



TO THE COMISIÓN NACIONAL DEL MERCADO DE VALORES

In accordance with the provisions of the Ley de Mercado de Valores, Atresmedia Corporación de Medios de Comunicación, S.A. (Atresmedia Corporación) hereby notifies the following

SIGNIFICANT EVENT

The Ordinary Shareholders' General Meeting of Atresmedia Corporación, hold yesterday 24th April 2019, at first call, has adopted the following

AGREEMENTS

Agreements related to item 1 of the agenda

Annual accounts, management reports, allocation of the profit obtained and corporate management in connection with year 2018.

1.1. Approval of the annual accounts and management report of Atresmedia Corporación de Medios de Comunicación, S.A., both on an individual and on a consolidated basis, for the year ended on 31st December 2018.

Approval, in accordance with the provisions included in the legal documentation, of the annual accounts and management report of Atresmedia Corporación de Medios de Comunicación, S.A. as well as the consolidated annual accounts and management report for year 2018, as they have been formulated by the Board of Directors.

1.2. Approval of the Statement of non-financial information as at 31st December 2018, which forms part of the consolidated annual report.

Approval of the Statement of non-financial information as at 31st December 2018, which forms part of the consolidated annual report.

1.3. Approval of the proposal concerning the appropriation of the profit obtained in 2018.

Approval of the proposal concerning the appropriation of the profit obtained in 2018, considering that the net profit obtained, after the provision for corporate income tax for that year, amounted to 82,105 thousands of euros, that will be distributed in the manner and amount stated below:

- **Interim dividend:**

An amount of 44,988 thousands of euros shall be allocated to the payment of a dividend, which has been already distributed in full, as it corresponds to the interim dividend of 0.20 € which was paid on 19th December 2018, following a resolution adopted by the Board of Directors.

- **Voluntary reserves:**

The remaining amount of 37,117 thousands of euros shall be allocated to voluntary reserves.

1.4. Approval of the corporate management of the Company by the Board of Directors in 2018.

Approval of the corporate management of the Company by the Board of Directors in 2018.



Agreement concerning item 2 of the agenda

Approval of the distribution of an extraordinary dividend, to be charged against unrestricted reserves

Distribution of an extraordinary dividend, to be charged against unrestricted reserves, for a maximum amount of 56,443 thousands of euros, which is equivalent to euro 0.25 per share. This dividend would be paid on 20th June, and shall cover all the company shares, with the exception of treasury shares.

Agreement concerning item 3 of the agenda

Re-election of KPMG Auditores S.L. as the external auditor of Atresmedia Corporación de Medios de Comunicación, S.A. and its consolidated group of companies for year 2019.

Re-election of KPMG Auditores S.L. as the external auditor of Atresmedia Corporación de Medios de Comunicación, S.A. and its consolidated group of companies for year 2019.

This resolution is being submitted for approval to the General Meeting of Shareholders because the term of three years for which KPMG Auditores, S.L. was appointed as external auditors of the Company and its consolidated group ended in 2018. The Audit and Control Committee has submitted to the Board of Directors its proposal for re-election for year 2019, attaching a report which contains the appraisal and conclusions of the Board, according to which such re-election does not jeopardize the independence of the Auditors and there are no additional reasons or circumstances that might discourage it.

Agreements concerning item 4 of the agenda

Amendment of the corporate bylaws and approval of a consolidated text:

4.1. Article 44.- Remuneration of Directors.

Amendment of article 44 of the corporate bylaws, entitled "Remuneration of Directors", the new wording of which is included in the Report prepared by the Board of Directors, which has been attached as **SCHEDULE 1** and forms an integral part of this resolution for all purposes.

4.2. Article 45.- Remuneration Policy.

Amendment of article 45 of the corporate bylaws, entitled "Remuneration Policy", the new wording of which is included in the Report prepared by the Board of Directors, which has been attached as **SCHEDULE 1** and forms an integral part of this resolution for all purposes.

