be considered to be a member of the group; and

- b) The administration bodies of family-held holding companies or companies that serve as vehicles for the exercise of the profession of the Director, the Director's spouse or a person with a comparable relationship, or the Director's closest relatives, are not included.
- c) By way of exception, for duly justified reasons, the Board of Directors may exempt a Director from this prohibition.

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

##### **Article 11.- Chairman of the Board.**

1. The Board of Directors, after a report from the Appointment and Remuneration Committee and the Corporate Governance Committee, from its members will designate its Chairman. Without prejudice to the authority contemplated in the Articles, the Chairman, if applicable, will chair the General Shareholders Meeting.
2. The Chairman will be responsible for the functions of organisation of the Board and promotion and development of good governance of the Company. Within his organisation functions, he will ensure that the Directors are supplied with sufficient information in advance of board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their right to freely express and adopt positions; he will organise and coordinate with the chairman of the relevant Committees the regular evaluation of the Board and, where appropriate, the Chief Executive Officer. He will ensure compliance with the Articles of Association and other internal rules of the Company, and faithful implementation of the resolutions of the General Meeting, the Board of Directors and the Delegated Commission. Also, he will have authority to propose appointments to and changes in the various positions on the Board.
3. The Board of Directors may delegate to the Chairman, in whole or in part, all authority and competence of the Board which are susceptible of delegation by law, the Articles and the Regulations, in which case he will have the status of executive Chairman.

In this case, the Chairman of the Board of Directors will be designated with the favourable vote of two thirds of the members of the Board, will chair the Delegated Commission, will be the chief executive in management of the Company and the one ultimately responsible for senior management thereof, also having the following functions:

- a) Reporting to the Board and the Delegated Commission on fulfilment of the objectives set by the Board of Directors and, in general, the progress of the business.

*(Free translation from the original in Spanish language)*

- b) Directing the general governance and organisation of the Company.
- c) Supervising the ordinary management of the Business, which will correspond to the position of Chief Executive Officer.
- d) Exercising top-level oversight of the Company.
- e) Together with the Chief Executive Officer and senior management, keeping abreast of the progress of the business.

**Article 12 .- Coordinating Director.**

1. If the Chairman is an executive Director, the Board of Directors, with the abstention of the executive Directors and on proposal of the Corporate Governance Committee, must appoint a Coordinating Director from among the independent Directors, who will be specifically empowered to request a call of the Board of Directors or inclusion of new points on the agenda for a Meeting already called, to coordinate and meet with the non-executive Directors and, if applicable, to lead the periodic evaluation of the Chairman of the Board of Directors.
2. The position as Coordinating Director will be exercised for a maximum term of two years, with re-election permitted.

**Article 13.- Honorary Chairman.**

1. The Board of Directors may grant the distinction of Honorary Chairman to a person that has held the position of Chairman of the Board of Directors and, by reason of his merits and extraordinary dedication to the Company, deserves to achieve that category after ceasing to be a member of the Board of Directors.
2. The resolution appointing the Honorary Chairman adopted by the Board of Directors must be preceded by the corresponding report of the Corporate Governance Committee and the Appointment and Remuneration Committee.
3. The distinction of Honorary Chairman is an honorific title and, therefore, the Honorary Chairman is not a member of the Board of Directors. Nonetheless, the Honorary Chairman must comply with the obligations deriving from the duty of loyalty, legally imposed on Directors.
4. The appointment of the Honorary Chairman may be revoked by the Board, based on the circumstances of each case.
5. The Honorary Chairman may attend all meetings of the Board of Directors, with voice but no vote. He must be called to meetings in due form by the Chairman of the Board.

*(Free translation from the original in Spanish language)*

#### **Article 14.- Chief Executive Officer.**

1. The Board of Directors, after a report from the Corporate Governance Committee and the Appointment and Remuneration Committee, will appoint a Chief Executive Officer, to which it will delegate all authority and competence of the Board that are susceptible of delegation by law, the Articles and the Regulations.
2. If, in accordance with the provisions of article 11.3 of this Regulation, the Chairman of the Board of Directors has the status of executive Chairman, the Chief Executive Officer will be the principal collaborator of the Chairman in exercise of the functions attributed to him under this Regulation, in addition being responsible for ordinary management of the business.
3. If the Chairman of the Board of Directors does not have the status of executive Chairman, the Chief Executive Officer will be the chief executive and responsible for management of the Company, and will have the functions contemplated for the executive Chairman in article 11.3 of this Regulation.

#### **Article 15.- Deputy Chairman or Chairmen.**

1. The Board, after a report from the Appointment and Remuneration Committee and the Corporate Governance Committee, may designate one or more Deputy Chairmen, who will replace the Chairman, in the event of temporary absence, temporary disability or express delegation by the Chairman, as regards the functioning of the Board of Directors, and will have the other authority contemplated in article 24 of the Articles of Association.
2. If there are multiple Deputy Chairmen, absent a resolution to the contrary the first Deputy Chairman will preside and, in the absence of all Deputy Chairmen, the Director designated by the Board of Directors will preside.

#### **Article 16.- Secretary of the Board.**

1. The Board of Directors will appoint a Secretary, the Secretary being required to be an attorney but not a Director.
2. The Secretary will assist the Chairman in his work and must promote the proper functioning of the Board, in particular seeing to retention of corporate documents, duly reflecting the conduct of meetings in the minute books, and certifying their content and the resolutions adopted, as well as assisting the Chairman in seeing to it that Directors receive the relevant information for exercise of their duties sufficiently in advance and in appropriate format.
3. The Secretary in any event will see to it that the actions of the Board are in accordance with applicable regulations and the Articles and other internal rules, assisting the Chairman of the Board as appropriate.

*(Free translation from the original in Spanish language)*

4. The Board of Directors may appoint a Deputy Secretary, who need not be a Director, to assist the Secretary of the Board of Directors.
5. The appointment and, if applicable, removal of the Secretary and the Deputy Secretary will require a prior report from the Appointment and Remuneration Committee and the Corporate Governance Committee.
6. In the absence of the Secretary, his functions will be performed by the Deputy Secretary, if any, and in the absence thereof by the Director appointed for that purpose by the Board.

#### **Article 17.- Delegated Commission**

1. The Board of Directors will establish an Delegated Commission, which will be comprised of at least a third of the Board members and a maximum of eight (8) Board members. The Delegated Commission will be chaired by the Chairman of the Board of Directors, provided that the Chairman has the status of executive Chairman in accordance with article 11.3 of this Regulation, or, if not, by the Chief Executive Officer. The appointment of the members of the Delegated Commission will be made on proposal of the Chairman of the Board of Directors, with the favourable vote of two thirds of the Directors.

The composition of the Delegated Commission must be with a majority of non-executive Directors.

The members of the Delegated Commission will leave office when they leave office as directors, or when so resolved by the Board of Directors.

The Secretary of the Board will act as Secretary of the Committee. The provisions of article 16 above will also apply to the functioning of the Delegated Commission.

Without prejudice to the authority of the Chairman and the Chief Executive Officer, within the framework of the provisions of article 5 of this Regulation, the Delegated Commission will be delegated all authority and competence of the Board that are susceptible of delegation by law, the Articles and the Regulations.

2. The Delegated Commission will meet at least six (6) times each year and whenever it is in the interests of the Company in the judgment of the Chairman, which will call it sufficiently in advance, as well as when requested by two (2) or more of the members of the Delegated Commission.

A majority of the members, present in person or by proxy, will constitute a quorum for the transaction of business at meetings of the Delegated Commission. Members unable to attend may, on an exceptional basis, appoint another director who is a member of the committee to represent them.

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Resolutions will be passed by an absolute majority of the members of the Delegated Commission present in person or by proxy.

If not otherwise specifically provided, the operating rules established in this Regulation in respect of the board will be used, provided that they are consistent with the nature and function of this Committee.

When called by the Chairman of the Committee other Directors that are not members of the Committee may also attend its meetings, with voice but no vote, as may managers whose reports are necessary for the conduct of the business.

3. The Delegated Commission will prepare minutes of its meetings on the terms provided for the Board of Directors.
4. The Delegated Commission will report at the first full meeting of the Board subsequent to its meetings on its activities and will take responsibility for the work performed. The Board will always be apprised of the matters considered and decisions adopted by the Delegated Commission. All members of the Board will receive the information provided at meetings of the Delegated Commission, and copies of the minutes or pro formas thereof before the following meeting of the Board held subsequent to each meeting of the Delegated Commission.
5. The Delegated Commission may engage external advisors, when it feels this is necessary for the discharge of its duties.

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

### **Article 18.- Meetings of Board of Directors.**

1. The Board of Directors will meet at least once each quarter, and as often as deemed to be appropriate by the Chairman for the proper functioning of the Company, as well as when requested by three (3) or more Directors and when requested by at least one third of the Board members. In this case, the Chairman shall not delay sending the notice by more than five (5) days from the date the request is received.
2. Notice of Board meetings, which will always state the agenda of the meeting, will be given by mail, fax, telegram or e-mail, and will be authorised by the signature of the Chairman or of the Secretary or Deputy Secretary acting by order of the Chairman. Notice will be sent at least seven (7) days in advance of the meeting to the domicile or email address designated by each Director.

The call of the Board on the initiative of Directors must be sent within five (5) days following their request.

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3. The Chairman will see to it that the Directors have information regarding the progress of the business and other information necessary for deliberation and adoption of the resolutions proposed on the agenda for each meeting of the Board of Directors. The Directors must have the aforesaid information prior to the meeting, sufficiently in advance, unless the Board meets or is exceptionally called for reasons of urgency.
4. The Chairman will at all times be entitled to bring before the Board of Directors any matters it considers to be relevant to the Company's interests, regardless of whether or not those matters appear on the agenda for the meeting.
5. The advance notice requirement indicated in section 2 above will not apply when, in the Chairman's opinion, circumstances so warrant.
6. A meeting of the Board without a call is permissible if, all Directors being present, all of them agree to hold the meeting.
7. Adoption of Board resolutions in writing without a meeting will only be permitted when no Director opposes that procedure.

#### **Article 19.- Conduct of Meetings.**

1. There will be a quorum for a meeting of the Board when at least the majority of the Directors comprising the Board attend, in person or using any other technically possible means (videoconference, telephone or any other similar arrangement), or by proxy.
2. Directors must attend meetings personally, preferably being physically present. However, if it is impossible for a Director to attend, the Director will grant a proxy to another Director in attendance, that proxy being required to be in writing, and special for each meeting of the Board, instructing the representative regarding the view of the represented Director. Non-executive Directors may only grant proxies to another non-executive Director.
3. Unless the law requires a higher majority, resolutions will be adopted by absolute majority of the Directors attending in person or by proxy, with possible ties being decided by a casting vote of the Chairman.
4. The Chairman will organise the discussion, ensuring and encouraging the participation of all Directors in the deliberations of the body, and will submit the matters for vote when he deems them to have been sufficiently debated.
5. Each Director present in person or by proxy will have one vote.

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

##### **Article 20. Appointment of Directors.**

*(Free translation from the original in Spanish language)*

1. Directors will be appointed by the General Meeting or, on a provisional basis, by the Board of Directors in accordance with the provisions of the applicable regulations and the Articles of Association.
2. The proposals for appointment of Directors that the Board of Directors submits for consideration of the General Meeting and the appointment resolutions adopted by the Board using the co-option authority legally attributed to it, must comply with the provisions of this Regulation and be preceded by the corresponding proposal, in the case of independent Directors, or report, for other Directors, of the Appointment and Remuneration Committee. Proposals for appointment of independent Directors in any event must be preceded by a report of the Corporate Governance Committee.

#### **Article 21.- Designation of Directors.**

1. Proposals for appointment of Directors in any event must attach an explanatory report of the Board of Directors that evaluates the competence, experience and merits of the proposed candidate, which will be attached to the minutes of the General Meeting or of the Board.
2. In this regard, the Board of Directors and the Appointment and Remuneration Committee will endeavour, within the scope of their respective powers, to ensure that the chosen candidates are people of proven competence and experience.

#### **Article 22.- Re-Election of Directors.**

Proposals for re-election of Directors that the Board of Directors decides to submit to the General Meeting must be subjected to a formal process of preparation, requiring the following:

- i) in the case of independent Directors, a proposal from the Appointment and Remuneration Committee, after a report from the Corporate Governance Committee; and
- ii) in the case of other Directors, a report from the Appointment and Remuneration Committee.

The reports of the Committees will evaluate the performance and dedication of the proposed Directors to their positions during their prior terms.

#### **Article 23.- Term of Office.**

1. Directors will serve for a term of four (4) years. They may be re-elected.
2. Directors appointed by co-option may be ratified in their positions by resolution of the first General Meeting after their appointment.

*(Free translation from the original in Spanish language)*

If there is a vacancy after the General Meeting is called and before it is held, the Board of Directors may appoint a Director until the holding of the following General Meeting.

**Article 24.- Removal of Directors.**

1. Directors will leave office at the end of the term for which they were appointed, or when so decided by the General Meeting in use of the authority granted to it by law or the Articles.
2. Directors must tender their resignation to the Board of Directors and, if the Board deems it to be appropriate, resign in the following cases:
  - 1) When they are subject to any of the circumstances of incompatibility or prohibition or grounds for removal contemplated by law.
  - 2) When a final order has been entered to prosecute them in an ordinary trial for serious crimes, or a judgement has been entered convicting them in summary proceedings as a result of wilful criminal misconduct.
  - 3) When they are seriously admonished by the Board of Directors for violating their duties as Directors.
  - 4) When the reasons for their appointment cease to exist or, in particular, an independent Director or a proprietary Director no longer qualifies as such.
  - 5) When, in the course of one year, they fail to physically attend more than two (2) meetings of the Board of Directors, of the Delegated Commission or of the other Committees to which they belong, of which one necessarily must be of a Board meeting, without just cause in the judgment of the Board, the Delegated Commission or the other Committee to which they belong.
  - 6) When their remaining on the Board, by reason of lack of suitability, on the terms described in article 38.4 this Regulation, may, directly, indirectly or through persons related thereto, put loyal and diligent exercise of their duties in accordance with the corporate interest at risk.
3. The Board of Directors will not propose the removal of any independent Director prior to completion of the term of office specified in the Articles for which the director was appointed, except when the Board finds that there is just cause after a report from the Appointment and Remuneration Committee. In particular, just cause will be deemed to exist when the Director has breached the duties inherent in the position.
4. Committee members will leave office when they leave office as Directors.

**Article 25.- Objectivity and Secrecy of Voting.**

*(Free translation from the original in Spanish language)*

All votes of the Board of Directors regarding the appointment, re-election and removal of Directors will be secret if so requested by any of its members, without prejudice to the right of any Director to reflect the sense of his vote in the minutes.

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

### **Article 26.- Board Committees.**

1. The Board of Directors will establish an Audit Committee, an Appointment and Remuneration Committee, a Corporate Governance Committee and a Technological Transformation Committee.

The Committees will meet on call of their Chairman. If not otherwise specifically provided, the operating rules established in this Regulation in respect of the Board will be used, provided that they are consistent with the nature and function of these Committees.

2. Any Committee established by the Board will prepare minutes of its meetings on the terms provided for the Board of Directors, which must be available to all members of the Board of Directors.

The Chairmen of the Committees will report at the first full meeting of the Board subsequent to their meetings on their activities and will take responsibility for the work performed.

3. The Committees may engage external advisors, when they feel this is necessary for the discharge of their duties.

### **Article 27.- Audit Committee.**

1. The Audit Committee will be comprised of the number of Directors from time to time determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5). All members of the Audit Committee will be non-executive Directors. At least two (2) of the members of the Committee will be independent, and at least one of them must be appointed taking account of his knowledge and experience in accounting, auditing or both.
2. The appointment and removal of Committee members will be carried out by the Board of Directors on proposal of the Chairman.

The members of the Committee will leave office when they leave office as Directors or when so resolved by the Board of Directors.

The Chairman of the Committee will be elected by the Board of Directors from among the members of the Committee that are independent Directors. The Chairman of the Committee must be replaced every four (4) years, and may be re-elected after one year elapses since he left office.

*(Free translation from the original in Spanish language)*

The Secretary of the Board of Directors will act as Secretary of the Committee. In his absence, the Deputy Secretary, if any, will act, or in his absence the member of the Committee that it designates.

3. The Audit Committee will have the competencies contained in the regulations applicable from time to time.
4. The Audit Committee will establish and supervise a mechanism allowing communication to the Audit Committee of irregularities of potential significance, particularly financial and accounting irregularities, discovered within the company. In the case of reports from employees of the Company or its Group, this mechanism will provide for confidentiality and, if deemed to be appropriate, anonymity of the reports.
5. The Audit Committee will meet from time to time, as needed, but no less than four (4) times per year.
6. Any member of the management team or employee of the company is required to attend the meetings of the committee, whenever requested to do so, to collaborate with it and provide access to any information it may have. The Committee may also require that the statutory auditors attend its meetings.

**Article 28.- Appointment and Remuneration Committee.**

1. The Appointment and Remuneration Committee will be comprised of a minimum of three (3) and a maximum of five (5) non-executive Directors. At least two of the members of the Committee must be independent Directors.
2. The appointment and removal of Committee members will be carried out by the Board of Directors on proposal of the Chairman.

The Appointment and Remuneration Committee may require the attendance of the Company's Chief Executive Officer or any officer or employee at its meetings.

The members of the Appointment and Remuneration Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.

The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.

The Secretary of the Board of Directors will act as Secretary of the Committee. In his absence, the Deputy Secretary, if any, will act, or in his absence the member of the Committee that it designates.

3. The Appointment and Remuneration Committee will have the following basic authority:

*(Free translation from the original in Spanish language)*

- a) Regarding composition of the Board of Directors and the Board Committees of PRISA and the administration bodies of other companies in the Group:
- i. Evaluating the skills, knowledge and experience required on the Board of Directors. For these purposes, it will define the functions and skills required of candidates that are to fill each vacancy and will evaluate the time and dedication necessary for them to be able to effectively perform their duties.
  - ii. Establishing a goal for representation of women on the Board of Directors, and developing guidance on how to achieve that goal.
  - iii. With a report from the Corporate Governance Committee, making proposals to the Board of Directors of independent Directors to be appointed by co-option or for submission to decision by the General Meeting of shareholders, and proposals for re-election or removal of those Directors by the General Meeting of shareholders.
  - iv. Reporting on proposals for the appointment of other Directors to be designated by co-option or for submission thereof to decision of the General Meeting of shareholders, as well as proposals for re-election or removal by the General Meeting of shareholders, or when there is just cause by reason of the Director's having breached the duties inherent in the position and the bringing of disciplinary proceedings that may mean removal of the Director.
  - v. Reporting, if applicable, on the proposed appointment of the individual representative of a Director that is a legal person.
  - vi. Proposing the classification of Directors in the executive, proprietary, independent or other external Director categories, when appointment of the Directors is to be made or ratified by the General Meeting on proposal of the Board.
  - vii. Reporting, together with the Corporate Governance Committee, on proposals for appointment of the Chairman and Deputy Chairman of the Board, the Chief Executive Officer, the Secretary and Deputy Secretary of the Board, the members of the Delegated Commission and the other Committees of the Board of Directors.
  - viii. Reporting, together with the Corporate Governance Committee, on a proposal for removal of the Secretary and Deputy Secretary of the Board.
  - ix. Reviewing and organising the succession of the Chairman of the Board of Directors and, if applicable, the chief executive of the Company, formulating the proposals to the Board of Directors considered to be

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appropriate, in order for that succession to occur in an orderly and well-planned manner.

- x. Reporting on proposals for the appointment of the representatives of the Company on the administration bodies of its subsidiary companies.

b) Regarding the senior management of the Group:

- i. Proposing the classification of senior management personnel.
- ii. Reporting on proposals for appointment and removal of senior managers and the basic terms of their contracts.
- iii. Receiving information and, if necessary, issuing reports on disciplinary action taken against senior managers of the Company.

c) Regarding the compensation policy:

- i. Proposing to the Board of Directors, for submission to the General Shareholders Meeting, the compensation policy for Directors and general managers or those performing senior management functions under the direct supervision of the Board, Delegated Commissions or Chief Executive Officer, as well as the individual compensation and other contractual conditions of executive Directors, ensuring compliance therewith.
- ii. Approving the objectives associated with variable compensation of executive Directors and/or the managers.
- iii. Reporting to the Board on calculation of the variable compensation of the senior managers of the Company, as well as calculation of other incentive plans destined thereto.
- iv. Ensuring compliance with the compensation policy established by the Company.

d) Other authority

- i. Annually approving a report on the functioning of the Committee and proposing publication thereof to the Board of Directors, upon the holding of the General Shareholders Meeting.
  - ii. Exercising all other powers assigned to the Committee in this Regulation.
4. The Committee will meet whenever the Board of Directors of the Company or the Delegated Commission requests that it issue a report or approve proposals on matters

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within the scope of the Committee's responsibilities, and whenever the Committee Chairman deems appropriate for the proper discharge of the Committee's duties.

5. Any member of the management team or employee of the company is required to attend the meetings of the committee, whenever requested to do so, to collaborate with it and provide access to any information it may have.

**Article 29.- Corporate Governance Committee.**

1. The Corporate Governance Committee will be comprised of a minimum of three (3) and a maximum of five (5) non-executive Directors. At least two (2) of them must be independent Directors.
2. The appointment and removal of Committee members will be carried out by the Board of Directors on proposal of the Chairman.

The members of the Corporate Governance Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.

The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent.

The Secretary of the Board of Directors will act as Secretary of the Committee. In his absence, the Deputy Secretary, if any, will act, or in his absence the member of the Committee that it designates.

3. The Corporate Governance Committee will have the following basic authority:
  - a) Regarding composition of the Board of Directors and the Board Committees:
    - i. Reporting on proposals for the appointment of independent Directors.
    - ii. Proposing the appointment of the Coordinating Director to the Board.
    - iii. Annually reviewing the classification of the Directors in order to prepare the Annual Corporate Governance Report.
    - iv. Reporting, together with the Appointment and Remuneration Committee, on proposals for appointment of the Chairman and Deputy Chairman of the Board, the Chief Executive Officer, the Secretary and Deputy Secretary of the Board of Directors, and the members of the Delegated Commission and the other Committees of the Board of Directors.
    - v. Reporting, together with the Appointment and Remuneration Committee, on proposals for removal of the Secretary and Deputy Secretary of the Board of Directors.

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- vi. Presenting a report to the Board of Directors for evaluation of the functioning of the Board and its Committees, also presenting an action plan correcting the detected deficiencies, if any, as well as performance of their functions by the Chairman of the Board, which evaluation will be addressed to the Coordinating Director, and by the chief executive of the Company.
- b) Regarding the corporate governance and corporate social responsibility strategy of the Company:
- i. Promoting the Company's corporate governance strategy.
  - ii. Being apprised of, promoting, guiding and supervising the actions of the Company regarding corporate social responsibility and sustainability and corporate reputation and reporting thereon to the Board of Directors and the Delegated Commission, as applicable.
  - iii. Reporting and proposing to the Board of Directors the approval of the Annual Corporate Governance Report.
  - iv. Reporting and proposing to the Board of Directors the approval of the annual report on corporate social responsibility and, in general, issuing the reports and undertaking the actions that, regarding corporate social responsibility and sustainability, correspond thereto, and in addition, those required in accordance with the corporate governance of the Company or requested by the Board of Directors or its Chairman.
- c) Regarding the Company's internal rules:
- i. Proposing approval of a Code of Conduct to the Board.
  - ii. Reporting on proposals for amendment of the Articles of Association, the Board Regulation, the Meeting Regulation, the Rules for the Functioning of the Electronic Shareholder Forum, the Internal Conduct Regulation, the Code of Conduct and any other governance rules of the Company.
  - iii. Examining compliance with the Board Regulation, the Internal Conduct Regulation and, in general, the company's governance rules, and making the proposals necessary for improvement.
- d) Other authority:
- i. Reviewing the regulatory compliance policy and proposing all measures necessary to strengthen it.
  - ii. Annually approving a report on the functioning of the Committee and proposing publication thereof to the Board of Directors, upon the holding of the General Shareholders Meeting.

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- iii. Exercising all other powers assigned to the Committee in this Regulation.
4. The Committee will meet whenever the Board of Directors of the Company or the Delegated Commission requests that it issue a report or approve proposals on matters within the scope of the Committee's responsibilities, and whenever the Committee Chairman deems appropriate for the proper discharge of the Committee's duties.
5. For the fulfilment of its duties, the Committee may request attendance at its meetings of any member of the management team or personnel of the Company, and any worker of the Company or any of its subsidiaries, and will have access to all corporate information.

### **Article 30.- Committee for Strategic Digital Change**

1. The Committee for Strategic Digital Change will be comprised of a minimum of three (3) and a maximum of five (5) Directors. At least two (2) of them must be independent Directors.
2. The appointment and removal of Committee members will be carried out by the Board of Directors on proposal of the Chairman.

The members of the Committee for Strategic Digital Change will leave office when they leave office as directors or when so resolved by the Board of Directors.

The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent.

The Deputy Secretary of the Board, if any, will act as Secretary of the Committee. In his absence, the Secretary of the Board of Directors and, in the absence of the Secretary, the member of the Committee designated by it will so act.

3. The Committee for Strategic Digital Change will have the following basic authority:
  - i. Being apprised of, promoting, guiding and supervising the actions of the Company regarding innovation, digital transformation and reporting thereon to the Board of Directors.
  - ii. Proposing a coordinated strategy for digital transformation of the Company and its various Business Units, and for evaluation of its impact on present or future business.
  - iii. Advising the Board of Directors in relation to innovation, technology developments and adaptation to new realities.

*(Free translation from the original in Spanish language)*

- iv. Advising the Board of Directors in the preparation of a Strategic Plan for digital transformation and supervising implementation of that Strategic Plan.
  - v. Periodically reviewing the Strategic Plan for digital transformation and proposing amendment and updating thereof to the Board of Directors.
  - vi. Seeing to achievement of the milestones fixed in the Strategic Plan for digital transformation and evaluating implementation thereof by the Company and its business units.
  - vii. Advising the Board of Directors regarding any digital initiatives existing in the market that may be beneficial for the Company.
  - viii. Evaluating the business opportunities and initiatives presented to the Company in the digital and technological transformation area.
  - ix. Evaluating, analysing and reporting to the Board of Directors on investment transactions in the digital transformation area.
  - x. Analysing the various measurement and observation tools launched at the national and international level regarding digital transformation and providing recommendations for improvement of the positioning of the Company and its group of companies.
  - xi. Annually approving a report on the functioning of the Committee and proposing publication thereof to the Board of Directors, upon the holding of the General Shareholders Meeting.
4. The Committee will meet periodically based on needs and whenever the Board of Directors of the Company or the Delegated Commission requests that it issue a report or approve proposals on matters within the scope of the Committee's responsibilities, and whenever the Committee Chairman deems appropriate for the proper discharge of the Committee's duties.
  5. For the fulfilment of its duties, the Committee may request attendance at its meetings of any member of the management team or personnel of the Company, and any worker of the Company or any of its subsidiaries, and will have access to all corporate information.

## **Chapter VIII - DIRECTOR INFORMATION.**

### **Article 31.- Rights of Information and Examination.**

1. A Director will have a duty to demand and right to receive, with the broadest authority, the information and advice needed regarding any aspect of the Company, provided that it is so required for the performance of the Director's functions. The right to information extends to subsidiary companies, whether domestic or foreign, and will be channelled

*(Free translation from the original in Spanish language)*

through the Chairman, who will respond to the Director's requests, directly providing the information, offering the appropriate spokesman or marshalling such resources as may be necessary for the requested examination.

In addition the Chairman of the Board, with the assistance of the Secretary, will see to it that all Directors are provided with all documentation that is distributed at meetings of the Delegated Commission and the various other Committees.

2. The Chairman on an exceptional and temporary basis may restrict access to given information, reporting that decision to the Board of Directors at the following meeting.

#### **Article 32.- Expert Assistance.**

1. In order to be assisted in the performance of his duties, any Director may request the engagement, at the expense of the Company, of legal, accounting, technical, commercial, financial, commercial and other expert advisors.

Such advice must necessarily relate to specific problems of a degree importance and complexity that arise in the discharge of the directors' duties.

2. The request to engage the advisor will be channelled through the Chairman, which may subject it to prior authorisation of the Board of Directors for engagements with an amount above the cap established by the Board of Directors for a period of four (4) years, which may be denied when there are reasons so justifying.

#### **Chapter IX.- DIRECTOR COMPENSATION.**

##### **Article 33.- Director Compensation.**

1. Directors will be entitled to receive such compensation as may be determined by the Board of Directors in accordance with the provisions of the Articles.
2. The Board will endeavour to ensure that Directors' compensation follows the market standards. The compensation in any event must be in reasonable proportion to the size of the Company, the economic situation existing from time to time and the market standards of comparable undertakings. Also, the established compensation scheme must be aimed at promoting the profitability and long-term sustainability of the Company, and must incorporate the safeguards necessary to prevent excessive risk assumption and reward of unfavourable results.

In any event, compensation linked to Company earnings must take account of any qualifications stated in the audit report that reduce those earnings.

3. Directors' compensation will be transparent. The Notes, as an integral part of the Annual Accounts, and the Annual Report on Compensation of Directors, will contain

*(Free translation from the original in Spanish language)*

both the information required by law and such other information as is deemed to be appropriate on the compensation received by the members of the Board of Directors.

#### **Article 34.- Compensation of Executive Directors.**

1. The compensation of Directors contemplated in the Articles will be compatible with and independent of salaries, compensation, indemnification, pensions or indemnifications of any kind, established generally or specifically for those members of the Board of Directors that hold any compensated position or responsibility, whether or not of an employment nature, with the Company or Companies in its Group (that meaning those within the scope of article 42 of the Commercial Code).
2. Directors that have been assigned executive functions will be entitled to receive compensation for the performance of those functions, which will be determined by the Board of Directors in accordance with the provisions of the compensation policy for Directors approved by the General Meeting, which will be included in the contract referred to in this article.
3. When a Director performs executive functions, it will be necessary to enter into a contract between the Director and the Company, which must contain all categories in which compensation may be obtained for performance of executive functions, and must be approved in advance by the Board of Directors, after a proposal of the Appointment and Remuneration Committee, with the favourable vote of two thirds of its members, it being required that it be attached as an annex to the minutes of the meeting. The affected Director must refrain from attendance, deliberation and participation in voting.

The contract must contain all references required by law and be consistent with the Company's compensation policy.

#### **Article 35.- Compensation of External Directors.**

The Board of Directors will adopt all measures available to it to ensure that the compensation of external Directors is in compliance with the following guidelines:

- a) Outside directors must be compensated based on their actual time commitments.
- b) The amount of independent Directors' compensation must be calculated so that it offers incentives for time commitment, without undermining their independence.

### **Chapter X.- DIRECTOR DUTIES**

#### **Article 36.- General Director Duties. General Duty of Diligence.**

*(Free translation from the original in Spanish language)*

1. As provided in articles 5 and 6, the function of a Director is to guide and supervise management of the Company in order to maximise its actual value for the benefit of the shareholders.
2. In the performance of the Director's functions, it will act, in compliance with the duties imposed by law and the Articles, with the diligence of a prudent businessman, taking account of the nature of the position and the functions assigned to each Director. A Director in particular will be required to:
  - a) Be informed and prepare adequately for meetings of the Board and the Committees to which the Director belongs (if applicable including the Delegated Commission). In this regard, the Director will have the duty to demand and the right to receive from the Company the appropriate information necessary for it to comply with its obligations.
  - b) Attend meetings of the Delegated Commission, if applicable, and the other Committees of which he is a member and actively participate in deliberations so that his judgment effectively contributes to decision-making.
  - c) Dedicate sufficient time and adopt the measures necessary for proper management and control of the Company.
  - d) Perform any specific task assigned to him by the Board of Directors that is reasonably within his time commitment.
  - e) Promote investigation of any irregularity in management of the Company of which he may have notice, and the monitoring of any risk situation.
  - f) Comply with the Code of Conduct, the Internal Conduct Regulation and this Regulation.
  - g) Fulfil the other duties and obligations established by law.
3. In the area of strategic and business decisions, which are subject to business discretion, the standard of care of a prudent businessman will be deemed to have been met when a Director has acted in good faith, without a personal interest in the subject matter of the decision, with sufficient information and in accordance with an appropriate decision procedure.

**Article 37.- Duty of Loyalty.**

Directors must fulfil their duties with the loyalty of a faithful representative, acting in good faith in the Company's best interests. In particular they must:

- a) Refrain from using their powers for any purposes other than those for which they were granted.

*(Free translation from the original in Spanish language)*

- b) Maintain secrecy regarding information, data, reports or background to which they have had access in performance of their duties, even when they have left office, except in circumstances permitted or required by law.
- c) Refrain from participating in deliberation and voting on resolutions or decisions in which the Director or a related person has a conflict of interest, direct or indirect. Excluded from this prohibition are the resolutions or decisions that affect the Director in its status as such, such as the Director's appointment or removal from positions on the Board of Directors or others of a comparable kind.

In particular, Directors that are affected by a related party transaction, in addition to not voting, will leave the meeting room while these matters are debated and voted upon.

- d) Perform their duties under the principle of personal responsibility, freely using their judgment or criteria and independence regarding third party instructions and relationships.

**Article 38.- Conflicts of Interest and Transactions with Directors.**

- 1. Directors must adopt the necessary measures to avoid situations in which their interests, on their own behalf or on behalf of another, can be in conflict with the Company's interests and their duties to it.

This does not apply to circumstances in which the Company has consented on the terms contemplated in section 5 of this Article.

- 2. The Directors will report any situations involving any direct or indirect conflict that they, or any person related thereto, may have with the interests of the Company. In particular, they must report those situations that may result in the existence of conflicts of interest, as provided in chapter V of the "Internal Conduct Regulation for Matters Related to the Securities Markets of Promotora de Informaciones, S.A. and its Group of Companies".
- 3. In particular, Directors, must refrain from:
  - a) Entering into transactions with the Company, except in the case of ordinary transactions, on standard terms for customers and of little relevance, on the legally contemplated terms.
  - b) Using the name of the Company or invoking status as a Director to unduly influence private transactions.
  - c) Using corporate assets, including the confidential information of the Company, for private purposes.
  - d) Appropriating the business opportunities of the Company.

*(Free translation from the original in Spanish language)*

- e) Obtaining benefits or compensation from third parties, other than the Company and its Group related to the performance of the Director's duties, except in the case of mere courtesies.
- f) Engaging in activities on its own behalf or on behalf of others that involve effective competition, whether actual or potential, with the Company or that in any other way place it in permanent conflict with the interests of the Company. This does not apply to such positions as they may hold in companies having stable significant shareholdings in the Company.

The restrictions set forth above are also applicable if the beneficiary of the situations or activities forbidden is a Director's related person.

- 4. Notwithstanding the foregoing, in those cases in which the conflict of interest is or may reasonably be expected to be of such nature that it constitutes a structural and permanent conflict between the Director (or a person related thereto or, in the case of a proprietary Director, the shareholder or shareholders that proposed or made the appointment or the persons directly or indirectly related thereto) and the Company or the companies in its Group, the Director will be deemed to be or have become unsuitable for exercise of the position for purposes of the provisions of article 24 of this Regulation.
- 5. The General Meeting of the Company may release a Director or related person from the prohibition on obtaining a benefit or compensation from third parties, or those transactions the value of which is greater than ten percent (10%) of the company's assets. The obligation not to compete with the Company may only be waived if no damage to the Company is to be expected, or it is expected that it would be compensated for the benefits expected to be obtained from the waiver. The waiver will be granted by way of express and separate resolution of the General Meeting.

In other cases that affect the prohibitions contained in this article, the authorisation also may be granted by the Board of Directors, provided that the independence of the members granting it is assured, as regards the Director granted the waiver. In addition, it will be required that the innocuousness of the authorised transaction from the point of view of the corporate assets be guaranteed or, if applicable, that it be undertaken on market terms in a transparent process.

- 6. Without prejudice to the foregoing, authorisation of the Board of Directors will not be necessary for those related party transactions that simultaneously satisfy the following three conditions:
  - a) They are governed by standard form agreements applied on an across-the-board basis to a large number of customers;
  - b) They are entered into at market prices or rates, generally set by the person supplying the goods or services;

*(Free translation from the original in Spanish language)*

c) The amount is no more than 1% of the Company's annual revenue.

#### **Article 39.- Transactions with Significant Shareholders.**

1. Without prejudice to the provisions of the preceding article, the Board of Directors formally reserves the right to be apprised of any transaction of the Company or any of its subsidiaries with a significant shareholder or with persons related thereto, as provided in article 5 of this Regulation. The affected Directors, or those representing or related to the affected shareholders, must refrain from participating in deliberation and voting on the resolution in question.
2. Under no circumstances will any such transaction be authorised before a report has been issued by the Audit Committee evaluating the transaction in the light of market conditions.
3. However, authorisation of the Board of Directors will not be deemed to be required in those transactions that simultaneously satisfy the conditions set forth in article 38.5 above.

#### **Article 40.- 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 RELATIONSHIPS**

#### **Article 41.- Relationships with Shareholders**

1. The Board of Directors will provide suitable channels to familiarise itself with any proposals formulated by shareholders with regard to the management of the Company.
2. Public proxy solicitations by the Board of Directors or any of its members must in detail explain the sense in which the representative will vote if the shareholders do not give instructions and disclose the existence of conflicts of interest, if any.
3. The Board of Directors will also see to it that adequate mechanisms are established for the regular sharing of information with institutional investors holding shares of the Company.
4. Under no circumstances may relations between the Board of Directors and institutional shareholders translate into the delivery to the latter of any information that might place them in a privileged position or afford them an advantage over other shareholders.

*(Free translation from the original in Spanish language)*

5. The Board of Directors will promote shareholders' informed participation in General Meetings and will adopt all timely measures required to allow the General Shareholders Meeting to effectively exercise the duties that correspond to it in accordance with law and the Articles of Association.

**Article 42.- Relationships with Markets.**

1. The Board of Directors will ensure compliance with current instructions on material disclosures, pursuant to the Company's Internal Conduct Regulation.
2. The Board of Directors will take steps to ensure that quarterly, semi-annual and annual financial information, and any other information that it deems prudent to disclose to the markets, is prepared in accordance with the same professional practices, principles and policies as the annual accounts. This information will be reviewed by the Audit Committee having regard to these objectives.

**Article 43.- Relationships with Auditors.**

1. The Board of Directors will refrain from proposing designation or renewal of an audit firm if the fees payable by the Company, in all categories, constitute more than five percent (5%) of the annual revenue of that audit firm, based on the average over the last five (5) years.
2. The Board of Directors will publicly report the overall fees the Company has paid to the audit firm, distinguishing those corresponding to auditing of accounts and other services rendered, being required in the notes to the annual accounts to break down the amounts paid to the statutory auditors, as well as amounts paid to any company in the same group of companies to which the statutory auditor belongs, or any other company with which the auditor is related by way of common ownership, management or control.

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**ORDINARY SHAREHOLDERS MEETING PROMOTORA DE INFORMACIONES, S.A.  
(April 20, 2015)**

**RIGHT OF INFORMATION**

Right of information form for Ordinary Meeting of PROMOTORA DE INFORMACIONES, S.A. to be held at 12:30 pm on April 19, 2015, at Teatro Real de Madrid, Plaza de Oriente s/n, Madrid 28013; on first call, and if the necessary quorum is not achieved, at the same place and at the same time on April 20, 2015, on second call. **The General Meeting is expected to be held on second call.**

Mr./Mrs \_\_\_\_\_, N.I.F./C.I.F \_\_\_\_\_,  
address \_\_\_\_\_, and e-mail \_\_\_\_\_  
requests the following information or clarification from the directors of Promotora de Informaciones, S.A. (PRISA) or asks the following questions about items on the agenda of the Ordinary Shareholders Meeting to be held on April 19, 2015, at first call or on April 20, 2015, at second call, and /or relating the information accessible to the public that may have been furnished by the Company to the Spanish Securities and Exchange Commission from the holding of the last General Meeting and/or relating the auditor's report:

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<b>Shareholder Mr/ Mrs</b> _____ <b>N.I.F./C.I.F:</b> _____
<b>Depository Entity:</b> Code _____ Name _____
<b>Securities Account</b> (Branch + DC+ account number) _____
<b>Number of Shares</b> _____
<b>Signature of the shareholder</b>  In _____, _____ 2015



## RIGHT OF INFORMATION CONDITIONS

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### ORDINARY SHAREHOLDERS MEETING PROMOTORA DE INFORMACIONES, S.A. April 20, 2015

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#### RIGHT TO INFORMATION PRIOR TO THE HOLDING OF THE MEETING. CONDITIONS.

The shareholders are able, by means of a written communication, to request information or clarifications from the directors about the business contained on the agenda up to five days prior to the holding of the Meeting, convened for April 19, 2015, on first call, and April 20, 2015, on second call (it being expected that will be held on second call) or to ask questions that they may deem appropriate, as well as concerning the information accessible to the public that may have been furnished by the Company to the Spanish Securities and Exchange Commission from the holding of the last General Meeting (held on April 28, 2014) and concerning the auditor's report.

The information requested in conformity with the terms of the previous paragraph shall be provided to the requesting party by the Board of Directors or, by means of delegation from the same, by any of its members empowered to such effect or by its Secretary. The information shall be submitted in writing, within the period that runs to the day of the holding of the General Meeting, through the Shareholders' Relation Office.

Nevertheless, it shall be possible to refuse to provide the information requested in the cases covered by Law and by article 19.3 of the Regulations of the Shareholders Meeting.

The right of information form can be delivered to the Company by:

- i) Electronic means of distance communication through the corporate website ([www.prisa.com](http://www.prisa.com)). In this case the document should incorporate an advanced electronic signature of the shareholder, issued by any of the following certification service providers: CERES (Fábrica Nacional de Moneda y Timbre-Real Casa de la Moneda), or ANCERT CAMERFIRMA (Notarial Certification Agency.) Also it can be used the Electronic National Identity Document (DNIe) issued by the National Police, attached to the Spanish Interior Ministry.
- ii) Delivery or post by mail: addressed to Shareholder Relations Office of Promotora de Informaciones, SA, to the registered office of the Company (Gran Vía 32, 28013 Madrid) or to the address of the Office (Avda. de los Artesanos 6, Tres Cantos, 28760 Madrid). In this case the form must to be signed with signature of the shareholder, who must prove their identity by using a photocopy of their National Identity Card or Passport and, if legal persons, must attach a document that sufficiently substantiates the representation thereof. Furthermore, the requesting party shall accredit his status as shareholder or provide the sufficient data (number of shares, recipient entity, etc.), so that these can be verified by the Company.

All said above in accordance with the provisions of the Bylaws and the Regulation of the Shareholders Meeting of Promotora de Informaciones, SA. Likewise it is necessary to meet the rules contained in the notice convening the Shareholders Meeting and in the Company's website (<http://www.prisa.com>).

Valid requests for information, clarifications or inquiries made in writing by shareholders and the answers provided in writing by the Board of Directors will be included on the website of the Company, provided that shareholders have processed such requests in accordance with the formal procedures for the exercise of the right to information.



**PROMOTORA DE INFORMACIONES, S.A. ORDINARY SHAREHOLDERS MEETING (April 20, 2015)**

**REMOTE VOTING**

Form for remote vote for Ordinary Meeting of PROMOTORA DE INFORMACIONES, S.A. to be held at 12:30 pm on April 19, 2015, at Teatro Real de Madrid, Plaza de Oriente s/n, Madrid 28013; on first call, and if the necessary quorum is not achieved, at the same place and at the same time on April 20, 2015, on second call. **The General Meeting is expected to be held on second call.**

**Class A shareholders wishing to vote regarding the proposals on the Agenda:**

If prior to the holding of the Meeting the shareholder wishes to vote remotely regarding the proposals on the Agenda for this Meeting, it must check the corresponding box with an X, depending upon the sense of the vote or abstention.

Item of the Agenda	1º	2º	3º	4º	5.1	5.2	5.3	5.4	5.5	5.6	5.7	6º	7º	8º	9.1	9.2	10º	11º	12º	
In favor																				
Against																				
Abstention																				
Blank																				

Shareholders casting votes remotely will be considered to be in attendance for purposes of the quorum for the General Shareholders Meeting.

The sense of the vote must be necessarily indicated.

<b>Shareholder Mr./Ms.</b> _____ <b>N.I.F./C.I.F.:</b> _____ <b>Depository Entity:</b> Code _____ Name _____ <b>Securities Account</b> (Branch + DC+ account number) _____ <b>Number of shares</b> _____ <b>Signature of shareholder voting remotely</b> <i>(signature authenticated by a notary or acknowledged by a custodian participating in Iberclear)</i>  <b>In _____, on _____ 2015</b>
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**AGENDA**

1º.- Review and, if applicable, approval of the annual accounts (balance sheet, profit and loss account, statement of recognized income and expense, statement of changes in equity, of cash flow statement and notes to the financial statements) and management reports for both the company and the consolidated group for the 2014 financial year, and the proposed distribution of profits.

2º.- Approval of the Board of Directors' management of the company in the 2014 financial year.

3º.- Adoption of the necessary resolutions regarding the auditors of the company and its consolidated group for the 2015 financial year, pursuant to the provisions of Article 42 of the Commercial Code and Article 264 of the Companies Act.

4º.- Ratification of the appointment by cooptation and election of Director Mr Jose Luis Sainz Díaz.

5- Amendment of the articles of the Bylaws set forth below to, as appropriate: (i) adapt them to the new wording of the Capital Companies Act given by Law 31/2014 of 3 December 2014; (ii) include certain measures in the area of good governance; and (iii) make some technical, formal, systematic or grammatical improvements.