4.3. Approval of the consolidated text of the corporate bylaws.

Approval of the consolidated text of the corporate bylaws included in the report prepared by the Board of Directors, which has been attached as **SCHEDULE 1** and forms an integral part of this resolution for all purposes.

This amendment of articles 44 and 45 of the corporate bylaws of Atresmedia Corporación de Medios de Comunicación, S.A. is proposed to: (i) improve some aspects related to corporate governance and the legal technique used in the wording of both articles, clarifying the remuneration system in force for the directors of the company, especially in the case of executive directors; and (ii) with



this objective in mind, improve the article concerning the remuneration policy for directors.

The consolidated text of the corporate bylaws includes the amendments of articles 44 and 45, along with those which have been approved in prior years since the latest consolidated text of these legal regulations was approved, owing to efficiency and legal safety reasons.

Agreements concerning item 5 of the agenda

Appointment and re-election of directors.

Appointment and re-election of the dominical, executive and independent directors as indicated below, with the favourable report of the Board of Directors and the Appointments and Remuneration Committee.

5.1 Appointment of Mr Javier Bardají Hernando as executive director

Appointment of Javier Bardají Hernando as executive director of the Company, for a period of four years.

5.2 Re-election of Mr Mauricio Casals Aldama as nominee director

Re-election of Mr Mauricio Casals Aldama as director of the Company, for a period of four years, as nominee director proposed by the shareholder GRUPO PASA CARTERA, S.A.U. (sole-shareholder subsidiary of GRUPO PLANETA DE AGOSTINI, S.L.).

5.3 Re-election of Ms Aurora Catá Sala as independent director

Re-election of Ms Aurora Catá Sala as director of the Company, for a period of four years, as independent director.

5.4 Re-election of Mr José Creuheras Margenat as executive director

Re-election of Mr José Creuheras Margenat as director of the Company, for a period of four years, as executive director, without prejudice to his representation of the shareholder GRUPO PASA CARTERA, S.A.U. (sole-shareholder subsidiary of GRUPO PLANETA DE AGOSTINI, S.L.).

5.5 Re-election of Mr Marco Drago as nominee director

Re-election of Mr Marco Drago as director of the Company, for a period of four years, con la categoría de consejero dominical, a propuesta del accionista GRUPO PASA CARTERA, S.A.U. (filial unipersonal de GRUPO PLANETA DE AGOSTINI, S.L.).

5.6 Re-election of Ms María Entrecanales Franco as independent director

Re-election of Ms María Entrecanales Franco as director of the Company, for a period of four years, as independent director.

5.7 Re-election of Ms Patricia Estany Puig as independent director

Re-election of Ms Patricia Estany Puig as director of the Company, for a period of four years, as independent director.

5.8 Re-election of Mr Silvio González Moreno as executive director

Re-election of Mr Silvio González Moreno as director of the Company, for a period of four years, as executive director.

5.9 Re-election of Mr Nicolas de Tavernost as nominee director

Re-election of Mr Nicolas de Tavernost as director of the Company, for a period of four years, as nominee director proposed by the shareholder UFA FILM UND FERNSEH, GMBH (belonging to the RTL Group).



Once the aforementioned resolutions have been approved, as a result of the end of the term of office of Mr. Maurizio Carlotti as director of the Company, and considering the number of directors whose mandate remains in force, the Board of Directors will still be formed by twelve members, in accordance with the resolution adopted by the 2018 Ordinary General Meeting of Shareholders and within the limits established by the corporate by-laws.

Agreement concerning item 6 of the agenda

Approval of the Remuneration Policy for the Directors of the Company.

Approval of the Remuneration Policy for the Directors of Atresmedia Corporación de Medios de Comunicación, S.A. for years 2019, 2020 and 2021 according to the text contained in the Reasoned Report attached as **SCHEDULE 2**, which was originally prepared by the Appointments and Remunerations Committee and has been endorsed by the Board of Directors. The Policy contained in this report forms an integral part of this resolution for all purposes.