5.1. Amendment of Articles 13, 14 and 15 ("General Meeting of Shareholders"), 17, 17 bis, 18, 20, 21, 21 bis, 21 ter, 21 quater, 22 and 23 ("The Board of Directors") to adapt them to the new wording of the Capital Companies Act.

5.2. Amendment of Article 12 relating to the powers of the General Meeting of Shareholders, in order to adapt it to the new wording of the Capital Companies Act and include the provision stating that the General Meeting may not issue instructions to the Board or submit to it for its authorisation any decisions regarding management matters.

5.3. Amendment of Article 15 bis, relating to special resolutions of the General Meeting of Shareholders, to replace the requirement for a reinforced majority for the adoption of certain resolutions with the rules set forth in Article 201 of the Capital Companies Act and to remove the reference to Class B shares, which have ceased to exist.

5.4. Deletion of Articles 25 and 28 relating to directors' remuneration, and inclusion of their content in Article 19 ("Compensation of Directors"), which is amended for that purpose and for the purpose of adapting its wording to the Capital Companies Act.

5.5. Amendment of Article 26 on replacements and appointments to the Board of Directors, in order to remove the requirement that a person can only be appointed to the Board by cooptation if he or she is a shareholder, in accordance with the Capital Companies Act.

5.6. Amendment of Articles 1, 3, 4 and 5 (relating to "General Provisions"); Articles 6, 7, 8 and 9 (relating to "Share Capital and Shares"); Article 11 ("Bodies"); Article 16 ("Implementation of Corporate Resolutions"); Articles 29 bis and 29 ter ("Annual Corporate Governance Report and Website"); Articles 32, 33 and 34 ("The Company's Financial and Administrative Regime"); Articles 35, 36 and 38 (relating to "Winding Up and Liquidation"); and Article 39 ("Referral to the Act"), in order to make technical, formal, systematic or grammatical improvements.

5.7. Renumbering of the articles and approval of a consolidated text of the Bylaws as a result of the above amendments.

6º.- Amendment of the following articles of the General Shareholders Meeting Regulation to adapt them to the new wording of Capital Companies Act given by Act 31/2014 of 3 December 2014, and to make improvements and corrections of a purely technical, formal, systematic or grammatical nature: Article 1 (The General Meeting), Article 2 (Powers of the Board), Article 3 (Kinds of Meetings), Article 4 (Call), Article 5 (Publication of Call ), Article 6 (Shareholders' Right to Information Prior to Meeting), Article 7 ( Right of Attendance), Article 8 (Proxies), Article 9 ( Public Proxy Solicitation), Article 11 (Formal Requirements and Terms for Voting by Mail or Remote Electronic Means of Communication), Article 12 (Place of Meeting), Article 13 (Security and Logistics), Article 14 (Meeting Officers, Chairman and Secretary of the General Meeting), Article 15 (Required Presence of Notary), Article 17 (Quorum), Article 18 (Conduct of General Meeting), Article 19 ( Request for Information during General Meeting), Article 20 (Voting), Article 21 ( Scheme for Adoption of Resolutions), Article 23 ( Minutes of Meeting), Article 24 ( Publicity of Resolutions ), Article 25 (Dissemination of Meeting Regulation), Article 26 (Interpretation and Amendment), Article 27 (Approval and Effectiveness). Approval, if any, as a result of the above changes, a consolidated text of the General Shareholders Meeting Regulation.

7º.-. Delegation of authority to the Board of Directors to increase capital, on one or more occasions, with or without share premium -with the power to exclude pre-emption rights, if any-, on the terms and conditions and at the times contemplated in Article 297(1)(b) of the Capital Companies Act. Revocation of the authorisation granted at the General Shareholders Meeting of 22 June 2013 under the point nine of the agenda therefor.

8º.- Delegation of authority to the Board of Directors to issue fixed income securities, both straight and convertible into shares of new issuance and/or exchangeable for shares that have already been issued of Promotora de Informaciones, S.A. (Prisa) or other companies, warrants (options to subscribe new shares or to acquire shares of Prisa or other companies), bonds and preferred shares. In the case of convertible and/or exchangeable securities or warrants, setting the criteria to determine the basis of and the methods of conversion, exchange or exercise; delegation of powers to the Board of Directors to increase capital by the amount required for the conversion of securities or for the exercise of warrants, as well as for the exclusion of pre-emption rights of shareholders and holders of convertible debentures or warrants on newly-issued shares.

Revocation, in the unused part, of the resolution delegating authority for issuance of convertible and/or exchangeable bonds adopted by the General Meeting of shareholders of 22 June 2013, under point ten of the agenda therefor

9º.- Capital Decrease for the sole purpose of permitting the adjustment of the number of shares for the reverse stock split and subsequent reverse stock split in a ratio of one (1) new share for every thirty old shares.

9.1. Capital Decrease for the sole purpose of permitting the adjustment of the number of shares for the reverse stock split proposed in item 9.2. on the agenda and amendment to Section 6.1. of the Company's Bylaws

9.2. Reverse stock split in a ratio of one (1) new share for every thirty old shares and amendment to Section 6.1. of the Company's Bylaws.

10º.- Non-binding voting on the Annual Report on Remuneration of the Directors.

11º.- Information to the Shareholders on amendments to the Regulations of the Board of Directors.

12º.- Delegation of Powers.



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## CONDITIONS FOR REMOTE VOTING

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### PROMOTORA DE INFORMACIONES, S.A. ORDINARY MEETING April 20, 2015

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#### SHAREHOLDERS WISHING TO VOTE REMOTELY

A shareholder may cast its vote remotely. To do so, it must complete the form related to remote voting and send the duly completed form to the Company. Shareholders casting votes remotely will be considered to be in attendance for purposes of the quorum for the General Meeting.

A vote so cast may be sent to the Company by way of:

- i) Remote electronic means of communication, through the Company's website ([www.prisa.com](http://www.prisa.com)). In this case it must include an electronic signature of the shareholder recognised, provided or issued by any of the following certification service providers: CERES (Fábrica Nacional de Moneda y Timbre - Real Casa de la Moneda); CAMERFIRMA; or ANCERT (Agencia Notarial de Certificación). The electronic National Identity Document (Documento Nacional de Identidad electrónico, or "DNle") issued by the National Police Directorate of the Spanish Ministry of the Interior may also be used.
- ii) Delivery or post by mail: addressed to Shareholder Relations Office of Promotora de Informaciones, SA, to the registered office of the Company (Gran Vía 32, 28013 Madrid) or to the address of the Office (Avda. de los Artesanos 6, Tres Cantos, 28760 Madrid). The form will include the information necessary to demonstrate status as a shareholder. The signature of the shareholder must be attested by a notary or acknowledged by a custodian participating in Iberclear. In the case of legal persons it must be accompanied by the corresponding documents sufficiently showing the capacity in which the signatory acts.

A vote cast remotely, in any of the ways contemplated in the preceding sections, must be in the possession of the Company at its headquarters, at least 24 hours in advance of the time contemplated for holding the General Meeting on first call, or such shorter term, if any, as may be determined by the Board of Directors. Otherwise, the vote will be deemed not to have been cast.

All of the foregoing in accordance with the provisions of the Bylaws and General Meeting Regulations of Promotora de Informaciones, S.A. Also, the rules included in the notice of call of the General Meeting and on the Company's website (<http://www.prisa.com>) must be followed.



PROMOTORA DE INFORMACIONES, S.A. ORDINARY SHAREHOLDERS MEETING (April 20, 2015)

GRANTING A PROXY

Form for granting a proxy for Ordinary Meeting of PROMOTORA DE INFORMACIONES, S.A. to be held at 12:30 pm on April 19, 2015, at Teatro Real de Madrid, Plaza de Oriente s/n, Madrid 28013; on first call, and if the necessary quorum is not achieved, at the same place and at the same time on April 20, 2015, on second call. The General Meeting is expected to be held on second call.

Shareholders wishing to grant proxies

The shareholder grants a proxy for this Meeting to: (Check only one of the following boxes and appoint the proxy).

- 1. The Chairman of the Board of Directors.
2. Mr./Ms. \_\_\_\_\_, with N.I.F./C.I.F: \_\_\_\_\_.

If a proxy is extended in favour of the Board of Directors, or if the proxy does not state the name of the person to which the proxy is granted, it will be understood to have been granted to the Chairman of the Board of Directors.

Voting instructions for resolutions proposed by the Board of Directors

(Check the corresponding box with an X)

Table with 19 columns (1° to 12°) and 4 rows (In favor, Against, Abstention, Blank).

If the proxy grantor does not give voting instructions, the proxy could vote in the sense most appropriate for the shareholder interest.

In the event the proxy is granted by a public request and the proxy grantor has not indicate voting instructions, it shall be understood that the proxy (i) refers all the points on the agenda of the General Meeting and, (ii) the vote is in favour of all the proposed resolutions made by the Boards of Directors.

Proposals regarding points not contemplated on the Agenda in the call

Unless otherwise indicated by checking the following NO box (in which case the shareholder will be understood to instruct the proxy to abstain), the proxy also extends to proposals regarding points not contemplated on the Agenda. In such case, the precise instruction of the shareholder to the proxy is to vote for the proposal in the sense most appropriate for the shareholder interest

NO

Shareholder Mr./Ms. \_\_\_\_\_ N.I.F./C.I.F: \_\_\_\_\_
Number of shares \_\_\_\_\_
Signature of shareholder granting proxy:
In \_\_\_\_\_, on \_\_\_\_\_ 2015

## Conflict of interest

For purposes of articles 523 and 526 of the Capital Companies Act, it is noted that if the Chairman as well as the other directors of the Company may have a conflict of interest regarding point 10<sup>o</sup> (Non-binding voting on the Remuneration Policy Report) of the Agenda.

Likewise the director Mr Jose Luis Sainz Díaz has a conflict of interest regarding point 4 of the Agenda (Ratification of the appointment by cooptation and election of said director).

Further, Directors may have a conflict of interest regarding the proposed resolutions, if any, presented apart from the Agenda, if, among other circumstances, they relate to removal of a director or imposition of liability thereon.

If the appointed proxy has a conflict of interest when voting on any of the proposals that, whether or not on the Agenda, are submitted to the General Meeting, and the proxy grantor has not given precise voting instructions, the proxy should refrain from voting for the points on which having a conflict of interest, have to vote on behalf of the shareholder.

## AGENDA

1<sup>o</sup>.- Review and, if applicable, approval of the annual accounts (balance sheet, profit and loss account, statement of recognized income and expense, statement of changes in equity, of cash flow statement and notes to the financial statements) and management reports for both the company and the consolidated group for the 2014 financial year, and the proposed distribution of profits.

2<sup>o</sup>.- Approval of the Board of Directors' management of the company in the 2014 financial year.

3<sup>o</sup>.- Adoption of the necessary resolutions regarding the auditors of the company and its consolidated group for the 2015 financial year, pursuant to the provisions of Article 42 of the Commercial Code and Article 264 of the Companies Act.

4<sup>o</sup>.- Ratification of the appointment by cooptation and election of Director Mr Jose Luis Sainz Díaz.

5- Amendment of the articles of the Bylaws set forth below to, as appropriate: (i) adapt them to the new wording of the Capital Companies Act given by Law 31/2014 of 3 December 2014; (ii) include certain measures in the area of good governance; and (iii) make some technical, formal, systematic or grammatical improvements.

5.1. Amendment of Articles 13, 14 and 15 ("General Meeting of Shareholders"), 17, 17 bis, 18, 20, 21, 21 bis, 21 ter, 21 quater, 22 and 23 ("The Board of Directors") to adapt them to the new wording of the Capital Companies Act.

5.2. Amendment of Article 12 relating to the powers of the General Meeting of Shareholders, in order to adapt it to the new wording of the Capital Companies Act and include the provision stating that the General Meeting may not issue instructions to the Board or submit to it for its authorisation any decisions regarding management matters.

5.3. Amendment of Article 15 bis, relating to special resolutions of the General Meeting of Shareholders, to replace the requirement for a reinforced majority for the adoption of certain resolutions with the rules set forth in Article 201 of the Capital Companies Act and to remove the reference to Class B shares, which have ceased to exist.

5.4. Deletion of Articles 25 and 28 relating to directors' remuneration, and inclusion of their content in Article 19 ("Compensation of Directors"), which is amended for that purpose and for the purpose of adapting its wording to the Capital Companies Act.

5.5. Amendment of Article 26 on replacements and appointments to the Board of Directors, in order to remove the requirement that a person can only be appointed to the Board by cooptation if he or she is a shareholder, in accordance with the Capital Companies Act.

5.6. Amendment of Articles 1, 3, 4 and 5 (relating to "General Provisions"); Articles 6, 7, 8 and 9 (relating to "Share Capital and Shares"); Article 11 ("Bodies"); Article 16 ("Implementation of Corporate Resolutions"); Articles 29 bis and 29 ter ("Annual Corporate Governance Report and Website"); Articles 32, 33 and 34 ("The Company's Financial and Administrative Regime"); Articles 35, 36 and 38 (relating to "Winding Up and Liquidation"); and Article 39 ("Referral to the Act"), in order to make technical, formal, systematic or grammatical improvements.

5.7. Renumbering of the articles and approval of a consolidated text of the Bylaws as a result of the above amendments.

6<sup>o</sup>.- Amendment of the following articles of the General Shareholders Meeting Regulation to adapt them to the new wording of Capital Companies Act given by Act 31/2014 of 3 December 2014, and to make improvements and corrections of a purely technical, formal, systematic or grammatical nature: Article 1 (The General Meeting), Article 2 (Powers of the Board), Article 3 (Kinds of Meetings), Article 4 (Call), Article 5 (Publication of Call), Article 6 (Shareholders' Right to Information Prior to Meeting), Article 7 (Right of Attendance), Article 8 (Proxies), Article 9 (Public Proxy Solicitation), Article 11 (Formal Requirements and Terms for Voting by Mail or Remote Electronic Means of Communication), Article 12 (Place of Meeting), Article 13 (Security and Logistics), Article 14 (Meeting Officers, Chairman and Secretary of the General Meeting), Article 15 (Required Presence of Notary), Article 17 (Quorum), Article 18 (Conduct of General Meeting), Article 19 (Request for Information during General Meeting), Article 20 (Voting), Article 21 (Scheme for Adoption of Resolutions), Article 23 (Minutes of Meeting), Article 24 (Publicity of Resolutions), Article 25 (Dissemination of Meeting Regulation), Article 26 (Interpretation and Amendment), Article 27 (Approval and Effectiveness). Approval, if any, as a result of the above changes, a consolidated text of the General Shareholders Meeting Regulation.

7<sup>o</sup>.- Delegation of authority to the Board of Directors to increase capital, on one or more occasions, with or without share premium -with the power to exclude pre-emption rights, if any-, on the terms and conditions and at the times contemplated in Article 297(1)(b) of the Capital Companies Act. Revocation of the authorisation granted at the General Shareholders Meeting of 22 June 2013 under the point nine of the agenda therefor.

8º.- Delegation of authority to the Board of Directors to issue fixed income securities, both straight and convertible into shares of new issuance and/or exchangeable for shares that have already been issued of Promotora de Informaciones, S.A. (Prisa) or other companies, warrants (options to subscribe new shares or to acquire shares of Prisa or other companies), bonds and preferred shares. In the case of convertible and/or exchangeable securities or warrants, setting the criteria to determine the basis of and the methods of conversion, exchange or exercise; delegation of powers to the Board of Directors to increase capital by the amount required for the conversion of securities or for the exercise of warrants, as well as for the exclusion of pre-emption rights of shareholders and holders of convertible debentures or warrants on newly-issued shares.

Revocation, in the unused part, of the resolution delegating authority for issuance of convertible and/or exchangeable bonds adopted by the General Meeting of shareholders of 22 June 2013, under point ten of the agenda therefor

9º.- Capital Decrease for the sole purpose of permitting the adjustment of the number of shares for the reverse stock split and subsequent reverse stock split in a ratio of one (1) new share for every thirty old shares.

9.1. Capital Decrease for the sole purpose of permitting the adjustment of the number of shares for the reverse stock split proposed in item 9.2. on the agenda and amendment to Section 6.1. of the Company's Bylaws

9.2. Reverse stock split in a ratio of one (1) new share for every thirty old shares and amendment to Section 6.1. of the Company's Bylaws.

10º.- Non-binding voting on the Annual Report on Remuneration of the Directors.

11º.- Information to the Shareholders on amendments to the Regulations of the Board of Directors.

12º.- Delegation of Powers.

## CONDITIONS FOR GRANTING PROXIES

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### PROMOTORA DE INFORMACIONES, S.A. ORDINARY MEETING April 20, 2015

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#### SHAREHOLDERS WISHING TO GRANT VOTING PROXIES

A shareholder may grant a proxy to another person. Grant of proxy shall be valid for a specific meeting. Grant of proxy shall be indicated on any of the following documents that in any case shall bear the grantor's signature: i) the attendance card issued by any of the entities participating in Iberclear, ii) a letter or iii) this standard form.

The proxy form shall contain or have annexed thereto the agenda for the meeting.

When the representative is the spouse, ascendant or descendent of the represented shareholder, or when the representative has a general power of attorney granted in a public document with authority to manage all property the represented shareholder has in the country, it will not be necessary for the proxy to be granted specifically for a given Meeting, or for the proxy to be evidenced by a handwritten signature on one of the documents above mentioned. However, the proxy must accompany the attendance card, issued in favor of the shareholder represented, by any of the entities participating in Iberclear.

A proxy granted to one who by law cannot act as such will not be valid or effective.

If a proxy is extended in favour of the Board of Directors, or if the proxy does not state the name of the person to which the proxy is granted, it will be understood to have been granted to the Chairman of the Board of Directors.

If the proxy grantor does not give voting instructions, the proxy could vote in the sense most appropriate for the shareholder interest.

In the event the proxy is granted by a public request and the proxy grantor has not indicate voting instructions, it shall be understood that the proxy (i) refers all the points on the agenda of the General Meeting, (ii) the vote is in favour of all the proposed resolutions made by the Boards of Directors and (iii) and it is understood that regarding the points out of the agenda, the proxy shall vote in the sense most appropriate for the shareholder interest.

If the appointed proxy has a conflict of interest when voting on any of the proposals that, whether or not on the Agenda, are submitted to the General Meeting, and the proxy grantor has not given precise voting instructions, the proxy should refrain from voting for the points on which, having a conflict of interest, have to vote on behalf of the shareholder.

The proxy may be communicated to the Company by way of:

- i) Remote electronic means of communication, through the Company's website ([www.prisa.com](http://www.prisa.com)). In this case it must include an electronic signature of the shareholder recognised, provided or issued by any of the following certification service providers: CERES (Fábrica Nacional de Moneda y Timbre - Real Casa de la Moneda); CAMERFIRMA; or ANCERT (Agencia Notarial de Certificación). The electronic National Identity Document (Documento Nacional de Identidad electrónico, or "DNIe") issued by the National Police Directorate of the Spanish Ministry of the Interior may also be used.
- ii) Physical delivery or mail (in this case there must be a handwritten signature of the shareholder): The document reflecting the proxy may be sent by mail addressed to Shareholder Relations Office of Promotora de Informaciones, SA, to the registered office of the Company (Gran Vía 32, 28013 Madrid) or to the address of the Office (Avda. de los Artesanos 6, Tres Cantos, 28760 Madrid) or delivered at the entrance to the general meeting site, to the Company's organisers, on the same day it is held, before it commences.

If the proxy is granted using remote electronic means of communication, the proxy form, duly completed, must be in the possession of the Company at least 24 hours before the time contemplated for holding the General Meeting on first call, or such shorter term, if any, as may be determined by the Board of Directors. Otherwise, the proxy will be deemed not to have been granted.

All of the foregoing in accordance with the provisions of the Bylaws and General Meeting Regulations of Promotora de Informaciones, S.A. Also, the rules included in the notice of call of the General Meeting and on the Company's website (<http://www.prisa.com>) must be followed.

Proxies will always be revocable, and will be deemed to be revoked by personal attendance of the grantor of the proxy at the meeting.



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

**AUDIT COMMITTEE**

**ANNUAL REPORT  
2014**

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Madrid, February 2015

*(Free translation from the original in Spanish language)*

## **ANNUAL REPORT OF THE AUDIT COMMITTEE 2014**

### **I.- INTRODUCTION**

The Audit Committee of PROMOTORA DE INFORMACIONES, S.A. (hereinafter PRISA, the Company or GRUPO PRISA where reference to the consolidated Group is made) issues this report to enable the Board of Directors to make available to shareholders information concerning the Committee's operations and activities during the 2014 financial year.

The Audit Committee (hereinafter the Committee) was set up in 2001 (under the name "Audit and Compliance Committee") and has progressively adapted its operations and composition to the rules and codes which have since then been published with a view to achieving maximum efficiency and transparency for listed companies.

The Committee is governed by article 529 terdecies of the Capital Companies Act (in the wording introduced by Act 31/2014, which amends the Capital Companies Act for the improvement of corporate governance) and by the internal rules of the Company: Article 21bis of the Company Bylaws and by the Board of Directors Regulation of PRISA.

However, given that the Company Bylaws and the Board of Directors Regulation are in the process of being revised, amongst other reasons in order to adapt them to Act 31/2014, the internal governance regime set out in section III of this Report is likely to be modified in the near future.

Similarly it is noted that from 2010 until September 2014, the Committee was also governed by the US legislation applicable to companies listed on the US market, specifically the Securities Act, the Securities Exchange Act and the Sarbanes Oxley Act (SOX), given that PRISA's American Depositary Shares (ADSs), representing Class A (ADS-A) shares and Class B (ADS-B) shares of the Company, were listed on the New York Stock Exchange (NYSE) until: i) in the case of the ADS-B, their mandatory conversion in July 2014 and ii) in the case of the ADS-A, their delisting (at the Company's own request) in September 2014.

### **II.- COMPOSITION**

The current composition of the Audit Committee is as follows:

Chairman: Mr. Alain Minc - Independent External Director

Members: Mr. Juan Arena de la Mora- Independent External Director.  
Mr. Emmanuel Román- Independent External Director.  
Mr. Fernando Abril- Martorell.- Other external Director.  
Mr. Claudio Boada Pallerés- Other external Director.

During 2014 the following changes have been made in the composition of this Committee:

- In February 2014 the director Ms. Agnes Noguera Borel, member of the Committee, was replaced by Mr. Claudio Boada Pallerés.
- In October 2014, the director Mr. Alain Minc was appointed as Chairman of the Audit Committee replacing Mr. Juan Arena de la Mora who remained as a member of the Committee.
- Also in October 2014 the director Mr. Fernando Abril-Martorell Hernández (CEO of the Company until September 30, 2014) was appointed as member of the Committee.

It is also noted that the Director Mr. Claudio Boada Pallerés was treated as an independent director of the Company throughout the 2014 fiscal year and was reclassified as an "other external director" when the Board of Directors approved the Annual Corporate Governance Report for the 2014 fiscal year.

The composition of the Committee complies with all legal requirements and with the internal rules of the Company.

Article 529 quaterdecies of Capital Companies Act provides that the majority of the Committee be comprised of non-executive Directors appointed by the Board of Directors, at least two of its members must be independent and at least one of them must be appointed based on knowledge and experience of accounting or audit matters, or both, and that the Chairman of the Committee is an independent director.

The Board Regulation also requires that adequate representation be given to independent directors and, in addition, if the Company's shares are traded, directly or indirectly, by way of other financial instruments, on the New York Stock Exchange (NYSE), that the composition of the Committee be adapted to the rules established by the legislation of the United States of America and the NYSE.

Since PRISA ADSs have been listed on the NYSE until September 2014, it is noted that: i) US legislation (section 10A-3 of the Securities Exchange Act of 1934, in the version given by section 301 of the Sarbanes-Oxley Act, and implementing rules of the NYSE) provides that all members of the Audit Committee must be independent directors (under the independence requirements contemplated in that legislation, which are different from those contemplated in the Spanish system) and ii) that legislation does not contemplate proprietary directors.

For information purposes it is noted that all members of the PRISA Audit Committee have been independent directors for purposes of US legislation

Likewise, the committee's secretary is the secretary to the Board of Directors, in accordance with the aforesaid internal rules.

### **III.- FUNCTIONS AND POWERS**

Pursuant to the provisions of the Board of Directors Regulation, the main function of the Committee is to support the Board of Directors in its supervisory and management tasks.

As established by the mentioned Regulation (which adaptation to Act 31/2014 is to be approved by the Board of Directors), the Committee has the following basic responsibilities:

- a) To report at annual shareholders meetings on issues raised by shareholders, pursuant to the provisions of the Law and the Shareholders Meeting Regulation.
- b) In connection with the preparation and publication of the Company's financial information:
  - i. Review legal compliance requirements and monitor proper application of generally accepted accounting principles, and report on the proposed changes to accounting principles and criteria suggested by management.
  - ii. Know and oversee the effectiveness of internal control systems of the Company, and risk management systems, and discuss with the auditors or audit firms significant weaknesses in internal control, identified in the development of audit
  - iii. Oversee the preparation and presentation of financial information regulated.
  - iv. Review any admission or trading prospectus, and the information on the financial statements to be filed by the Board to the markets and to the Regulators.
- c) In connection with the outside Auditors of the Company:
  - i. To propose to the Board of Directors the appointment of external account auditors pursuant to Section 263 of the Companies Act, to be submitted at the General Shareholders' Meeting.
  - ii. To report and propose to the Board the external Auditor engagement conditions, the scope of its charge, and, if is the case, the removal or not renewal of the Auditor, and the oversight of the engagement fulfillment.
  - iii. To maintain contact with the outside auditors in order to receive information on those issues related to the accounts auditing process, together with any other communication provided for in accounts auditing legislation and rules.
  - iv. To receive from the outside auditors any information about all the issues that may compromise the Auditor's independence. In any event, the Committee shall receive every year written confirmation from the Auditor of its independence from the entity or entities linked to auditors, directly or indirectly, and information of any additional services provided to these entities by external auditors, or by persons or entities linked to them in accordance with the provisions of Audit Accounts Law.

- v. Pre-approve, before its execution, any engagement with the Company's Auditor, for any works related with audit services or any other kind of services rendered by the Auditor.
  - vi. To issue every year, prior to the issuance of the Audit Report, a report expressing an opinion on the independence of external auditors. This report shall, in any case, make reference on the provisions of additional services rendered by the Auditor.
- d) In connection with the Internal Audit services:
- i. To propose the selection, appointment, reappointment or removal of the person in charge of the company's internal audit service.
  - ii. To oversee internal auditing services and the annual report of the Internal Audit Department.
- e) Other competences:
- i. To analyze and issue opinions concerning specific investment transactions when, owing to their importance, the Board so requests
  - ii. To issue opinions concerning the creation or acquisition of interests in entities domiciled in countries or territories considered as tax havens.
  - iii. To exercise all other powers granted the committee in the Board of Directors Regulation.
  - iv. To approve an annual report about the Committee performance and propose to the Board its publication when the General Shareholders' Meeting is convened.

The Audit Committee also supervises the whistleblowing channel, which allows employees to report any potentially important irregularities, especially of a financial or accounting nature, that they may detect within the Group. Any reports submitted through the whistleblowing channel by employees of the Company or the Group will be treated in confidence and anonymously.

In accordance with the provisions of the Board of Directors Regulation, the Committee may seek external advice when it deems it warranted when carrying out its functions.

#### **IV.- MEETINGS**

Pursuant to the Board of Directors Regulation, the Audit Committee shall meet periodically as required and at least four (4) times a year.

During 2014 the Committee had met 7 times (on February 6 and 24, March 18, April 28, July 22, October 22 and December 19) and the principal matters discussed were the following:

##### **Review of Financial Reporting**

Under this point it should be noted the review of the annual accounts for the 2013 financial year and the preparation of the periodic public reporting for 2014.

#### 2013 fiscal year:

Consistent with the practice of this Committee, the external auditor has met several times with the Committee to advance the preliminary results of its report on the accounts for the 2013 financial year.

At the Audit Committee prior to the approval of the Group's accounts, the external auditor presented its conclusions regarding the audit of 2013 consolidated annual accounts under Spanish Law and in accordance with US rules.

The auditor also attended a meeting of the Board of Directors to report on the scope and results of the audits carried out.

#### 2014 fiscal year:

The Committee reviewed the periodic (quarterly and half-yearly) reports published by the Company in compliance with legal requirements. It was assisted in this task by the outside auditor, which conducted a limited review of the half-yearly reports, the results of which were presented to the Audit Committee at its meeting in July 2014.

Likewise the external auditor reported on the planning of the audit of PRISA Group for 2014.

Finally, during the final months of 2014 and in the beginning of 2015 the outside auditor also met with the Committee to offer its first analysis of the accounts for the 2014 fiscal year.

### **Outside auditor**

Appointment of Auditor: As indicated in section 5.1. below, the Committee resolved to propose to the Board the extension of the appointment of the auditor, Deloitte, S.L., for the 2014 fiscal year. The General Meeting of Shareholders approved that proposal.

Likewise, the Committee resolved to propose the appointment of the auditor, Deloitte, S.L., for the 2015 fiscal year.

Independence of the outside auditor: The regulatory requirements in this regard have been fulfilled, as reported under heading 5.3 below.

Pre- approval of other professional engagements: The procedure for *pre-approval* of the engagements of services with the Auditor was approved in 2014. In compliance with said procedure the Committee, at its different meetings, has analysed specific proposals for engaging the services of the Auditor and, if the case, approved.

Professional fees: The Committee approved the proposed professional fees of the outside auditor for audit of the annual accounts for the 2014 fiscal year.

Attendance of outside auditor at meetings of the Board and Committee: The team responsible for the audit of the Group accounts attended all meetings of the Committee and one meeting of the Board of Directors.

### **Systems for Risk Management and Internal Control of financial information**

The Committee has looked at the results of the evaluation of the internal control of the Group and at whether it complies with both the Spanish legislation (System for Internal Control of Financial Information set out in the Sustainable Economy Act [*Ley de Economía Sostenible*]) and the US legislation (Sarbanes-Oxley Act (SOX) and Securities Act 1934). This is required due to the fact that the Company's shares are listed both in Spain and in the United States of America. As we have already indicated, PRISA's ADSs were listed on the NYSE until September 2014.

In particular, the Internal Audit Manager has reported on the results of the evaluation of the extent to which the internal control model complies with SOX, by business unit, and the External Auditor has reported on the results of its evaluation of the Group's internal control system. There was evidence of a general improvement in the control systems during the 2014 fiscal year.

In relation to the risk management systems, the Internal Audit Department has presented the risk maps of the business units and of the Group, which were prepared with the involvement of the main people responsible for the business units, and the Group's main risks have been analysed by the Committee. The managers responsible for these risks have also been identified.

The Committee has approved the paragraphs relating to the risk management systems and the System for Internal Control of Financial Information (SCIIF) in the Annual Corporate Governance Report corresponding to the 2014 fiscal year.

In relation to the external audit of the internal control system, although PRISA's ADSs ceased to be listed on the NYSE during the 2014 fiscal year and the Company does not therefore have to present the report showing compliance with the provisions of SOX, the Committee has asked the external auditor to review the operation of the system for internal control of financial information during the 2014 fiscal year.

### **Corporate Map**

The Committee has been analysing the corporate structure of the Group (comprised of a large number of companies with operations in 22 countries), and has evaluated the contribution of these companies to the Group, in order to evaluate the risks associated with the Group structure and encourage the simplification of the corporate map, which has significantly reduced in regard to inactive companies.

### **Internal audit projects**

The Internal Audit Manager has reported on the closing of 2013 internal audit projects and has also presented the 2014 Internal Audit Plan to the Committee. She has also reported at the various meetings held during the year on the degree of progress of the Plan and on the results of work undertaken by her department.

## **Accounting rules**

The Committee analysed, together with the external auditor, certain modifications of accounting rules according with NIIF and the date of coming into force.

## **Treasury Shares Policy**

The Committee has been periodically informed on the movements performed in the Company's treasury.

## **Other matters**

Whistleblowing Channel: The Internal Audit Manager has reported on the functioning of the whistleblowing channel, that allows to fill complaints and claims by employees and/or third parties. Although the Company is no longer subject to US law, this channel will continue operating according to the best practices recommended by the CNMV and under COSO internal control practices.

20-F Registration Document: The 2012 Form 20-F for 2013 that was submitted to the Securities and Exchange Commission (SEC), incorporating the corporate documentation and financial statements at December 31, was reviewed by the Committee, which reported on the Form to the Board.

The outside auditors reviewed the Form 20-F in accordance with PCAOB standards and issued an unqualified opinion on the financial information for 2013.

Report of the Audit Committee: The Audit Committee Report for the 2013 fiscal year was approved.

## **V.- OUTSIDE AUDITORS**

### **5.1. Relations with the External Auditors**

The Committee proposed that the Board of Directors extend the appointment of DELOITTE, S.L. as outside auditors of the accounts of the Company and its Consolidated Group for the term of one year. Based on the Board of Directors' proposal, the shareholders present at the General Shareholders' Meeting of PRISA on April 28, 2014 passed a resolution to appoint that firm to audit the financial statements corresponding to the 2014 financial year.

As noted above, the Committee customarily conducts a periodic review of the Company's and Group's annual accounts and financial information and the risks this may involve. To this end, during 2014, the team of Deloitte that is in charge of the external audit of the Company and its Consolidated Group attended to all meetings held by the Committee, and has reported on the most relevant aspects of the external audit.

The fees for the services of auditing the financial statements for 2014 provided to GRUPO PRISA companies and other affiliates by Deloitte, SL and by other related

entities amounted to 1,775 thousand euros, of which 180 thousand euros corresponds to Prisa.

Likewise, the fees paid to other auditors that in 2014 provided auditing services to Group companies, amounted to 269 thousand euros.

The fees for other professional services provided to Group companies by the principal auditors and its associate companies, as well as by other auditors participating in the audits of various Group companies, are the following (in euros 000):

	<b>2014</b>	
	<b>Principal Auditors</b>	<b>Other Auditors</b>
Other attest services	539	136
Tax services	461	105
Other services	395	348
<b>Total other professional services</b>	<b>1.395</b>	<b>589</b>

The foregoing information concerning professional fees shall be included in PRISA's individual annual report and consolidated annual for the 2014 financial year.

## **5.2. External Audit Reports**

### **Auditors' report on the consolidated financial statements for 2011, 2012 and 2013, prepared in accordance with PCAOB standards, and auditors' report on the system of internal control of financial reporting for 2013.**

As indicated previously, the Form 20-F for 2013 was reviewed by the auditors, who in April 29, 2014 issued an unqualified opinion, in accordance with PCAOB standards, on the consolidated financial statements for 2011, 2012 and 2013. In compliance with the Sarbanes Oxley Act, the 20-F Form included the outside auditor's report on the 2013 system of internal control of financial reporting. In the external auditor's opinion, during 2013 Prisa maintained, in every relevant respect, effective internal control of its financial reporting.

### **Auditors' report on the financial statements for 2013**

The external auditors presented their conclusions on the audit of the individual and consolidated financial statements of Promotora de Informaciones, S.A. for 2013, which give in all material respects a true and fair view of the assets and liabilities, financial situation and results of operations, the changes in equity and the cash flows of Prisa and its consolidated group, respectively.

### **Limited review of the abridged consolidated interim financial statements at June 30, 2014**

In 2014 Deloitte conducted a limited review of the abridged interim financial statements of the Group.

In the auditor's opinion, issued on July 24, 2014, the interim financial statements at June 30, 2014 were, in all material respects, prepared in accordance with the requirements established by International Accounting Standards.

The auditor's report also contained an emphasis paragraph dealing with the negative net worth of Prisa at June 30, 2014. It reported too on the mechanism contained in the Company's financing agreement for the automatic conversion of part of the debt into participative loans in order to re-establish the equity balance.

### **Auditors' report on the financial statements for 2014 and on the system for internal control of financial information for the 2014 fiscal year**

At the meeting of the Committee held on February 27, 2015, the outside auditors presented their conclusions on the audit of the individual and consolidated financial statements of Promotora de Informaciones, S.A. for 2014, which give in all material respects a true and fair view of the assets and liabilities, financial situation and results of operations, the changes in equity and the cash flows of Prisa and its consolidated group, respectively.

The external auditor also presented the results of the audit of the Group's system for internal control of financial information for the 2014 fiscal year. In the opinion of the external auditor, Prisa maintained effective internal control over the financial information in all material respects during the 2014 fiscal year.

### **5.3. Independence of the External Auditor**

In compliance with the current Law, and sections f) and g) of Article 24 of the Board of Directors Regulation:

- i) The Committee has received from the external auditor written confirmation of its independence, as well as information concerning the fees of the principal auditor and its related entities for professional services rendered to different Grupo Prisa companies (as explained in section 5.1. above), pursuant to the provisions of the Accounts Audit Act;
- ii) In view of the foregoing the Committee issued a report concluding about the independence of the external auditors.

## **VI.- INTERNAL AUDIT**

The principal objective of the Internal Audit Department is to provide GRUPO PRISA management and the Audit Committee with the reasonable assurance that the environment and systems of internal control in place in the Group companies have been correctly designed and managed.

To achieve that objective, the Department carries out the functions it has been assigned, which include:

- a. Evaluating the suitability of internal control systems to increase the effectiveness of procedures to manage and control the risks inherent in Group company activities.
- b. Review of the reliability and integrity of the financial and operating information of the Group companies, and the means used to identify, evaluate, classify and report that information.
- c. Obtaining independent opinions and advice concerning the interpretation and application of current accounting legislation and norms.
- d. Reviewing measures to safeguard assets and to verify their existence.

The Internal Audit Manager designs an Annual Plan based on the identification and evaluation of risks inherent in the activities carried out by Grupo Prisa's business units, in order to determine priorities with respect to internal auditing activities that are consistent with the goals defined by the Organization.

The Annual Plan reflects the activities to carry out during the financial year. The plan, which is included within the multi-year strategic plan of the audit, sets forth the activities and projects to be undertaken, the nature of the work to be done, and the resources of the Internal Audit Department to be assigned to each project.

The most significant projects carried out by Internal Audit during the 2014 financial year include:

- a. The supervision of the design of the model for internal control of financial information of GRUPO PRISA, based on the general framework established by COSO.
- b. The evaluation of the functioning of the control activities defined in the Group's model for internal control of financial information, in order to certify its effectiveness.
- c. The review of the level of compliance with the valuation and registration rules established by the Group and the evaluation of the level of suitability and effectiveness of the internal control environment operating in the companies of Grupo Santillana located in Puerto Rico, Argentina, Colombia, the Dominican Republic, the USA and Rio de Janeiro (Brazil).
- d. The review of the reliability and integrity of the financial information reported to GRUPO PRISA and the effectiveness of the internal control system in the companies responsible for the radio business in Portugal, Chile and Spain.
- e. The review of the reasonableness of the financial information reported by the company marketing advertising in Spain, Prisa Brand Solutions, and the companies responsible for the Group's printing business in Spain.
- f. The review of the situation and financial information corresponding to companies in liquidation or trading to a very limited extent.

The Internal Audit Manager attended all of the Committee's meetings in 2014, specifically informing the Committee about the activities of the Internal Audit Department, the annual plan, the risk map of the Group and its evolution, and developments in the system of internal control of financial reporting.

## **VII.- EVALUATION OF THE AUDIT COMMITTEE**

Within the framework of the process for evaluation the Board, contemplated in article 5 of the Board of Directors Regulation, the members of the Audit Committee evaluated the composition and functioning thereof and reported their conclusions to the Board.



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

**CORPORATE GOVERNANCE COMMITTEE**

**ANNUAL REPORT  
2014**

Madrid, February 2015.

## **CORPORATE GOVERNANCE COMMITTEE ANNUAL REPORT**

**2014**

### **I.- INTRODUCTION**

The Corporate Governance Committee of PROMOTORA DE INFORMACIONES, S.A. (hereinafter PRISA, the Company or Grupo Prisa when the consolidated group is alluded) (hereinafter the Committee) issues this report concerning its performance and activities during the 2014 financial year in order for the Board of Directors, if deemed appropriate, to make available to the shareholders the information regarding the functions and activities carried out during 2014 by the Committee.

The Committee is governed by article 21 ter of PRISA Bylaws and by articles 26 and related of the Regulation of the Board of Directors.

However, given that the Company Bylaws and the Board of Directors Regulation are in the process of being revised, amongst other reasons in order to adapt them to Act 31/2014, the internal governance regime set out in section III of this Report is likely to be modified in the near future.

### **II.- COMPOSITION**

On the date of issuance of this report the composition of the Committee is as follows:

Chairman: Mr. Ernesto Zedillo Ponce de León.- External Independent Director.

Members:

Ms. Arianna Huffington.- External Independent Director.

Mr. Jose Luis Leal.- External Independent Director.

Ms. Agnès Noguera Borel.- External Director (representing significant shareholdings)

During the year 2014 there were no changes in the composition of the Committee.

In its composition the Committee complies with the requirements of applicable law and as provided in the internal rules of the Company:

Article 21 ter of the Bylaws requires that the Corporate Governance Committee be composed exclusively of external directors and likewise provides that its Chairman shall be an independent director and article 26 of the Regulation of the Board of Directors provides that the Committee be composed of a minimum of three and a maximum of five external or non executive directors.

The Committee's secretary is the secretary to the Board of Directors, in accordance with the abovementioned article 21 ter of the Bylaws.

### **III. ACTIVITIES OF THE COMMITTEE IN 2014**

In accordance with the provisions of Article 26 of the Board of Directors Regulation, the Corporate Governance Committee has the following competencies:

- a) Regarding the composition of the Board of Directors and Board Committees:
  - i. Propose the appointment of independent directors.
  - ii. Propose the qualification of directors into the categories of executive, external proprietary, external independent and other directors, when the appointment or renewal of the directors is going to be executed by the General Shareholders Meeting or when that classification is revised annually in the Corporate Governance Report.
  - iii. Inform on the removal of executive and independent directors, when the Board of Directors propose the decision to the Shareholders Meeting or when occurs *justa causa* due to a breach of the director of the duties inherent to his/her position and when is carrying out a disciplinary procedure that could mean the removal of the director.
  - iv. Report, together with the Nomination and Compensation Committee, on proposals for the appointment of the Chairman and Vice Chairman, Chief Executive Officer, and members of the Delegated Committee and other committees of the Board of Directors.
  - v. Evaluate the skills, knowledge and experience on the Board, and therefore, define functions and capabilities required of candidates to fill each vacancy and evaluate dedication necessary to properly perform their duties.
  - vi. Report to the Board on issues of gender diversity in relation to the composition of the Board.
  - vii. Submit to the Board of Directors, a report evaluating the performance and composition of the Board and the performance of their duties by the Chairman and the Chief Executive of the Company.
- b) In connection with the strategy of corporate governance and corporate social responsibility of the Company:
  - i. Promoting corporate governance strategy of the Company.
  - ii. Know, promote, guide and monitor the performance of the Company regarding corporate social responsibility and sustainability and corporate reputation and to report thereon to the Board and Delegated Committee as appropriate.
  - iii. Inform and propose to the Board the approval of the Corporate Governance Report.

- iv. Inform and propose to the Board the approval of the annual corporate social responsibility report and, in general, issue reports and develop actions in the field of corporate social responsibility and sustainability, in addition, in accordance with corporate governance of the Company and when being asked by the Board of Directors or its Chairman.
- c) In connection with the internal rules of the Company:
  - i. Propose to the Board the approval of a Code of Ethics
  - ii. Propose to the Board the approval of a Code of Conduct of the employees.
  - iii. Report on proposals for amending the Bylaws, Rules of the Board, Rules of the Shareholders Meetings, Rules of Operation of the Shareholders Electronic Forum, the Internal Rules of Conduct, the Code of Ethics and Code of Conduct of the employees and any other rules of governance of the Company.
  - iv. Review the implementation of the Board Rules, the Internal Rules of Conduct, the Code of Conduct of the employees and, in general, the rules of governance of the Company and to make proposals for their improvement.
- d) In connection to transactions with related parties to the Company and companies of the Group:
  - i. Report of transactions of the company with a significant shareholder, prior to its approval by the Board.
  - ii. Report professional or commercial transactions of directors, prior to its approval by the Board.
  - iii. Authorize transactions by persons related to directors under the terms provided for in Article 33 of the Board of Directors Regulation.
- e) Other competences:
  - i. Review compliance policies and propose all necessary measures for its strengthening.
  - ii. Approve annually a report on the performance of the Committee and propose to the Board of Directors its publication, when the Annual General Meeting is called.
  - iii. Exercise all other powers granted to the Committee in the Board of Directors Regulation.

During 2014 the Committee has met on 5 occasions.

The following are the issues discussed during 2014 in subject areas pertaining to this Committee:

**a) Composition of the Board of Directors and Board Committees:**

i) Qualitative composition of the Board of Directors:

The Committee proposed classification of directors into the categories of executive, external proprietary, external independent and others, under different circumstances: i) when the appointment of the independent directors Mr Roberto Lázaro Alcántara Rojas and Mr. John Paton was proposed to the Board of Directors meeting held on February 24, 2014, and when the ratification of the interim appointment of the aforementioned directors, as well as the ratification of the interim appointment of Mr Claudio Boada Pallerés, appointed as independent director by the Board of Directors on its meeting held on December 18, 2013, was proposed to the Ordinary General Shareholders Meeting of April 2014, ii) when a classification change occurred during 2014 regarding directors Mr Roberto Lázaro Alcántara Rojas (from independent to external proprietary director) and Mr Fernando Abril-Martorell Hernández (from executive to other external director), in view of the circumstances affecting each of them, and iii) when the classifications are reviewed annually in the Annual Corporate Governance Report.