Agreement concerning item 7 of the agenda

Delegation of powers to formulate, construe, make good and enforce the resolutions adopted by the General Meeting, and to replace the powers granted to the Board of Directors by the Meeting.

To authorise the Board of Directors of the Company, as broadly as required by law and with express powers of delegation to the Chairman of the Board of Directors, the Chief Executive Officer, The Secretary and the Deputy Secretary of the Board, so that any of them, joint and severally, may indistinctly carry out any actions deemed appropriate in connection with the implementation, construction, amendment and full enforcement of the resolutions adopted by this General Meeting.

Agreement concerning item 8 of the agenda

Advisory vote on the Annual Report on the remunerations received by the Directors in 2018.

To vote, on an advisory basis, on the Report on the remunerations received by the Directors of Atresmedia Corporación de Medios de Comunicación, S.A. in 2018.

Madrid, 25th April 2019



SCHEDULE 1

REPORT PREPARED BY THE BOARD OF DIRECTORS OF ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A. CONCERNING THE PROPOSAL SUBMITTED TO THE GENERAL MEETING OF SHAREHOLDERS IN CONNECTION WITH THE AMENDMENT OF THE CORPORATE BYLAWS AND THE APPROVAL OF THE CONSOLIDATED TEXT

Justification of the proposal concerning item 4 of the agenda

The object of this report is to justify the proposal formulated by the Board of Directors of Atresmedia Corporación de Medios de Comunicación, S.A. (Atresmedia Corporación) for its further consideration by the General Meeting of Shareholders of the Company in connection with the amendment of the wording of articles 44 and 45 of the Corporate Bylaws and the approval of a rewritten text integrating it with other modifications approved by the General Meetings of Shareholders of previous years since the last approval of a single text of this legal standard, for reasons of legal certainty and efficiency.

The purpose of the proposed amendment is to adapt the wording of the aforesaid bylaw provisions, concerning the remuneration of directors and the remuneration policy, respectively, in line with the latest trends and recommendations in the area of good governance, and to clarify certain specific aspects of their wording.

The proposed amendment takes into account the contents of Judgement 98/2018, of the Spanish Supreme Court, dated 26 February 2018, despite the fact that a single ruling of such Court does not automatically establish a legal precedent, and without prejudice to the fact that the judgement does not give any opinion concerning the remuneration scheme to be paid to directors of listed companies.

Notwithstanding the foregoing, the detailed legal analysis made by the Supreme Court in connection with the general remuneration scheme set forth in arts. 217 and 249 of the Corporations Act which, on a general basis, can be applied to each and every company with share capital, has led the Board of Directors to take into account the doctrine contained on such judgment and remove any references found in the current wording to the category of directors "as such" and to include the remuneration scheme implemented for executive directors in the new wording of article 44 of the Corporate Bylaws; all these changes have been implemented in the interest of an increased clarity and transparency in the statutory regulation concerning the applicable remuneration scheme for directors.

Taking advantage of this change, the new wording proposed also includes certain technical details that contribute to the objective of improving the legal rule.

The amendment requires, for uniformity reasons and to preserve the consistency of the bylaws as a whole, the joint and co-ordinated drafting of articles 44 and 45 of the Corporate Bylaws. Article 44 relates to the remuneration of directors, and reflects and details the different remuneration schemes applicable (both to executive and external

directors), while Article 45 focus on the Remuneration Policy and regulates not only its contents and approval requirements, but also includes detailed information concerning the details of the contracts to be entered into by the Company with the executive directors.

The full text of Articles 44 and 45 of the Corporate Bylaws in double column format is included as **Appendix I** below. The left column shows the amendment proposed, highlighting the changes introduced in the current version, and the right shows both articles of the Corporate Bylaws, with the amendments that would be introduced in case that the general Meeting of Shareholders approves the proposed wording already included.

Also attached as **Appendix II** is the consolidated text of the Corporate Bylaws that is proposed for approval by the General Meeting of Shareholders.