Specifically, in the Annual Corporate Governance Report corresponding to the 2013 financial year the nature of each director was explained, taking into account the definitions of the CNMV's Good Governance Code. Such classification shall be reviewed in the Annual Corporate Governance Report for the 2014 financial year, based on the criteria established by the aforementioned Act 31/2014.

(ii) Appointment of positions in the Board of Directors:

The Committee reported, together with the Nomination and Compensation Committee, on the appointment of Mr. José Luis Sainz Díaz as CEO of PRISA, effective October 1, 2014, replacing Mr Fernando Abril -Martorell Hernandez, who who ceased from that position but remained as Director of the Company.

Additionally the Committee has also reported, together with the Nomination and Compensation Committee, on the appointment of Mr Xavier Pujol Tobeña as Deputy Secretary of the Board of Directors of PRISA and Deputy General Secretary, following the resignation in these positions by María Teresa Diez-Picazo.

iii) Composition of the Board Committees:

The Committee has reported, together with the Nomination and Compensation Committee, on the following changes in the composition of the Board Committees.

Delegated Committee:

- o Appointment of Mr Jose Luis Sainz Díaz and Mr Roberto Lázaro Alcántara Rojas as members of the Delegated Committee (the first of them in substitution of Mr Fernando Abril -Martorell Hernandez).

Audit Committee:

- o Appointment of Mr Fernando Abril-Martorell Hernández and Mr Claudio Boada Pallerés as members of the Audit Committee (the latter in substitution of Ms Agnès Noguera Borel).
- o Appointment of Mr Alain Minc as Chairman of the Audit Committee replacing Mr Juan Arena de la Mora, who ceased in this position but remained as member of such Committee.

Nomination and Compensation Committee:

- o Appointment of Ms Agnès Noguera Borel as member of the Nomination and Compensation Committee.

The Committee has reported favourably the creation of a Committee for Strategic Digital Change, given the importance of the digital transformation for the Group. The Committee has also proposed the regime of the Committee for Strategic Digital Change to be included in the Regulation of the Board of Directors in order to give it the same nature as the other permanent Board Committees have.

iv) Evaluation of the functioning and composition of the Board:

The Committee has coordinated the process for self-evaluation of the Board, informing it of the outcome.

**b) Corporate governance and corporate social responsibility strategy of the Company:**

i) Implementation of the Company's corporate governance strategy:

According to year 2014 working plan, whose intention was to review and update corporate governance rules of the Company, the Committee has focussed its efforts during the year in reviewing the corporate governance regulations contained in the internal rules of the Company and evaluating the crime prevention structure ("*Modelo de Prevención de Delitos*", hereinafter MPD) established by the Company in December, 2011.

The results of these works were as follows:

Amendment to the Bylaws, the Regulation of the General Shareholders Meeting and the Regulation of the Board of Directors:

The Committee has proposed the amendment to the Bylaws, the Regulation of the General Shareholders Meeting and the Regulation of the Board of Directors and submitted the proposal to the Board of Directors for their approval. The amendments of the corporate governance rules contained in these internal rules have been motivated by the following circumstances:

- Act 31/2014, December 3, which amends the Capital Companies Act ("*Ley de Sociedades de Capital*", hereinafter LSC) to improve corporate governance, and involves the introduction of new rules or the modification of existing ones, largely as a result of transforming what were mere recommendations of the Unified Code of Good Governance of the CNMV (hereinafter the CUBG) in mandatory rules.
- Conducting technical improvements of a purely formal, systematic or grammatical character, or merely adapting its wording to the amendment of the LSC.
- Introducing matters which had been the subject of analysis and review of the Committee for better adaptation to the inner reality and practices of the Company -such as the model of relationship between bodies and persons delegated by the Board, functions and composition of the Delegated Committee, the powers of the Board which cannot be delegated, meetings of the external directors or the regulation of the position of President of Honor- and with full or partial failures to comply with the CUBG -such as limitations on the exercise of other positions by the directors of PRISA, recommendation regarding the remuneration linked to company earnings taking into account any qualifications stated in the report of the external auditor affecting those results, as well as recommendation to impose restrictions to the sale of shares delivered to non-executive directors in payment of their remuneration.

#### Amendment to the Internal Code of Conduct on Stock Exchange Matters:

The Committee has also worked on the amendment to the Internal Code of Conduct on Stock Exchange Matters of PRISA and its Group of Companies (hereinafter RIC), approved in 2000 and last revised in June 2006, mainly for the purpose of adapting its content to the CNMV 2013 Recommendations on treasury, as well as other documents with different regulatory range and degree of linkage for issuers of securities, have been published since the last amendment to the RIC, taking into account both the structure and internal organization of the Group.

Due to the importance given by Spanish legislature and the CNMV to the treatment of inside information, the Committee decided to draw up and propose to the Board the adoption of an internal regulation developing the regulations contained in the RIC on this subject: Rules for the Treatment and Transmission of Privileged Information, where the most relevant measures and recommendations contained in the "*Guía de actuación para la transmisión de información privilegiada a terceros*" ("Guide on the transmission of privileged information to third parties") published by the CNMV are collected.

Both amendment to the RIC and the said Rules were approved by the Board in December 2014.

#### Decalogue of best practices for the performance of the governing bodies of Prisa:

The Committee has developed and proposed to the Board of Directors some recommendations in order to improve some aspects of the functioning of the Board of Directors and its Committees, as well as its current corporate governance

framework, which, under the name of "Best Practices Decalogue ", has been approved and assumed by the Board in July, 2014.

Review of the Crime Prevention Structure (MPD):

In light of the draft act amending the Criminal Code, in particular with regards to the scope of criminal liability of legal persons, the Committee has conducted, with expert external advice, a diagnosis and assessment of the MPD and adopted a series of actions and works to be performed during 2015 in order to review, update and adapt the said MPD and also the Code of Conduct of the Group, as well as to define and implement an adequate structure of compliance and a training and awareness plan on these matters.

ii) Corporate social responsibility, sustainability and corporate reputation:

The Committee has analysed and favourably reported the Sustainability Report for the year 2013, which was approved by the Board of Directors.

iii) Annual Corporate Governance Report:

The Committee proposed the Corporate Governance Report for the 2013 financial year to the Board of Directors.

Also, this Committee will propose the Corporate Governance Report for the 2014 financial year to the Board of Directors.

**c) Internal rules of the Company:**

Amendment of the Company's governance rules.

The Committee has reported favourably on the proposal for the amendment to the Bylaws and to the General Shareholders Meeting Regulation, that the Board of Directors submitted to the approval of the ordinary shareholders' meeting held on April 28, 2014.

The purpose of these amendments was to include an express provision in the Bylaws regarding the types of compensation which executive directors may be entitled to receive and to remove the automatic update of the remuneration of directors based on the percentage variation of the Consumer Price Index, according to the index unlinking general policy carried out by the Company.

Examination of compliance with the Board Regulation, Internal Conduct Regulation, Code of Conduct and, in general, the Company's governance rules.

The Committee analysed, particularly, the compliance with the company's governance procedures during the 2014 financial year.

*Compliance with the Internal Code of Conduct Relating to the Securities Markets.*

In compliance with the Internal Code of Conduct, the following actions were taken during the financial year 2014:

- The General Secretary has continually updated the list of persons subject to this Internal Code of Conduct.

In that regard, all persons included in that list have been informed of the Internal Code of Conduct.

- The General Secretary has received notice from all persons subject to the Internal Code of Conduct who have participated in transactions involving the purchase or sale of Prisa shares.

- The General Secretary of Grupo Prisa has maintained a Central Register of Insider Information in which, with regard to legal or financial operations that may significantly influence the quotation of company securities, contains an up-to-date list of persons with access to such information.

*Compliance with the Code of Conduct.*

The Committee has examined compliance with this Code which as it has been indicated, is under a phase of updating within the process of reviewing the MPD.

**d) Regarding transactions with parties related to the Company and other Group undertakings:**

The Committee reported favourably on and also authorized certain transactions with directors and persons related to them, in accordance with the provisions of the Board of Directors Regulation.

**e) Other Matters**

The Committee continued to analyse various issues affecting the Company and its directors, as a result of the delisting and deregistration of the securities of the Company in the United States.

This report was approved in Madrid at the meeting of the Corporate Governance Committee held on February 2015.

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

**NOMINATION AND COMPENSATION COMMITTEE**

**ANNUAL REPORT  
2014**

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Madrid, February 2015.

*(Free translation from the original in Spanish language)*

## NOMINATION AND COMPENSATION COMMITTEE ANNUAL REPORT

2014

### **I.- INTRODUCTION**

The Nomination and Compensation Committee of PROMOTORA DE INFORMACIONES, S.A. (hereinafter PRISA, the Company or GRUPO PRISA where reference to the consolidated Group is made) issues this report to enable the Board of Directors to make available to shareholders information concerning the Committee's operations and activities during the 2014 financial year.

The Committee is governed by article 529 quincecies of the Capital Companies Act (in the wording introduced by Act 31/2014, which amends the Capital Companies Act for the improvement of corporate governance) and by the internal rules of the Company: article 21 quáter of PRISA Bylaws and Board of Directors Regulation.

However, given that the Company Bylaws and the Board of Directors Regulation are in the process of being revised, amongst other reasons in order to adapt them to Act 31/2014, the internal governance regime set out in section III of this Report is likely to be modified in the near future.

### **II.- COMPOSITION**

The composition of the Committee on the date of this Report is as follows:

Chairman: Mr. Gregorio Marañón y Bertrán de Lis – External Independent Director

Members:

Mr. Alain Minc – External Independent Director

Mr. Borja Pérez Arauna- External Director (representing significant shareholdings).

D<sup>a</sup> Agnes Noguera Borel.- External Director (representing significant shareholdings).

The only change that has been made in the composition of this Committee during 2014, has been the appointment of Ms. Agnes Noguera as a member of the Committee in February 2014, increasing thus the number of members from 3 to 4.

In its composition, the Committee complies with applicable law and with the internal rules of the Company:

Article 529 quincecies of Capital Companies Act requires the Committee is composed exclusively of non-executive directors appointed by the Board of Directors, two of whom, at least, must be independent directors. The Chairman of

the Committee must be appointed from among the independent directors sitting on it.

Article 21 quáter of the Bylaws set forth that the Nominations and Compensation Committee shall be composed exclusively of external directors and likewise provides that its president shall be an independent director. Furthermore the Board of Directors Regulation provides that the Committee be composed of a minimum of three and a maximum of 5 external or non-executive directors.

The Committee's secretary is the secretary to the Board of Directors, in accordance with the mentioned rules.

### **III. ACTIVITIES OF THE COMMITTEE IN 2014**

In accordance with the provisions of Article 25 of the Board of Directors Regulation (which adaptation to Act 31/2014 is to be approved by the Board of Directors), the Nomination and Compensation Committee has the following competencies:

- a) Regarding the composition of the Board of Directors and Board Committees of PRISA and management bodies of its subsidiaries:
  - i. Report on proposals for appointment, reappointment and removal of directors.
  - ii. Report, together with the Corporate Governance Committee, on proposals for appointment of Chairman and Vice Chairman, Chief Executive Officer, members of the Delegated Committee and other committees of the Board of Directors.
  - iii. Report on the nomination of the Secretary and Deputy Secretary.
  - iv. Review and organize the succession of the chairman and chief executive of the Company and make recommendations to the Board of Directors to facilitate that such succession occurs in an orderly and well planned.
  - v. Report on proposals for appointment of representatives of the Society in the managing bodies of its subsidiaries.
- b) In connection with the senior management of the Group:
  - i. Propose the definition of senior management.
  - ii. Report the appointment and removal of senior management.
  - iii. Approve contracts for senior management.
  - iv. Information and, where appropriate, issue reports on disciplinary action to senior management of the Company.
- c) In relation to the compensation policy:

- i. Propose to the Board of Directors: i) the Compensation Plan for directors, ii) the amounts and/or compensation limits that apply to directors, based on their dedication to the Board and the Committees thereof, iii) the individual compensation of executive directors and other conditions of their contracts and iv) a statement of compensation policy for Directors and senior management.
- ii. Approve the key objectives linked with the variable compensation for executive directors and/or the management.
- iii. Propose to the Board of Directors the compensation system for senior managers of PRISA and its subsidiaries and report to the Board about the liquidation of the variable compensation for them and to establish other incentive plans for them.
- iv. Ensure compliance with the compensation policy set by the Company.

Likewise, the Committee approves annually a report on its performance and exercise all other powers granted to the Committee in that Regulation.

During 2014 the Committee has met on five occasions.

The following are the issues discussed during 2014 in subject areas pertaining to this Committee:

**a) Regarding the composition of the Board of Directors and Board Committees of PRISA and management bodies of its subsidiaries:**

Composition of the Board of Directors of PRISA

The Committee reported favorably on the proposal for the ratification of the interim appointment of the directors Roberto Lázaro Alcántara Rojas and John Paton.

Subsequently, the Committee has also informed the proposals to the Annual General Shareholders Meeting of April 2014, to ratify the appointment by cooptation of such directors, along with Mr Claudio Boada Pallerés, who was appointed director of the Company, for cooptation, in December 2013.

The Committee also reported favorably of the appointment by cooptation of Mr. José Luis Sainz Diaz as director of the Company (since 22 July 2014) and as CEO of PRISA, effective October 1, 2014, replacing Mr Fernando Abril -Martorell who ceased from that position but remained as Director of the Company.

Furthermore, the Committee has also reported on the reclassification of directors Mr Roberto Alcantara Rojas (from independent to representing significant shareholdings) and Mr Fernando Abril-Martorell (from executive to another external director), in view of the circumstances affecting each of them.

Lastly, the Committee also informed the proposed appointment of Mr. Xavier Pujol Tobeña as Deputy Secretary following the resignation in these positions by M<sup>a</sup> Teresa Diez-Picazo Giménez.

#### Composition of the Committees of PRISA

Likewise the Committee has reported favorably on the following changes in the composition of the Committees:

##### Delegated Commission

- Appointment of Mr Jose Luis Sainz Diaz and Mr. Roberto Rojas Lázaro Alcantara, as members of the Delegated Commission (the first, in place of Mr Fernando Abril-Martorell Hernández)

##### Audit Committee

- Appointment of Mr. Fernando Abril-Martorell Hernandez and Mr Claudio Boada Pallerés as members of the Audit Committee (the latter in place of Ms Agnes Noguera Borel).
- Appointment of Mr. Alain Minc as Chairman of the Audit Committee, replacing Mr. Juan Arena de la Mora who ceased to be Chairman of the Committee but remained as member of the same.

##### Nomination and Compensation Committee

- Appointment of Ms. Agnes Noguera Borel as a member of the Nomination and Compensation Committee.

#### Composition of the Boards of Directors of subsidiaries of Grupo Prisa:

The Committee reported favorably on the proposed appointments of certain members of the management bodies integrated in the different business units of the Group and has also expressed on the appointment of certain key management for the Group.

#### **b) In connection with the senior management of the Group:**

##### Contract of the CEO

The Committee has reviewed the terms of Jose Luis Sainz Diaz 's contract, as CEO of the Company and to this end, has had the external advice of the consultant Towers Watson.

##### Contracts of the management team

The Committee has reviewed the contractual terms of certain executives, within the perimeter of the Group's senior management.

### **c) In relation to the compensation policy**

#### Report on the Compensation Policy

- 2014

The Committee proposed the Report on the Annual Compensation Policy of the Board of Directors and Management Team for 2014, containing information on the implementation of the remuneration policy in 2013, which was submitted for advisory approval at the Annual Shareholders Meeting held on April 28, 2014, as a separate item of the agenda. This report was prepared using the new model approved by the Circular 4/2013 of the CNMV.

Also for the 2013 Annual Report on Corporate Governance, the Committee approved the section that includes the full amount of the remuneration of Directors and senior management.

- 2015

The Committee will present to the Board of Directors the report on the compensation policy of the board and management team for 2015, with information on the implementation of the remuneration policy in 2014.

#### Legal aspects on remuneration

The Committee has examined the new provisions on compensation matters provided by Act 31/2014, which amends the Capital Companies Act for the improvement of corporate governance.

#### Other initiatives relating to remuneration:

The Committee has worked on the following initiatives as part of the remuneration policy of the company, which were submitted to the General Meeting of Shareholders held in April 2014, being approved:

- Authorization for delivery of shares of the Company to directors of the Company and a specific group of Executives of the Prisa Group, as part of the remuneration policy of the company, and for a term of five years following adoption of this resolution (April 2014).
- Long-term incentives plan 2014-2015 in order to align the interests of the executive team of the Prisa Group with those of its shareholders, by virtue of which the Company may hand over, to a specific group of Company executive directors and key managers in the Group, a certain number of ordinary Company shares and a certain amount in cash, depending on their level of responsibility and contribution to the Group's results, as variable remuneration linked to the achievement of long-term objectives.

The Committee then approved the Regulation of this Plan and the list of beneficiaries.

Moreover, the Committee reported favorably on the proposals of the Corporate Governance Committee regarding remuneration, subsequently endorsed by the Board of Directors, in order to comply with the relevant recommendations of the Unified Code of Good Governance of the CNMV:

- Establish or external directors who receive shares in payment of fixed remuneration, the obligation to maintain ownership of them until the moment they leave their office. This obligation shall apply to delivery of shares accrued from January 2015.
- The remuneration linked to the results of the Company shall take into account any qualifications in the audit report and reduce those results.

Likewise, the Committee has defined the compensation system of the Committee for Strategic Digital Change, which was set up in October 2014.

#### Individual compensation of executive directors

The Committee approved the targets for determining the variable compensation for 2014 of the executive directors.

The Committee also approved the settlement of bonus corresponding to year 2013, for the executive directors.

#### Compensation system for managers

##### Annual Variable remuneration (bonus)

The Committee authorized the settlement of the corresponding bonus for the Group's senior executives for 2013.

The Committee also approved the targets associated with the variable compensation for 2014.

##### Long-term incentive

The Committee has approved the settlement, in 2014, of the first triennium 2011/2013 of the long-term incentive that was\_ approved by the Shareholders' Meeting of 2011, with the number of shares awarded to each beneficiary.

##### Performance evaluation

The Committee has assessed its own performance and has sought measures for improvement.



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

**COMMITTEE FOR STRATEGIC DIGITAL CHANGE**

**ANNUAL REPORT  
2014**

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Madrid, February 2015.

*(Free translation from the original in Spanish language)*

## **COMMITTEE FOR STRATEGIC DIGITAL CHANGE** **ANNUAL REPORT**

**2014**

### **I.- INTRODUCTION**

The Committee for Transformation Digital Change (hereinafter, the Committee) of PROMOTORA DE INFORMACIONES, S.A. (hereinafter, PRISA, the Company or the PRISA GROUP when it refers to the Consolidated Group) was established in October 2014 by a resolution of the Board of Directors of PRISA, with a favourable report from the Appointments and Remuneration Committee and the Corporate Governance Committee.

The Committee was established in response to the need to transform the PRISA Group and adapt it to the digital reality of its environment.

The Committee issues this report to enable the Board of Directors to make available to shareholders information concerning the Committee's operations and activities during the 2014 financial year.

The Committee is not regulated by the internal rules of the Company, but it has been ascribed a set of basic powers which are identified in section III below.

### **II.- COMPOSITION**

The Committee must be composed by Directors of the Company and its composition on the date of this Report is as follows:

Chairman: Mr. John Paton – External Independent Director

Members:

Mr. Juan Luis Cebrián Echarri.- Executive Director

Mr. Jose Luis Sainz Diaz.- Executive Director

Mr. Juan Arena de la Mora – External Independent Director

The Committee's secretary is the Deputy Secretary of the Board of Directors, Mr Xavier Pujol Tobeña.

### **III. ACTIVITIES OF THE COMMITTEE IN 2014**

The Committee has the following competencies:

- i. Being apprised of, promoting, guiding and supervising the actions of the Company regarding digital transformation and reporting thereon to the Board of Directors.

- ii. Proposing a coordinated strategy for digital transformation of the Company and its various Business Units, and for evaluation of its impact on present or future business.
- iii. Advising the Board of Directors in the preparation of a Strategic Plan for digital transformation and supervising implementation of that Strategic Plan.
- iv. Periodically reviewing the Strategic Plan for digital transformation and proposing amendment and updating thereof to the Board of Directors.
- v. Seeing to achievement of the milestones fixed in the Strategic Plan for digital transformation and evaluating implementation thereof by the Company and its business units.
- vi. Advising the Board of Directors regarding any digital initiatives existing in the market that may be beneficial for the Company.
- vii. Evaluating the business opportunities and initiatives presented to the Company in the digital and technological transformation area.
- viii. Evaluating, analysing and reporting to the Board of Directors on investment transactions in the digital transformation area.
- ix. Analysing the various measurement and observation tools launched at the national and international level regarding digital transformation and providing recommendations for improvement of the positioning of the Company and its group of companies.
- x. Annually approving a report on the functioning of the Committee and proposing publication thereof to the Board of Directors, upon the holding of the General Shareholders Meeting.

The Committee will meet periodically based on needs and whenever the Board of Directors of the Company or the Delegated Commission requests that it issue a report or approve proposals on matters within the scope of the Committee's responsibilities, and whenever the Committee Chairman deems appropriate for the proper discharge of the Committee's duties.

During 2014 the Committee has met on two occasions, since its constitution in October.

The following are the issues discussed during 2014 in subject areas pertaining to this Committee:

- i) The digital projects on which the business units are working have been analysed at national and international level;
- ii) The resources and culture to undertake the digital transformation of the businesses have been assessed; and

iii) Baselines to begin work on the definition of the strategic plan required to undertake the digital transformation have been put in place.



**REPORT OF THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. IN RELATION TO THE PROPOSAL FOR A SHARE CAPITAL INCREASE BY MEANS OF A CASH CONTRIBUTION EXCLUDING THE PRE-EMPTION RIGHT FOR SUBSCRIPTION OF SHARES APPROVED BY THE BOARD OF DIRECTORS AT THIS MEETING UNDER THE AUTHORIZATION GRANTED BY THE ORDINARY GENERAL SHAREHOLDERS' MEETING HELD ON JUNE 22, 2013 AS SET OUT IN ITEM NINE OF THE AGENDA**

**I. OBJECT OF THE REPORT**

This report has been prepared in relation to the share capital increase in Promotora de Informaciones, S.A. (“Prisa” or the “Company”) by means of cash contributions and excluding the pre-emption right for subscription of shares approved by the board of directors of Prisa on the date hereof, under the authorization granted by the Ordinary General Shareholders’ Meeting held on June 22, 2013, as set out in item nine of the agenda.

By virtue of such authorization, and as set forth in point II.1 below, the board of directors is entitled to, on one or several occasions, when and insofar as the needs of the Company thus require in the opinion of the Board itself, increase the Company’s share capital up to a maximum amount equivalent to Euro 33,177,281.40 (corresponding to a third of the share capital of Prisa, as recorded on June 22, 2013), being for this purpose entitled to issue the corresponding new shares, ordinary or preferred, including redeemable shares, with or without voting rights, with or without an issue premium, with the equivalent value of the new shares to be issued having any consideration for those share to consist of cash contributions pursuant to the provisions of article 297 of Royal Legislative Decree 1/2010, of July 2, approving the restated text of the Spanish Companies’ Act (*Ley de Sociedades de Capital*) (“LSC”). Likewise, with regards to any share capital increase to be approved under such delegation, the board of directors has been expressly conferred with the authority to totally or partially exclude the pre-emption right for subscription of shares.

Article 286 of the LSC, in relation to article 297.1 b) of the same act, requires the company’s directors to draft a report justifying the amendment of the company’s by-laws which might result as a consequence of the share capital increase.

On the other hand, articles 308 and 506 of the LSC require, for the purposes of the exclusion of the pre-emption right for subscription of shares within the framework of a share capital increase, that (i) any such decision is made in the interest of the company; and (ii) the nominal value of the shares to be issued plus, where applicable, the amount of the share premium, is equivalent to the fair value resulting from the report of the accounts auditor, other than the company’s accounts auditor, appointed for this purpose by the Commercial Registry.

In view of the foregoing and of the proposal for a share capital increase approved by this board, under the authorization granted by the general shareholder’s meeting, this report has been drafted by the board of directors of Prisa for the purposes of complying with the provisions of the above referred articles 286, 297.1 b), 308 and 506 of the LSC, with regards to two different aspects:

- (i) the first one, in relation to the share capital increase and subsequent amendment of the company's by-law (in compliance of the provisions of articles 286 and 297 of the LSC), and
- (ii) the second one, relating to the exclusion of the pre-emption right for subscription of shares (in compliance of articles 308 and 506 of the LSC).

Finally, this report includes the text of the resolution for the share capital increase approved on the date hereof by the board of directors.

Likewise, pursuant to the provisions of article 506.4 of the LSC, this report and the report to be issued by the accounts auditor appointed by the Madrid Commercial Registry, different to the Company's accounts auditor, on the fair value of the shares, the book value ("*valor teórico*") of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in this report, pursuant to the provisions of article 308 of the LSC, will be made available to the shareholders and notified to the first General Shareholders' Meeting of Prisa to be held after passing the resolution for the share capital increase.

For the purpose of the above, it is hereby stated that, in order to facilitate and accelerate the process for the share capital increase, prior to the date hereof the Company has asked the Commercial Registry to appoint an accounts auditor different to the auditor of the accounts of Prisa, pursuant to article 308 of the LSC, in order for it to issue a report on the fair value of the shares, the book value ("*valor teórico*") of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in this Report. As of the date hereof, such expert has not yet been appointed by the Commercial Registry.

## **II. REPORT OF THE BOARD OF DIRECTORS FOR THE PURPOSES OF ARTICLES 286 AND 296 OF THE LSC**

### **1. Share capital increase resolution of board of directors, passed under the authorization granted by the Ordinary General Shareholders' Meeting of Prisa dated June 22, 2013**

The board of directors of Prisa approves the capital increase making use of the authorization granted by the Ordinary General Shareholders' Meeting held on June 22, 2013, in the terms described at the beginning of this report, which literally read as follows:

*"Delegation to the board of directors of the power to increase, on one or several occasions, the share capital, with or without any share premium, and with delegation of the power to exclude the pre-emption right for subscription of shares, where applicable, in the terms, conditions and periods set out in article 297.1.b) of the LSC, and revocation of the authorization granted in this same sense at the Extraordinary General Shareholders' Meeting of December 5, 2008 under item two of the agenda.*

*1.- Rendering void of effect in the part not used the resolution approved under item two of the Agenda of the Extraordinary General Shareholders' Meeting held on December 5, 2008, relating to the delegation to the board of directors of the power to increase the share capital pursuant to the provisions of article 153.1.b) of the former Public Limited Companies Act (Ley de Sociedades Anónimas), currently article 297.1.b) of the LSC.*

2.- *Authorizing the board of directors, in the manner as broad and effective as possible in law and pursuant to the provisions of article 297.1.b) of the LSC, so that, within a maximum period of five years counting from the date of the adoption of this resolution and with no need for any call or subsequent resolution of the General Shareholders' Meeting, it might agree, or one or several occasions, when and insofar as the needs of the Company thus require in the opinion of the Board itself, the increase of the Company's share capital up to a maximum amount equivalent to one third of the share capital at the time of this authorization, issuing and putting into circulation for this purpose the corresponding new shares, both ordinary Class A and, where applicable, preferential Class B shares without voting rights, or shares of any other type and/or class permitted by law, ordinary or preferential, including redeemable shares, with or without voting rights, with or without any share premium, with the consideration for any new shares to be issued having to consist of cash contributions and with the possibility expressly established of the incomplete subscription of the shares issued pursuant to the provisions of article 311.1 of the LSC. The powers attributed herein to the board of directors include those of establishing the terms and conditions of each share capital increase and the characteristics of the shares, as well as freely establishing the new shares not subscribed within the preferential subscription period or periods, giving a new wording to the article of the company's by-laws relating to the share capital, performing all procedures necessary for the new shares object of the share capital increase to be admitted to trading on the Stock Exchanges where the shares of the Company are listed, in accordance with the procedures set out in each of the Stock Exchanges, and requesting the inclusion of the new shares in the accounts books of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear). This authorization may be used to provide coverage for any remuneration scheme or agreement by providing shares and shares options to the members of the board of directors and management staff of the Company, in force from time to time. The Board is also empowered to exclude in full or in part the pre-emption right for subscription of shares in the terms of article 506 in relation to article 308 of the LSC. The board of directors is likewise authorized to replace the powers delegated to it by this Ordinary General Shareholders' Meeting in relation to this resolution in favor of the Delegate Committee, the Chairman of the board of directors or the Chief Executive Officer ("Consejero Delegado")."*

## **2. Terms of the capital increase**

### **(i) Maximum amount and issuance price**

The share capital increase which is the object of this report will amount to Euro 99,999,999.85, through the issuance of a total of 188,679,245 Class A shares, of Euro 0.10 nominal value each, represented through book entries.

The new shares will be issued with an share premium of Euro 0.43 per share. As a result, the total share premium corresponding to the newly issued shares will amount to Euro 81,132,075.35.

The total amount of the nominal value and share premium corresponding to the new shares (which, as a whole, will amount to Euro 99,999,999.85) will be paid up in full through cash contributions upon subscription.

For the purposes of the provisions of article 299 of the LSC, it is hereby stated that the shares of Prisa existing prior to the share capital increase are fully paid up.

(ii) Target of the share capital increase

The share capital increase is aimed at Consorcio Transportista Occher, S.A. de C.V. (“**Occher**”), Mexican company existing and incorporated by means of the public deed granted by the notary of Naucalpan de Juárez, Estado de México (México), on March 26, 2012, under the number 42,795 filed with the Public Commercial Registry of Distrito Federal (México) under the mercantile electronic paper number 420.296, with Key of the Federal Register of TaxPayers (“*Clave del Registro Federal de Contribuyentes*”) CTO120326UM0, which undertakes at this board of directors meeting in respect of Prisa the obligation to subscribe in full the share capital increase object of this report.

Occher is a company related to Roberto Alcántara Rojas, director of Prisa since February 24, 2014 and signatory of the Prisa shareholders’ agreement, as notified to the Spanish Stock Exchange Commission (*Comisión Nacional del Mercado de Valores*) (CNMV) on April 25, 2014 and the CNMV published at its web page on April 28, 2014.

(iii) Subscription period

The share capital increase must be fully subscribed and paid up within the ten calendar days following the date on which the report of the independent expert is issued in accordance with articles 308 and 506 of the LSC.

For these purposes, on the business day following the date on which the expert delivers its report to the Company, the Company shall notify Occher in writing that the condition referred to in section 3 below has been met, to which end it will attach a copy of such report, indicating it may proceed with the disbursement, within the period established.

(iv) Incomplete subscription

Given the subscription undertaking set out in the foregoing paragraphs and the corporate interest described in section III below, the possibility of an incomplete subscription has not been foreseen.

(v) Rights of the new shares

The new shares shall confer on their holders the same political and economic rights as the ordinary Class A shares of the Company currently in circulation, as from the date on which the corresponding share capital increase is registered in the Commercial Registry. The board of directors shall likewise agree to request the admission to trading of the shares, as set forth in the resolution proposal transcribed in section IV of this report.

**3. Condition for the subscription and disbursement of the share capital increase**

The subscription and disbursement of the share capital increase is subject to the obtaining of the obligatory report from the accounts auditor appointed by the Commercial Registry on the fair value of the shares, the book value (“*valor teórico*”) of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in this report.

As a result, in the event this condition is not fulfilled within the 65 calendar days following the date on which the accounts auditor appointed by the Commercial Registry accepts its appointment, the resolution of the board of directors which has been approved on the date hereof, as well as this report shall be rendered void of effect.

**4. Exclusion of the pre-emption right for subscription of shares**

In accordance with the authorization granted by the Ordinary General Shareholders' Meeting of Prisa dated June 22, 2013, the board of directors approves the exclusion of the pre-emption right of the current shareholders of Prisa for subscription of shares, it being justified by the corporate interest of the Company, and, as a result, for the benefit of Prisa and its shareholders.

The justification of the exclusion of this right is described in section III of this report.

**5. Justification of the share capital increase**

The subscription and disbursement of the share capital increase of Prisa by Occher, on the terms and conditions set forth in this report, implies a significant benefit for Prisa and, consequently, for its shareholders, as a consequence of the strengthening of the Company's capital and financial structure arising from this share capital increase.

The group is focused at the execution of the refinancing plan entered into on December 2013 and announced to the shareholders at the Extraordinary General Shareholders' Meeting held on December 10, 2013.

The contribution of financial resources will be addressed to immediately reduce the level of indebtedness of the group improving its financial leverage and helping to fulfill the execution of its refinancing plan.

**6. Execution of the share capital increase and amendment of the Company's by-laws**

The share capital increase which is the object of this report will involve the amendment of article 6 of Prisa's By-Laws which, once the condition has been met and the share capital increase has been executed, will read as follows:

*"Article 6.- Share Capital.*

*6.1 The share capital is TWO HUNDRED AND TWO MILLION TWO HUNDRED AND THIRTY-TWO THOUSAND FIVE HUNDRED TWENTY FIVE EUROS AND TWENTY CENTS EURO (€202.232.525,2) and is represented by 2.022.325.252 ordinary Class A shares of EURO TEN CENTS (€ 0.10) nominal value each, numbered consecutively from 1 to 2.022.325.252.*

*6.2 The share capital is fully subscribed and paid up.*

*6.3 The Company may issue different classes of shares. Each class may have a different nominal value. When within one class several series of shares are created, all those comprising the same series must have the same nominal value."*

**III. REPORT FROM THE BOARD OF DIRECTORS FOR THE PURPOSES OF ARTICLES 308, 504 AND 506 OF THE LSC**

The board of directors of Prisa, in relation to the share capital increase which is the object of this report, has approved the exclusion of the pre-emption right for subscription of shares which would correspond to the shareholders of the Company, being authorized for these purpose, as stated in section II.1 above.

The board of directors of Prisa understands that the exclusion of the pre-emption right for subscription of shares is necessary in order for Occher to subscribe the share capital increase on the terms provided for in this report and, to such end, pursuant to the provisions of articles 308, 504 and 506 of the LSC, the board of directors informs as follows:

**1. The corporate interest requires the exclusion of the pre-emption right for subscription of shares**

The board of directors considers that the share capital increase which is the object of this report and the exclusion of the pre-emption right for subscription of shares are fully in compliance with the material requirements set out in the LSC and, in particular, with regards to the need for the exclusion to be required by the corporate interest of the Company.

This is so due to this transaction being particularly convenient from the perspective of corporate interest, as it will enable an increase in the Company's equity at a moment when Prisa intends to reduce its financial debt and, in the opinion of the board, having considered the potential dilution for the shareholders, the objective sought (strengthening of the structure and the balance sheet of the Company) and the means chosen are considered to be proportionate.

The board of directors believes that this share capital increase, with exclusion of the pre-emption right for subscription of shares, is the ideal procedure to allow such investment, for the following reasons:

- Strengthening of the balance sheet: the issuance of shares above the current market value in the current market environment will enable Prisa to significantly increase its equity and strengthen its balance sheet.
- Debt reduction: this issuance will enable Prisa to immediately reduce its debt level through the mechanisms established under the financing agreements currently in force, permitting the purchase of debt (with or without discount) by the Company with the funds it obtains as a result of a share capital increase of Prisa. Bearing in mind the current objective of Prisa, which consists of reducing its debt for a better continuity of the business, this share capital increase contributes significantly to achieving such objective, enabling the Company to reduce the level of indebtedness of the group to more favorable levels.
- Feasibility of the execution: a structure different to that of the transaction described herein, such as a share capital increase without the exclusion of the pre-emption right for subscription of shares or through an accelerated book building process, would delay the procedure of capturing resources necessary in the short term in order for the Company to be able to carry out the deleveraging and debt reduction process.

Furthermore, (i) the volatile and unforeseeable nature of the stock market suggests that the share capital increase resolution should be adopted and executed as soon as possible, which would not be feasible if any of the other alternative structures mentioned previously were chosen, and (ii) the issuance price (nominal and share premium) agreed and committed by Occher on the terms set out in this report would be difficult to be proposed and implemented in a share capital increase with a pre-emption right for subscription of shares.

- Cost saving: the costs of a transaction of this nature, aimed at one single investor identified before it being executed, are lower than those of the other transactions described herein above, as neither the payment of management, placement or underwriting fees nor any expenses associated with these types of transactions are required. The cost saving means a better use of the resources obtained from the share capital increase.
- Improvement in the market conception to which the group of the Company belongs: the entry of resources into the Company shows an improvement in the growth forecast of the Prisa group and greater trust in its strategy and the measures adopted within the debt reduction process, all of which is carried out with the aim of seeking the continuity of the business of the group.

## **2. Issuance price and cash consideration**

Article 506.4 of the LSC sets out that, in order for the Company's governing body to be entitled to pass a resolution for a share capital increase with the exclusion of the pre-emption right for subscription of shares, apart from this being required by the corporate interest, it is necessary for the amount of the nominal value of the shares to be issued plus, where applicable, the amount of the share premium to be equal to the fair value validated by the accounts auditor appointed by the Commercial Registry, other than the accounts auditor of the Company, as stated in its report, drafted for these purposes at its own responsibility.

Article 504 of the LSC establishes that, in case of listed companies, such as the Company, the fair value will be deemed to be the market value which, unless otherwise justified, will be presumed to be that established by reference to the stock market listing.

The average weighted listing of the Prisa share at the closure of the last session prior to the issuance of this report, i.e. on July 21, 2014, was 0.312 and the average weighted listing by movement of the ordinary Class A shares of the Company in the three-month period prior to July 21, 2014 (i.e. from April 22 until July 21) was 0.377.

Since the issuance price (nominal value plus share premium) of the share capital increase which is the object of this report is Euro 0.53 per share, i.e. 69% and 40.5% greater than the referred listed values, the issuance price envisaged meets the legal requirements described and is clearly above the fair value of the shares of Prisa.

## **IV. PROPOSAL FOR RESOLUTION OF A SHARE CAPITAL INCREASE**

The full text of the share capital increase resolution adopted by the board of directors reads as follows:

*“In relation with the proposal of “Share capital increase of the Company for a nominal amount of €18,867,924.50, through the issuance of a total of 188,679,245 ordinary Class A shares and with the exclusion of the pre-emption right for subscription of shares and delegation for the execution and formalization of the foregoing resolution” , the compulsory directors’ report is approved (hereinafter, the “directors’ report) drafted complying with the provisions established in sections 286, 297.1 b), 308 y 506 of the Spanish Companies Act and the following resolution is approved”:*

***“Share capital increase of the Company for a nominal amount of €18,867,924.50, through the issuance of a total of 188,679,245 ordinary Class A shares and with the exclusion of the pre-emption right for subscription of shares. Delegation for the execution and formalization of the foregoing resolutions.***

**(a) Share capital increase by means of cash contributions**

*Under the authorization granted by the Ordinary General Shareholders’ Meeting held on June 22, 2013, as set out in item nine of the agenda, it was agreed to increase the share capital Euro 18.867.924,5, through the issuance of a total of 188,679,245 ordinary Class A shares, of Euro 0.10 nominal value each, represented through book entries, with a issuance price of a total of Euro 81,132,075.35.*

**(b) Issuance price of the shares**

*The issuance price (nominal plus share premium) of each new share will be Euro 0.53 per share.*

**(c) Target of the share capital increase**

*The share capital increase is aimed at Consorcio Transportista Occher, S.A. de C.V. (“**Occher**”), Mexican company existing and incorporated by means of the public deed granted by the notary of Naucalpan de Juárez, Estado de México (México), on March 26, 2012, under the number 42,795 filed with the Public Commercial Registry of Distrito Federal (México) under the mercantile electronic paper number 420.296, with Key of the Federal Register of TaxPayers (“Clave del Registro Federal de Contribuyentes”) CTO120326UM0, which undertakes at this board of directors meeting in respect of Prisa the obligation to subscribe in full the share capital increase.*

**(d) Rights of the new shares**

*The new shares will confer on their holders the same political and economic rights the as ordinary Class A shares of the Company currently in circulation, as from the date on which the corresponding share capital increase is registered with the Commercial Registry and will be represented through book entries.*

**(e) Pre-emption right for subscription of shares**

*Under the authorization granted by the Ordinary General Shareholders’ Meeting held on June 22, 2013, as set out in item nine of the agenda, the board of directors agrees to totally exclude the pre-emption right for subscription of shares of the shareholders of the Company in relation to this share capital increase, due to the reasons set forth in the directors’ report drafted on the date hereof and in order to protect the corporate interest of Prisa.*

**(f) Condition for the subscription and disbursement of the share capital increase**

*The subscription and disbursement of the shares of this share capital increase is subject to the prior obtaining of the compulsory report to be issued by the accounts auditor appointed by the Commercial Registry on the fair value of the shares, the book value (“valor teórico”) of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in the directors’ report.*

*In the event this condition is not fulfilled within the 65 calendar days following the date on which the accounts auditor appointed by the Commercial Registry accepts its appointment, this resolution and the directors’ report shall be rendered void of effect.*

**(g) Admission to trading of the shares**

*A request is hereby made for the admission to trading of the ordinary Class A shares issued by the Company as a result of this share capital increase on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, and any other national or foreign markets in which the shares of the Company are admitted to trading.*

*The board of directors is empowered to request, should it deem this appropriate, the admission to trading of the ordinary Class A shares issued by virtue of this resolution on the New York Stock Exchange, through the issuance of the appropriate “American Depositary Shares” or on any other foreign secondary markets it may deem appropriate or convenient.*

**(h) Subscription and disbursement**

*The subscription and simultaneous full disbursement of the total price of the new shares must be made within the ten calendar days following the date on which the report of the accounts auditor appointed by the Commercial Registry is issued.*

*Occher, duly represented and in attendance at this meeting, has ratified its undertaking to fully subscribe and pay up the share capital increase within the above referred period, provided that the accounts auditor appointed by the Commercial Registry has issued the relevant report.*

*To these effects, on the business day following the date on which the expert delivers its report to the Company, the Company shall notify Occher in writing that such condition has been met, to which end it will attach a copy of such report, indicating it may proceed with the disbursement, within the period established.*

**(i) Ratification of the request for the appointment of an expert**

*The board of directors is aware that, with the intention of facilitating and accelerating the process for the share capital increase, prior to the date hereof the Company has asked the Commercial Registry to appoint an accounts auditor different to the auditor of the accounts of Prisa, pursuant to article 308 of the LSC, in order for it to issue a report on the fair value of the shares, the book value (“valor teórico”) of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in the directors’ report. As of the date hereof such expert has not yet been appointed by the Commercial Registry.*

*In view of the foregoing, it is agreed to ratify such appointment request.*

**(j) Execution of the share capital increase**

*The Delegate Committee, the Chairman or Chief Executive Officer (“Consejero Delegado”), under the delegation of powers approved in section (j) below, may, once the subscription and total disbursement of the share capital increase of this resolution have been verified, declare the share capital increase to be subscribed and paid up and, therefore, executed, and declare the wording of article 6 of the Company By-Laws to be amended, in order to reflect the new share capital figure and number of shares resulting therefrom.*

*For the purposes of the provisions of article 167 of the Spanish Regulations of the Commercial Registry (“Reglamento del Registro Mercantil”), the Delegate Committee, the Chairman or Chief Executive Officer (“Consejero Delegado”),, under the delegation of powers approved in section (j) below, will also state the amount drawn down in respect of the limit established in the authorization to increase the share capital agreed by the Ordinary General Shareholders’ Meeting held on June 22, 2013, and the amount remaining to be drawn down.*

**(k) Delegation of powers**

*Notwithstanding the delegation of specific powers contained in the foregoing sections, it is agreed to delegate power on the Delegate Committee, the Chairman and Chief Executive Officer (“Consejero Delegado”), so that any of them, individually and joint and severally, may execute this resolution, being, in particular and without limitation, entitled to:*

- (i) Appreciate and freely verify whether the condition to which this resolution is subject has been met, notify this to Occher and ask Occher to proceed with the disbursement.*
- (ii) Declare the share capital increase closed once the new shares have been subscribed and paid up (whether in full or not) by Occher, granting as many public and/or private documents as may be appropriate for the execution of the share capital increase and declaring the wording of the article of the Company’s By-Laws regarding the share capital to be amended on the terms set forth in section II.6 of the directors’ report on the share capital increase or, in the case that between the date of the approval of this report by the board of directors and the closure of this capital increase, any amendment on the share capital amount occurs as a consequence of a capital increase, to amend the drafting of the by-laws regarding the share capital taking into consideration such capital increase.*
- (iii) Appear before a notary public and grant the corresponding public deed of share capital increase, and file any such public deed for registration with the Commercial Registry, and make any compulsory announcements of the issuance, as well as to grant any public or private documents necessary in order to declare the closure of the subscription of the share capital increase.*
- (iv) Request the admission to trading of the ordinary Class A shares issued by the Company on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, and any other national or foreign markets in which the shares of the Company are admitted to trading and the admission to trading of the shares Class A issued by virtue of capital increase resolutions on the New York Stock Exchange through the issuance of the appropriate “American Depositary Shares” or on any other foreign secondary markets it may deem appropriate or convenient.*

- (v) *Draft, subscribe and submit, where applicable, to the CNMV or any other relevant supervisory authorities, in relation to the issuance and admission to trading of the new shares, the Information Prospectus and as many supplements thereto as may be necessary, assuming responsibility for the same, as well as any other documents an information required in fulfillment of the provisions of the Security Market Act 24/1988, of July 28, and of Royal Decree 1310/2005, of November 4 (amended by Royal Decree 1698/2012, of December 21), on matters of the admission to trading of securities on official secondary markets, public or subscription offers and the prospectus required to such end, to the extent applicable; furthermore, carry out in the name of the Company any action, declaration or procedure required before the CNMV, Iberclear, the Stock Exchange Governing Bodies and any other body or entity or public or private registry, whether Spanish or foreign, and carry out all procedures necessary so that the new ordinary Class A shares resulting from the share capital increase might be recorded in the accounting records of Iberclear and admitted to trading on the Stock Exchanges where the shares of the Company currently in circulation are listed, and in the Sistema de Interconexión Bursátil (SIBE).*
- (vi) *Remedy, clarify, interpret, specify or complement any resolutions taken by this board of directors, or those arising from any deeds or documents granted in execution of the same and, in particular, any defects, omissions or errors, of content or form, which might prevent the issuance of the report of the accounts auditor appointed by the Commercial Registry or the recording of the resolutions and their consequences in the Commercial Registry, Official Registries of the CNMV or any others.*
- (vii) *Grant, on behalf of the Company, any public or private documents as may be necessary or convenient for the share capital increase which is the object of this resolution and, in general, perform as many procedures as may be necessary for the execution of this resolution and the effective placement into circulation of the shares.”*

This report is drafted and approved on July 22, 2014.

**Special Report on Disapplication of Pre-emption Rights under  
Articles 308 and 506 of the Capital Companies Act**

**Promotora de Informaciones, S.A. (Prisa)**



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## **SPECIAL REPORT ON DISAPPLICATION OF PREEMPTION RIGHTS UNDER ARTICLES 308 AND 506 OF THE CAPITAL COMPANIES ACT**

To the Shareholders of Promotora de Informaciones, S.A. (Prisa):

For the purposes contemplated in articles 308 and 506 of the Capital Companies Act, the recast text of which was approved by Royal Legislative Decree 1/2010 of 2 July 2010 (the "Capital Companies Act"), and in accordance with our engagement letter dated 25 July 2014, we issue, by reason of appointment by Ms. Isabel Adoración Antoniano González, Commercial and Personal Property Registrar number 1 of Madrid, which occurred on 23 July 2014, this special report on the increase of the capital of Promotora de Informaciones, S.A. (hereinafter "Prisa" or the "Company"), in a nominal amount of eighteen million eight hundred sixty-seven thousand nine hundred twenty-four euros and fifty cents (€18,867,924.50), by issue and circulation of a total of one hundred eighty-eight million six hundred seventy-nine thousand two hundred forty-five (188,679,245) new Class A common shares, having a par value of ten cents on the euro (€0.10) each, represented by book entries. The new shares will be issued with an issue premium of forty-three cents on the euro (€0.43) per share and, therefore, the issue premium corresponding to all of the new shares will amount to eighty-one million one hundred thirty-two thousand seventy-five euros and thirty-five cents (€81,132,075.35). The total amount of par value and issue premium corresponding to the new shares, which together will amount to ninety-nine million nine hundred ninety-nine thousand nine hundred ninety-nine euros and eighty-five cents (€99,999,999.85), will be fully paid up by cash contribution at the time of subscription thereof.

The capital increase will be addressed to Consorcio Transportista Occher, S.A. de C.V., an existing Mexican commercial company, which has assumed the obligation to Prisa to fully subscribe the capital increase. The new shares will give their owner the same voting and economic rights as the Company's currently outstanding Class A common shares, from the date the corresponding capital increase is registered with the Commercial Registry. Subscription and payment for the Shares are conditioned on previously obtaining this required report from the statutory auditor (auditor de cuentas) appointed by the Commercial Registry, and must be accomplished within the ten calendar days following the date of this report.

Subscription and payment for the capital increase will be undertaken with disapplication of pre-emption rights, accompanied by the Report of the Prisa Board of Directors prepared on 22 July 2014 (which is attached as annex I). This special report, prepared by us, together with the aforesaid Report of the



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Board of Directors, will be made available to the shareholders and communicated to the first General Shareholders Meeting of Prisa held after adoption of the resolution to increase capital.

The Ordinary General Shareholders Meeting of the Company, held on 22 June 2013, under point nine of its agenda approved delegation to the Board of Directors of authority, within a maximum term of five years, on one or more occasions, when and to the extent the needs of the Company so require in the judgment of that Board of Directors, to increase capital up to a maximum amount equivalent to thirty-three million one hundred seventy-seven thousand two hundred eighty-one euros and forty cents (€33,177,281.40), corresponding to one third of the capital of Prisa registered at 22 June 2013, to that end issuing and circulating the corresponding new shares, common or preferred, including redeemable shares, voting or nonvoting, with or without issue premium, with the consideration for the new shares to be issued being required to consist of cash contributions as contemplated in article 297 of Royal Legislative Decree 1/2010 of 2 July 2010, approving the Recast Text of the Capital Companies Act. The aforesaid delegation in turn gives the right to disapply pre-emption rights provided that, in compliance with the provisions of article 506 of the Capital Companies Act, the interests of the Company so require and the par value of the shares to be issued plus, if applicable, the amount of the issue premium, corresponds to the fair value resulting from the report of auditors (auditores), other than the statutory auditor (auditor de cuentas) of the Company, appointed for that purpose by the Commercial Registry on the request of the Board of Directors.

By virtue of that delegation the Company's Board of Directors has prepared the report attached as annex I (hereinafter the "Report"), in which the proposal and the issue price of the shares are explained in detail, indicating the persons to which they are to be allocated, as well as the nature of the contributions. The law requires that this issue of shares be made at fair value. In a valuation of shares one can only speak of approximations or estimates of fair value, which may depend to a high degree on subjective evaluations of very different aspects of the business.

As indicated in the attached Report, the Prisa Board of Directors believes that the capital increase is fully justified by reasons in the corporate interest and, as a result, is for the benefit of Prisa and its shareholders. This corporate interest, in summary, has been stated as follows:

- (i) Prisa is focused on implementation of the refinancing plan signed in December 2013 and announced to the shareholders at the Extraordinary General Meeting held on 10 December 2013. In this regard, the input of funds will be used for immediate reduction of the level of indebtedness of



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Prisa, improving its financial leveraging and helping with implementation of its refinancing plan.

- (ii) It allows increasing equity at a time when the Company seeks to reduce its financial indebtedness, constituting the proper procedure for accommodating the new investment, resulting in strengthening of the balance sheet and reduction of the level of indebtedness to more favourable levels.
- (iii) A capital increase without disapplying pre-emption rights or by way of an accelerated placement procedure would delay the process of attracting funds needed by the Company in the short term. Also, the volatility and unpredictability of the stock market makes it advisable to adopt the capital increase resolution as soon as possible, which would not be possible if structures other than the one proposed were chosen. Also, the issue price (par value and premium) committed by the subscriber would be difficult to achieve in a capital increase with pre-emption rights.
- (iv) Cost savings implied by a capital increase transaction addressed to a single investor identified prior to implementation, by comparison with other alternatives. This cost savings result in better use of the funds obtained by way of the capital increase.
- (v) Improvement of market perception of the group to which the Company belongs, demonstrating improved growth prospects for the Prisa group and greater confidence in its strategy and the measures adopted within the debt reduction process that has been initiated.

Our responsibility is to issue a professional opinion, as independent experts, on the fair value of the Company's shares, based on the book value of the pre-emption rights the exercise of which is omitted, and the reasonableness of the information contained in the Report. Our work was performed in accordance with the technical standard regarding preparation of a special report on disapplication of the pre-emption right under article 159 of the Recast Text of the Capital Companies Act (the content of which currently corresponds to articles 308 and 506 of the Capital Companies Act).

The accounting information used in this work was obtained from the consolidated annual accounts of Prisa for the year ended 31 December 2013, which were audited by Deloitte, S.L., which on 19 March 2014 issued its audit report on the aforesaid consolidated annual accounts, stating an unqualified opinion, and the consolidated summary interim financial statements for the period of six months ended 30 June 2014, as communicated to the National Securities Market Commission, in respect of which Deloitte, S.L., on 24 July



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2014, issued its limited review report, stating an unqualified conclusion and including a paragraph of emphasis the full text of which is as follows:

*"Without affecting our conclusion, we call attention to Note 1 of the attached consolidated summary explanatory notes, indicating that, as a result of the agreement reached with Telefónica de Contenido, S.A.U. for the sale of 56% of Distribuidora de Televisión Digital, S.A., the controlling company Promotora de Informaciones, S.A. recorded a book loss of 750,383,000 euros. For this reason, the net equity of the Company at 30 June 2014 is negative by 593,513,000 euros. This means, as provided in the Capital Companies Act, that there are grounds for the winding up of the Company. The administrators state, as indicated in the aforesaid Note, that in order to correct the imbalance of equity, the Company's financing agreement contemplates a mechanism for automatic conversion of a part of the controlling company's debt into participating loans, in sufficient amount.*

*We also call attention to attached Note 1, stating that the aforesaid attached interim financial statements do not include all information that would be required by complete consolidated financial statements prepared in accordance with the International Financial Reporting Standards adopted by the European Union, for which reason the attached interim financial statements must be read together with the consolidated annual accounts of the group for the year ended 31 December 2013. This issue does not change our conclusion."*

In accordance with the aforesaid technical standard on preparation of the special report, our work has consisted of applying the following procedures:

- a) Obtaining the aforesaid audit report regarding the consolidated annual accounts of Prisa for the year ended 31 December 2013.
- b) Obtaining the aforesaid limited review report issued by the Company's statutory auditor regarding the consolidated summary interim financial statements for the period of six months ended 30 June 2014 of Prisa, as communicated to the National Securities Market Commission.
- c) Obtaining information from Prisa's statutory auditor regarding possible significant events or factors regarding the economic and equity situation of the Company or the group to which it belongs, learned subsequent to the issue of the last audit report or, if applicable, the limited review report referred to above.
- d) Posing questions to Management of the Company regarding important facts that could significantly affect the value of Prisa or the group and, if applicable, verification thereof.
- e) Review of the evolution of the market price of the Company's Class A shares and determination of the simple average of the weighted daily average price of those shares over the most recent representative trading period prior to the date of issue of this special report (the last quarter), from 28 April 2014 to 28 July 2014, both included, as well as determination of the price at 28 July 2014, corresponding to the most recent price



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available prior to the date of issue of this special report, as values indicative of the fair value of the Company.

This determination was made based on a certification by Sociedad Rectora de la Bolsa de Valores de Madrid, S.A., a copy of which is attached as annex II to this special report, which, in addition to the indicative price values of the Class A shares, includes the frequency and volume of trading for the periods under analysis.

- f) Determination of whether the per-share value proposed by the members of the Company's Board of Directors is higher or lower than the net asset value per share resulting from both the most recent audited consolidated annual accounts of Prisa for the year ended 31 December 2013, and the consolidated summary interim financial statements of Prisa for the period of six months ended 30 June 2014, as reviewed by the Company's statutory auditor and communicated to the National Securities Market Commission
- g) Estimation of the fair value of the shares of Prisa and verification of whether the issue price proposed by the Board of Directors corresponds to the fair value of the Company's shares as derived from the information obtained as described in the foregoing points.
- h) Evaluation of the reasonableness of the information contained in the Report explaining the proposal and the issue price of the new shares, including review of the documentation explaining the methodology for valuation and the bases for calculation.
- i) Determination of the book value of the pre-emption rights the exercise of which it is proposed to disapply, by reference to both the market price at the close of 28 July 2014 and the simple average of the daily weighted average price over the period from 28 April 2014 to 28 July 2014.
- j) Obtaining a representation letter signed by the Administrators of the Company, with sufficient powers of representation, advising us that all relevant assumptions, data and information have been made known to us.

The Report prepared by the Company's Board of Directors proposes that the issue Price (par value plus issue premium) of each of the new Class A shares of Prisa for subscription by Consorcio Transportista Occher, S.A. de C.V. be fifty-three cents on the euro (€0.53), in accordance with the provisions of section 2 of the Report, and the consideration for increase of the capital of the company consist fully of cash contributions.



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In accordance with the aforesaid section 2 of the Report, the opinion of the Prisa Board of Directors is that the proposed capital increase is in the corporate interest of the Company.

The price agreed with Consorcio Transportista Occher, S.A. de C.V. for the issue price (par value plus issue premium) of fifty-three cents on the euro per share (€0.53) is higher than the market value of a Prisa share, both at the closing on 20 July 2014 and as the simple average of the daily weighted average price of the shares for the period from 28 April 2014 to 28 July 2014.

Taking all of the foregoing into account, in our professional opinion as independent experts:

- The information contained in the Report to explain the proposal regarding disapplication of pre-emption rights of the shareholders in accordance with article 308 of the Capital Companies Act is reasonable because it is appropriately documented and stated.
- The issue Price (par value plus issue premium) of fifty-three cents on the euro per share (€0.53) proposed by the Board of Directors in its Report, by virtue of the delegation from the Ordinary General Shareholders Meeting held on 22 June 2013, is higher than the amount that may be considered to be indicative of the fair value of the Company's shares, estimated based on the aforesaid information.
- The aforesaid issue price is lower than the consolidated net asset value per share drawn from the most recent audited consolidated annual accounts of Prisa, for the year ended 31 December 2013. Notwithstanding the foregoing, as indicated in note 1 of the consolidated summary explanatory notes forming a part of the consolidated summary interim financial statements of Prisa for the period of six months ended 30 June 2014, during the month of June 2014 there was an agreement for sale of 56% of Distribuidora de Televisión Digital, S.A. to Telefónica de Contenidos, S.A.U. that resulted in a very significant book loss at that date, with the consolidated net equity of Prisa at 30 June 2014 being negative by 569,900,000 euros. Taking the foregoing into account, the proposed issue price per share is higher than the consolidated net asset value per share drawn from the consolidated summary interim financial statements of Prisa for the period of six months ended 30 June 2014, reviewed by the Company's statutory auditor and communicated to the National Securities Market Commission.

The market price per Class A share at 28 July 2014 (the date of obtaining the certification of Sociedad Rectora de la Bolsa de Valores de Madrid, S.A.), as well as the simple average of the daily weighted average price of those shares



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over the period from 28 April 2014 to 20 July 2014, both included, according to the aforesaid stock market agency, were as follows:

Trading period	Market price (€/ Share)
28 July 2014	0.3680
Average for the period from 28 April 2014 to 28 July 2014	0.3634

Also set forth below is the book value of the pre-emption rights the exercise of which it is proposed to disapply, stated in euros per share, by reference to the price per Class A share at 20 July 2014 (the date of obtaining the certification from Sociedad Rectora de la Bolsa de Valores de Madrid, S.A.), and by reference to the simple average of the daily weighted average price for the period from 28 April 2014 to 28 July 2014.

Trading period	Market price (€/ Share)	Issue price (€/ Share)	Effective Surcharge (€/ Share)
28 July 2014	0.3680	0.53	0.015
Average for the period from 28 April 2014 to 28 July 2014	0.3634	0.53	0.016

Regarding the book value of the pre-emption rights the exercise of which it is proposed to disapply by reference to the issue price, it is negative, that is, there is no dilution effect. Rather, to the contrary, there is a surcharge effect in the amounts specified in the foregoing table.

Based on the issue price proposed by the Board of Directors, the dilution or surcharge per outstanding share by reference to the closing market price of the share on the trading day immediately prior to the date of this report, in euros per share, is determined by application of the following formula:

$$D = \left( \frac{P_o - P_e}{\left( \frac{N_o}{N_e} \right) + 1} \right)$$

In the foregoing formula, *D* represents the book value of the pre-emption right, *P<sub>o</sub>* is the closing price of the Company's share on the trading day immediately prior to the date of this report, *P<sub>e</sub>* is the issue price, *N<sub>o</sub>* is the number of old Company shares (excluding treasury shares) outstanding on the trading day immediately prior to the date of this report and *N<sub>e</sub>* is the number of new shares to be issued.



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Also, the dilution or surcharge per outstanding share by reference to the simple average of the daily weighted average of the share for the most recent quarter prior to the date of the trading day immediately prior to the date of this report, in euros per share, would be determined by way of application of the following formula:

$$D = \left( \frac{P_{mo} - P_e}{\left( \frac{N_o}{N_e} \right) + 1} \right)$$

In the foregoing formula,  $D$  represents the book value of the pre-emption right,  $P_{mo}$  is the simple average of the daily weighted average market prices of the Company's share during the quarter prior to the trading day immediately prior to the date of this report,  $P_e$  is the issue price,  $N_o$  is the number of old Company shares (excluding treasury shares) outstanding on the trading day immediately prior to the date of this report and  $N_e$  is the number of new shares to be issued.

Also, the issue price proposed by the members of the Board of Directors does not result in a theoretical dilution effect by reference to the book value of the Company's shares at 30 June 2014 in accordance with the consolidated summary interim financial statements of Prisa for the period of six months ended on that date, as reviewed by the Company's statutory auditor and communicated to the National Securities Market Commission.

This special report constitutes compliance with the provisions of articles 308 and 506 of the Capital Companies Act, as regards the report of the statutory auditors (auditores de cuentas). This report is not to be used for any other purpose.

ERNST & YOUNG, S.L.

[Illegible signature]  
José Luis Ruiz

29 July 2014

## **ANNEX I**

Report of the Board of Directors of  
Promotora de Información, S.A. (Prisa), dated 22 July 2014,  
regarding the proposed capital increase.

[Prisa's logo and registration data are included]

Mr. Antonio García-Mon Marañés, Secretary of the board of directors of PROMOTORA DE INFORMACIONES, S.A., of which Juan Luis Cebrián Echarri is its chairman.

## **CERTIFIES**

That the board of directors of the company PROMOTORA DE INFORMACIONES, S.A. has approved on July 22, 2014, a share capital increase of the Company for a nominal amount of €18,867,924.50, through the issuance of a total of 188,679,245 ordinary Class A shares and with the exclusion of the pre-emption right for subscription of shares, as well as the delegation for the execution and formalization of the foregoing resolution, all the former in the terms included in the point IV of the report which is transcribed below.

With regards to that resolution, it was also approved the compulsory directors' report transcribed below, drafted complying with the provisions established in sections 286, 297.1 b), 308 y 506 of the Spanish Companies Act:

### **“REPORT OF THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. IN RELATION TO THE PROPOSAL FOR A SHARE CAPITAL INCREASE BY MEANS OF A CASH CONTRIBUTION EXCLUDING THE PRE-EMPTION RIGHT FOR SUBSCRIPTION OF SHARES APPROVED BY THE BOARD OF DIRECTORS AT THIS MEETING UNDER THE AUTHORIZATION GRANTED BY THE ORDINARY GENERAL SHAREHOLDERS' MEETING HELD ON JUNE 22, 2013 AS SET OUT IN ITEM NINE OF THE AGENDA**

#### **I. OBJECT OF THE REPORT**

This report has been prepared in relation to the share capital increase in Promotora de Informaciones, S.A. (“Prisa” or the “Company”) by means of cash contributions and excluding the pre-emption right for subscription of shares approved by the board of directors of Prisa on the date hereof, under the authorization granted by the Ordinary General Shareholders' Meeting held on June 22, 2013, as set out in item nine of the agenda.

By virtue of such authorization, and as set forth in point II.1 below, the board of directors is entitled to, on one or several occasions, when and insofar as the needs of the Company thus require in the opinion of the Board itself, increase the Company's share capital up to a maximum amount equivalent to Euro 33,177,281.40 (corresponding to a third of the share capital of Prisa, as recorded on June 22, 2013), being for this purpose entitled to issue the corresponding new shares, ordinary or preferred, including redeemable shares, with or without voting rights, with or without an issue premium, with the equivalent value of the new shares to be issued having any consideration for those share to consist of cash contributions pursuant to the provisions of article 297 of Royal Legislative Decree 1/2010, of July 2, approving the restated text of the Spanish Companies' Act (*Ley de Sociedades de Capital*) (“LSC”). Likewise, with regards to any share capital increase to be approved under such delegation, the board of directors has been expressly conferred with the authority to totally or partially exclude the pre-emption right for subscription of shares.

Article 286 of the LSC, in relation to article 297.1 b) of the same act, requires the company's directors to draft a report justifying the amendment of the company's by-laws which might result as a consequence of the share capital increase.

On the other hand, articles 308 and 506 of the LSC require, for the purposes of the exclusion of the pre-emption right for subscription of shares within the framework of a share capital increase,

that (i) any such decision is made in the interest of the company; and (ii) the nominal value of the shares to be issued plus, where applicable, the amount of the share premium, is equivalent to the fair value resulting from the report of the accounts auditor, other than the company's accounts auditor, appointed for this purpose by the Commercial Registry.

In view of the foregoing and of the proposal for a share capital increase approved by this board, under the authorization granted by the general shareholder's meeting, this report has been drafted by the board of directors of Prisa for the purposes of complying with the provisions of the above referred articles 286, 297.1 b), 308 and 506 of the LSC, with regards to two different aspects:

- (i) the first one, in relation to the share capital increase and subsequent amendment of the company's by-law (in compliance of the provisions of articles 286 and 297 of the LSC), and
- (ii) the second one, relating to the exclusion of the pre-emption right for subscription of shares (in compliance of articles 308 and 506 of the LSC).

Finally, this report includes the text of the resolution for the share capital increase approved on the date hereof by the board of directors.

Likewise, pursuant to the provisions of article 506.4 of the LSC, this report and the report to be issued by the accounts auditor appointed by the Madrid Commercial Registry, different to the Company's accounts auditor, on the fair value of the shares, the book value ("*valor teórico*") of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in this report, pursuant to the provisions of article 308 of the LSC, will be made available to the shareholders and notified to the first General Shareholders' Meeting of Prisa to be held after passing the resolution for the share capital increase.

For the purpose of the above, it is hereby stated that, in order to facilitate and accelerate the process for the share capital increase, prior to the date hereof the Company has asked the Commercial Registry to appoint an accounts auditor different to the auditor of the accounts of Prisa, pursuant to article 308 of the LSC, in order for it to issue a report on the fair value of the shares, the book value ("*valor teórico*") of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in this Report. As of the date hereof, such expert has not yet been appointed by the Commercial Registry.

## **II. REPORT OF THE BOARD OF DIRECTORS FOR THE PURPOSES OF ARTICLES 286 AND 296 OF THE LSC**

### **1. Share capital increase resolution of board of directors, passed under the authorization granted by the Ordinary General Shareholders' Meeting of Prisa dated June 22, 2013**

The board of directors of Prisa approves the capital increase making use of the authorization granted by the Ordinary General Shareholders' Meeting held on June 22, 2013, in the terms described at the beginning of this report, which literally read as follows:

"Delegation to the board of directors of the power to increase, on one or several occasions, the share capital, with or without any share premium, and with delegation of

the power to exclude the pre-emption right for subscription of shares, where applicable, in the terms, conditions and periods set out in article 297.1.b) of the LSC, and revocation of the authorization granted in this same sense at the Extraordinary General Shareholders' Meeting of December 5, 2008 under item two of the agenda.

1.- Rendering void of effect in the part not used the resolution approved under item two of the Agenda of the Extraordinary General Shareholders' Meeting held on December 5, 2008, relating to the delegation to the board of directors of the power to increase the share capital pursuant to the provisions of article 153.1.b) of the former Public Limited Companies Act (Ley de Sociedades Anónimas), currently article 297.1.b) of the LSC.

2.- Authorizing the board of directors, in the manner as broad and effective as possible in law and pursuant to the provisions of article 297.1.b) of the LSC, so that, within a maximum period of five years counting from the date of the adoption of this resolution and with no need for any call or subsequent resolution of the General Shareholders' Meeting, it might agree, or one or several occasions, when and insofar as the needs of the Company thus require in the opinion of the Board itself, the increase of the Company's share capital up to a maximum amount equivalent to one third of the share capital at the time of this authorization, issuing and putting into circulation for this purpose the corresponding new shares, both ordinary Class A and, where applicable, preferential Class B shares without voting rights, or shares of any other type and/or class permitted by law, ordinary or preferential, including redeemable shares, with or without voting rights, with or without any share premium, with the consideration for any new shares to be issued having to consist of cash contributions and with the possibility expressly established of the incomplete subscription of the shares issued pursuant to the provisions of article 311.1 of the LSC. The powers attributed herein to the board of directors include those of establishing the terms and conditions of each share capital increase and the characteristics of the shares, as well as freely establishing the new shares not subscribed within the preferential subscription period or periods, giving a new wording to the article of the company's by-laws relating to the share capital, performing all procedures necessary for the new shares object of the share capital increase to be admitted to trading on the Stock Exchanges where the shares of the Company are listed, in accordance with the procedures set out in each of the Stock Exchanges, and requesting the inclusion of the new shares in the accounts books of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear). This authorization may be used to provide coverage for any remuneration scheme or agreement by providing shares and shares options to the members of the board of directors and management staff of the Company, in force from time to time. The Board is also empowered to exclude in full or in part the pre-emption right for subscription of shares in the terms of article 506 in relation to article 308 of the LSC. The board of directors is likewise authorized to replace the powers delegated to it by this Ordinary General Shareholders' Meeting in relation to this resolution in favor of the Delegate Committee, the Chairman of the board of directors or the Chief Executive Officer ("Consejero Delegado")."

## **2. Terms of the capital increase**

- (i) Maximum amount and issuance price

The share capital increase which is the object of this report will amount to Euro 99,999,999.85, through the issuance of a total of 188,679,245 Class A shares, of Euro 0.10 nominal value each, represented through book entries.

The new shares will be issued with an share premium of Euro 0.43 per share. As a result, the total share premium corresponding to the newly issued shares will amount to Euro 81,132,075.35.

The total amount of the nominal value and share premium corresponding to the new shares (which, as a whole, will amount to Euro 99,999,999.85) will be paid up in full through cash contributions upon subscription.

For the purposes of the provisions of article 299 of the LSC, it is hereby stated that the shares of Prisa existing prior to the share capital increase are fully paid up.

(ii) Target of the share capital increase

The share capital increase is aimed at Consorcio Transportista Occher, S.A. de C.V. ("**Occher**"), Mexican company existing and incorporated by means of the public deed granted by the notary of Naucalpan de Juárez, Estado de México (México), on March 26, 2012, under the number 42,795 filed with the Public Commercial Registry of Distrito Federal (México) under the mercantile electronic paper number 420.296, with Key of the Federal Register of TaxPayers ("*Clave del Registro Federal de Contribuyentes*") CTO120326UM0, which undertakes at this board of directors meeting in respect of Prisa the obligation to subscribe in full the share capital increase object of this report.

Occher is a company related to Roberto Alcántara Rojas, director of Prisa since February 24, 2014 and signatory of the Prisa shareholders' agreement, as notified to the Spanish Stock Exchange Commission (*Comisión Nacional del Mercado de Valores*) (CNMV) on April 25, 2014 and the CNMV published at its web page on April 28, 2014.

(iii) Subscription period

The share capital increase must be fully subscribed and paid up within the ten calendar days following the date on which the report of the independent expert is issued in accordance with articles 308 and 506 of the LSC.

For these purposes, on the business day following the date on which the expert delivers its report to the Company, the Company shall notify Occher in writing that the condition referred to in section 3 below has been met, to which end it will attach a copy of such report, indicating it may proceed with the disbursement, within the period established.

(iv) Incomplete subscription

Given the subscription undertaking set out in the foregoing paragraphs and the corporate interest described in section III below, the possibility of an incomplete subscription has not been foreseen.

(v) Rights of the new shares

The new shares shall confer on their holders the same political and economic rights as the ordinary Class A shares of the Company currently in circulation, as from the date on which the corresponding share capital increase is registered in the Commercial Registry. The board of directors shall likewise agree to request the admission to trading

of the shares, as set forth in the resolution proposal transcribed in section IV of this report.

**3. Condition for the subscription and disbursement of the share capital increase**

The subscription and disbursement of the share capital increase is subject to the obtaining of the obligatory report from the accounts auditor appointed by the Commercial Registry on the fair value of the shares, the book value (“*valor teórico*”) of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in this report.

As a result, in the event this condition is not fulfilled within the 65 calendar days following the date on which the accounts auditor appointed by the Commercial Registry accepts its appointment, the resolution of the board of directors which has been approved on the date hereof, as well as this report shall be rendered void of effect.

**4. Exclusion of the pre-emption right for subscription of shares**

In accordance with the authorization granted by the Ordinary General Shareholders' Meeting of Prisa dated June 22, 2013, the board of directors approves the exclusion of the pre-emption right of the current shareholders of Prisa for subscription of shares, it being justified by the corporate interest of the Company, and, as a result, for the benefit of Prisa and its shareholders.

The justification of the exclusion of this right is described in section III of this report.

**5. Justification of the share capital increase**

The subscription and disbursement of the share capital increase of Prisa by Occher, on the terms and conditions set forth in this report, implies a significant benefit for Prisa and, consequently, for its shareholders, as a consequence of the strengthening of the Company's capital and financial structure arising from this share capital increase.

The group is focused at the execution of the refinancing plan entered into on December 2013 and announced to the shareholders at the Extraordinary General Shareholders' Meeting held on December 10, 2013.

The contribution of financial resources will be addressed to immediately reduce the level of indebtedness of the group improving its financial leverage and helping to fulfill the execution of its refinancing plan.

**6. Execution of the share capital increase and amendment of the Company's by-laws**

The share capital increase which is the object of this report will involve the amendment of article 6 of Prisa's By-Laws which, once the condition has been met and the share capital increase has been executed, will read as follows:

*“Article 6.- Share Capital.*

*6.1 The share capital is TWO HUNDRED AND TWO MILLION TWO HUNDRED AND THIRTY-TWO THOUSAND FIVE HUNDRED TWENTY FIVE EUROS AND TWENTY CENTS EURO (€202.232.525,2) and is represented by 2.022.325.252 ordinary Class A shares of EURO TEN CENTS (€ 0.10) nominal value each, numbered consecutively from 1 to 2.022.325.252.*

6.2 *The share capital is fully subscribed and paid up.*

6.3 *The Company may issue different classes of shares. Each class may have a different nominal value. When within one class several series of shares are created, all those comprising the same series must have the same nominal value."*

### **III. REPORT FROM THE BOARD OF DIRECTORS FOR THE PURPOSES OF ARTICLES 308, 504 AND 506 OF THE LSC**

The board of directors of Prisa, in relation to the share capital increase which is the object of this report, has approved the exclusion of the pre-emption right for subscription of shares which would correspond to the shareholders of the Company, being authorized for these purpose, as stated in section II.1 above.

The board of directors of Prisa understands that the exclusion of the pre-emption right for subscription of shares is necessary in order for Occher to subscribe the share capital increase on the terms provided for in this report and, to such end, pursuant to the provisions of articles 308, 504 and 506 of the LSC, the board of directors informs as follows:

#### **1. The corporate interest requires the exclusion of the pre-emption right for subscription of shares**

The board of directors considers that the share capital increase which is the object of this report and the exclusion of the pre-emption right for subscription of shares are fully in compliance with the material requirements set out in the LSC and, in particular, with regards to the need for the exclusion to be required by the corporate interest of the Company.

This is so due to this transaction being particularly convenient from the perspective of corporate interest, as it will enable an increase in the Company's equity at a moment when Prisa intends to reduce its financial debt and, in the opinion of the board, having considered the potential dilution for the shareholders, the objective sought (strengthening of the structure and the balance sheet of the Company) and the means chosen are considered to be proportionate.

The board of directors believes that this share capital increase, with exclusion of the pre-emption right for subscription of shares, is the ideal procedure to allow such investment, for the following reasons:

- Strengthening of the balance sheet: the issuance of shares above the current market value in the current market environment will enable Prisa to significantly increase its equity and strengthen its balance sheet.
- Debt reduction: this issuance will enable Prisa to immediately reduce its debt level through the mechanisms established under the financing agreements currently in force, permitting the purchase of debt (with or without discount) by the Company with the funds it obtains as a result of a share capital increase of Prisa. Bearing in mind the current objective of Prisa, which consists of reducing its debt for a better continuity of the business, this share capital increase contributes significantly to achieving such objective, enabling the Company to reduce the level of indebtedness of the group to more favorable levels.

- Feasibility of the execution: a structure different to that of the transaction described herein, such as a share capital increase without the exclusion of the pre-emption right for subscription of shares or through an accelerated book building process, would delay the procedure of capturing resources necessary in the short term in order for the Company to be able to carry out the deleveraging and debt reduction process. Furthermore, (i) the volatile and unforeseeable nature of the stock market suggests that the share capital increase resolution should be adopted and executed as soon as possible, which would not be feasible if any of the other alternative structures mentioned previously were chosen, and (ii) the issuance price (nominal and share premium) agreed and committed by Occher on the terms set out in this report would be difficult to be proposed and implemented in a share capital increase with a pre-emption right for subscription of shares.
- Cost saving: the costs of a transaction of this nature, aimed at one single investor identified before it being executed, are lower than those of the other transactions described herein above, as neither the payment of management, placement or underwriting fees nor any expenses associated with these types of transactions are required. The cost saving means a better use of the resources obtained from the share capital increase.
- Improvement in the market conception to which the group of the Company belongs: the entry of resources into the Company shows an improvement in the growth forecast of the Prisa group and greater trust in its strategy and the measures adopted within the debt reduction process, all of which is carried out with the aim of seeking the continuity of the business of the group.

## **2. Issuance price and cash consideration**

Article 506.4 of the LSC sets out that, in order for the Company's governing body to be entitled to pass a resolution for a share capital increase with the exclusion of the pre-emption right for subscription of shares, apart from this being required by the corporate interest, it is necessary for the amount of the nominal value of the shares to be issued plus, where applicable, the amount of the share premium to be equal to the fair value validated by the accounts auditor appointed by the Commercial Registry, other than the accounts auditor of the Company, as stated in its report, drafted for these purposes at its own responsibility.

Article 504 of the LSC establishes that, in case of listed companies, such as the Company, the fair value will be deemed to be the market value which, unless otherwise justified, will be presumed to be that established by reference to the stock market listing.

The average weighted listing of the Prisa share at the closure of the last session prior to the issuance of this report, i.e. on July 21, 2014, was 0.312 and the average weighted listing by movement of the ordinary Class A shares of the Company in the three-month period prior to July 21, 2014 (i.e. from April 22 until July 21) was 0.377.

Since the issuance price (nominal value plus share premium) of the share capital increase which is the object of this report is Euro 0.53 per share, i.e. 69% and 40.5% greater than the referred listed values, the issuance price envisaged meets the legal requirements described and is clearly above the fair value of the shares of Prisa.

## **IV. PROPOSAL FOR RESOLUTION OF A SHARE CAPITAL INCREASE**

[Prisa's logo and registration data are included]

The full text of the share capital increase resolution adopted by the board of directors reads as follows:

*"In relation with the proposal of "Share capital increase of the Company for a nominal amount of €18,867,924.50, through the issuance of a total of 188,679,245 ordinary Class A shares and with the exclusion of the pre-emption right for subscription of shares and delegation for the execution and formalization of the foregoing resolution" , the compulsory directors' report is approved (hereinafter, the "directors' report) drafted complying with the provisions established in sections 286, 297.1 b), 308 y 506 of the Spanish Companies Act and the following resolution is approved":*

***"Share capital increase of the Company for a nominal amount of €18,867,924.50, through the issuance of a total of 188,679,245 ordinary Class A shares and with the exclusion of the pre-emption right for subscription of shares. Delegation for the execution and formalization of the foregoing resolutions.***

**(a) Share capital increase by means of cash contributions**

*Under the authorization granted by the Ordinary General Shareholders' Meeting held on June 22, 2013, as set out in item nine of the agenda, it was agreed to increase the share capital Euro 18.867.924,5, through the issuance of a total of 188,679,245 ordinary Class A shares, of Euro 0.10 nominal value each, represented through book entries, with a issuance price of a total of Euro 81,132,075.35.*

**(b) Issuance price of the shares**

*The issuance price (nominal plus share premium) of each new share will be Euro 0.53 per share.*

**(c) Target of the share capital increase**

*The share capital increase is aimed at Consorcio Transportista Occher, S.A. de C.V. ("**Occher**"), Mexican company existing and incorporated by means of the public deed granted by the notary of Naucalpan de Juárez, Estado de México (México), on March 26, 2012, under the number 42,795 filed with the Public Commercial Registry of Distrito Federal (México) under the mercantile electronic paper number 420.296, with Key of the Federal Register of TaxPayers ("Clave del Registro Federal de Contribuyentes") CTO120326UM0, which undertakes at this board of directors meeting in respect of Prisa the obligation to subscribe in full the share capital increase.*

**(d) Rights of the new shares**

*The new shares will confer on their holders the same political and economic rights the as ordinary Class A shares of the Company currently in circulation, as from the date on which the corresponding share capital increase is registered with the Commercial Registry and will be represented through book entries.*

**(e) Pre-emption right for subscription of shares**

*Under the authorization granted by the Ordinary General Shareholders' Meeting held on June 22, 2013, as set out in item nine of the agenda, the board of directors agrees to totally exclude the pre-emption right for subscription of shares of the shareholders of the Company in relation to this share capital increase, due to the reasons set forth in the directors' report drafted on the date hereof and in order to protect the corporate interest of Prisa.*

**(f) Condition for the subscription and disbursement of the share capital increase**

*The subscription and disbursement of the shares of this share capital increase is subject to the prior obtaining of the compulsory report to be issued by the accounts auditor appointed by the Commercial Registry on the fair value of the shares, the book value ("valor teórico") of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in the directors' report.*

*In the event this condition is not fulfilled within the 65 calendar days following the date on which the accounts auditor appointed by the Commercial Registry accepts its appointment, this resolution and the directors' report shall be rendered void of effect.*

**(g) Admission to trading of the shares**

*A request is hereby made for the admission to trading of the ordinary Class A shares issued by the Company as a result of this share capital increase on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, and any other national or foreign markets in which the shares of the Company are admitted to trading.*

*The board of directors is empowered to request, should it deem this appropriate, the admission to trading of the ordinary Class A shares issued by virtue of this resolution on the New York Stock Exchange, through the issuance of the appropriate "American Depositary Shares" or on any other foreign secondary markets it may deem appropriate or convenient.*

**(h) Subscription and disbursement**

*The subscription and simultaneous full disbursement of the total price of the new shares must be made within the ten calendar days following the date on which the report of the accounts auditor appointed by the Commercial Registry is issued.*

*Occher, duly represented and in attendance at this meeting, has ratified its undertaking to fully subscribe and pay up the share capital increase within the above referred period, provided that the accounts auditor appointed by the Commercial Registry has issued the relevant report.*

*To these effects, on the business day following the date on which the expert delivers its report to the Company, the Company shall notify Occher in writing that such condition has been met, to which end it will attach a copy of such report, indicating it may proceed with the disbursement, within the period established.*

**(i) Ratification of the request for the appointment of an expert**

*The board of directors is aware that, with the intention of facilitating and accelerating the process for the share capital increase, prior to the date hereof the Company has asked the Commercial Registry to appoint an accounts auditor different to the auditor of the accounts of Prisa, pursuant to article 308 of the LSC, in order for it to issue a report on the fair value of the shares, the book value ("valor teórico") of the pre-emption right for subscription of shares proposed to be excluded and the reasonableness of the data contained in the directors' report. As of the date hereof such expert has not yet been appointed by the Commercial Registry.*

*In view of the foregoing, it is agreed to ratify such appointment request.*

**(j) Execution of the share capital increase**

*The Delegate Committee, the Chairman or Chief Executive Officer ("Consejero Delegado"), under the delegation of powers approved in section (j) below, may, once the subscription and*

*[Prisa's logo and registration data are included]*

*total disbursement of the share capital increase of this resolution have been verified, declare the share capital increase to be subscribed and paid up and, therefore, executed, and declare the wording of article 6 of the Company By-Laws to be amended, in order to reflect the new share capital figure and number of shares resulting therefrom.*

*For the purposes of the provisions of article 167 of the Spanish Regulations of the Commercial Registry ("Reglamento del Registro Mercantil"), the Delegate Committee, the Chairman or Chief Executive Officer ("Consejero Delegado"),, under the delegation of powers approved in section (j) below, will also state the amount drawn down in respect of the limit established in the authorization to increase the share capital agreed by the Ordinary General Shareholders' Meeting held on June 22, 2013, and the amount remaining to be drawn down.*

**(k) Delegation of powers**

*Notwithstanding the delegation of specific powers contained in the foregoing sections, it is agreed to delegate power on the Delegate Committee, the Chairman and Chief Executive Officer ("Consejero Delegado"), so that any of them, individually and joint and severally, may execute this resolution, being, in particular and without limitation, entitled to:*

- (i) Appreciate and freely verify whether the condition to which this resolution is subject has been met, notify this to Occher and ask Occher to proceed with the disbursement.*
- (ii) Declare the share capital increase closed once the new shares have been subscribed and paid up (whether in full or not) by Occher, granting as many public and/or private documents as may be appropriate for the execution of the share capital increase and declaring the wording of the article of the Company's By-Laws regarding the share capital to be amended on the terms set forth in section II.6 of the directors' report on the share capital increase or, in the case that between the date of the approval of this report by the board of directors and the closure of this capital increase, any amendment on the share capital amount occurs as a consequence of a capital increase, to amend the drafting of the by-laws regarding the share capital taking into consideration such capital increase.*
- (iii) Appear before a notary public and grant the corresponding public deed of share capital increase, and file any such public deed for registration with the Commercial Registry, and make any compulsory announcements of the issuance, as well as to grant any public or private documents necessary in order to declare the closure of the subscription of the share capital increase.*
- (iv) Request the admission to trading of the ordinary Class A shares issued by the Company on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, and any other national or foreign markets in which the shares of the Company are admitted to trading and the admission to trading of the shares Class A issued by virtue of capital increase resolutions on the New York Stock Exchange through the issuance of the appropriate "American Depositary Shares" or on any other foreign secondary markets it may deem appropriate or convenient.*
- (v) Draft, subscribe and submit, where applicable, to the CNMV or any other relevant supervisory authorities, in relation to the issuance and admission to trading of the new shares, the Information Prospectus and as many supplements thereto as may be necessary, assuming responsibility for the same, as well as any other documents and information required in fulfillment of the provisions of the Security Market Act 24/1988, of*

*[Prisa's logo and registration data are included]*

*July 28, and of Royal Decree 1310/2005, of November 4 (amended by Royal Decree 1698/2012, of December 21), on matters of the admission to trading of securities on official secondary markets, public or subscription offers and the prospectus required to such end, to the extent applicable; furthermore, carry out in the name of the Company any action, declaration or procedure required before the CNMV, Iberclear, the Stock Exchange Governing Bodies and any other body or entity or public or private registry, whether Spanish or foreign, and carry out all procedures necessary so that the new ordinary Class A shares resulting from the share capital increase might be recorded in the accounting records of Iberclear and admitted to trading on the Stock Exchanges where the shares of the Company currently in circulation are listed, and in the Sistema de Interconexión Bursátil (SIBE).*

- (vi) Remedy, clarify, interpret, specify or complement any resolutions taken by this board of directors, or those arising from any deeds or documents granted in execution of the same and, in particular, any defects, omissions or errors, of content or form, which might prevent the issuance of the report of the accounts auditor appointed by the Commercial Registry or the recording of the resolutions and their consequences in the Commercial Registry, Official Registries of the CNMV or any others.*
- (vii) Grant, on behalf of the Company, any public or private documents as may be necessary or convenient for the share capital increase which is the object of this resolution and, in general, perform as many procedures as may be necessary for the execution of this resolution and the effective placement into circulation of the shares."*

*This report is drafted and approved on July 22, 2014."*

*And in witness thereof, I issue this certificate in Madrid, on July 24, 2014.*

*[signature of the chairman and secretary of the board of directors of Promotora de Informaciones, S.A. follow]*

## **ANNEX II**

Certification of Sociedad Rectora de  
la Bolsa de Valores de Madrid, S.A.



**Building a better  
working world**

Ernst & Young, S.L.  
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ey.com

### **BOLSA DE MADRID**

Sociedad Rectora de la Bolsa de Valores  
de Madrid, S.A. Sociedad Unipersonal

## **THE SECRETARY OF THE BOARD OF DIRECTORS OF SOCIEDAD RECTORA DE LA BOLSA DE VALORES DE MADRID, S.A.,**

**CERTIFIES** that, from the background that exists within this Secretary's office and is its responsibility, and from the background corresponding to the other Spanish securities exchanges, during the period from 28 April 2014 to 28 July 2014, both included, the simple average price of the daily weighted average prices of market trading of the shares of PROMOTORA DE INFORMACIONES, S.A., CLASS A, was 0.3634 euros.

Also, during the period of time referred to above there were 65 trading sessions on this Exchange, during all of which shares of PROMOTORA DE INFORMACIONES, S.A, CLASS A, were traded, with a total of 356,627,094 shares traded for a cash amount of 132,968,352 euros, resulting from adding the daily amounts.

On 28 July 2014, the closing price of the aforesaid shares was 0.368 euros, with a total of 3,154,516 shares traded for a cash amount of 1,154,900 euros

Which, on request of Ernst & Young, S.L., to have the appropriate consequences, is certified with the approval of the CHAIRMAN, in Madrid on 29 July 2014

**Approved  
THE CHAIRMAN**

[Illegible signature]

[Seal: SOCIEDAD  
RECTORA DE LA  
BOLSA DE VALORES  
DE MADRID]

**THE SECRETARY**

[Illegible signature]

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Registered Address: Pl. Pablo Ruiz Picasso, 1. 28020 Madrid – Registered with the Madrid Commercial Registry at Volume 12749, Book 0, Folio 215, Section 8, Sheet M-23123, Entry 116, tax identification code (C.I.F.) B-78970506