APPENDIX I

PROPOSAL OF MODIFICATION CORPORATE BYLAWS	PROPOSED MODIFICATION
Article 44.- Remuneration of Directors	Article 44.- Remuneration of Directors
<p>1. The remuneration of scheme established for the Members Directors of the Board will be of a mixed nature, consisting of Company comprises a fixed sum and a variable sum, this latter in the form of cash payment and <u>The remuneration scheme established for the Directors of the Company comprises a fixed cash payment and</u> allowances for the attendance to the meetings of the Board and of its Committees. <u>The specific amounts shall be calculated in accordance with the provisions of the remunerations policy, which shall be approved by the General Meeting of Shareholders.</u></p>	<p>1. The remuneration scheme established for the Directors of the Company comprises a fixed cash payment and allowances for the attendance to the meetings of the Board and of its Committees. The specific amounts shall be calculated in accordance with the provisions of the remunerations policy, which shall be approved by the General Meeting of Shareholders.</p>
<p>2. For each fiscal year and for those fiscal years set out by the Meeting itself, the Shareholders' General Meeting will decide the amount of the remuneration either on an individual basis or fixing a maximum aggregate sum for each remuneration item or for both, and will be able to fix a different remuneration for each Director. Such resolution of the Meeting will be in force as far as it is not expressly amended by the General Meeting itself. Subject to the prior approval of the General Meeting, the remuneration of the Directors may also consist, <u>The remuneration of Directors may vary according to their dedication. Furthermore, the functions and responsibilities attributed to each director must be taken into consideration and, in any case, such remuneration shall</u></p>	<p>2. The remuneration of Directors may vary according to their dedication. Furthermore, the functions and responsibilities attributed to each director must be taken into consideration and, in any case, such remuneration shall abide by the policy in force from time to time.</p>

<p><u>abide by the policy in force from time to time.</u></p>	
<p><u>Executive directors shall be excluded from the remunerations scheme described in paragraph 1 above. The office of executive director shall also be a remunerated office, and they may be included in one of the following remuneration schemes, which shall be specified in the contract to be entered into with the Company and, in any case, shall be in accordance with the remunerations policy approved by the Meeting:</u></p> <p><u>a) A fixed remuneration in cash.</u></p> <p><u>b) A monetary remuneration of a variable nature, that will be subject to the achievement of the financial objectives to be established in accordance with the criteria established in the remuneration policy and, eventually, to the fulfilment of any other requirements.</u></p> <p><u>c) A remuneration in kind, that may comprise: (i) the underwriting of a life insurance policy; (ii) the underwriting of a health insurance policy covering the director and his/her immediate family; and/or (iii) the renting of a vehicle for his/her professional and/or personal use.</u></p> <p><u>d) A severance pay or compensation for early termination, according to the contractual clauses, of the relevant contract entered into by and between the Company and the executive Directors.</u></p>	<p>Executive directors shall be excluded from the remunerations scheme described in paragraph 1 above. The office of executive director shall also be a remunerated office, and they may be included in one of the following remuneration schemes, which shall be specified in the contract to be entered into with the Company and, in any case, shall be in accordance with the remunerations policy approved by the Meeting:</p> <p>a) A fixed remuneration in cash.</p> <p>b) A monetary remuneration of a variable nature, that will be subject to the achievement of the financial objectives to be established in accordance with the criteria established in the remuneration policy and, eventually, to the fulfilment of any other requirements.</p> <p>c) A remuneration in kind, that may comprise: (i) the underwriting of a life insurance policy; (ii) the underwriting of a health insurance policy covering the director and his/her immediate family; and/or (iii) the renting of a vehicle for his/her professional and/or personal use.</p> <p>d) A severance pay or compensation for early termination, according to the contractual clauses, of the relevant contract entered into by and between the Company and the executive Directors.</p>
<p><u>3. Notwithstanding the provisions of the previous paragraphs, of the assignment and subject to approval by the General Meeting, the remuneration of the</u></p>	<p>3. Notwithstanding the provisions of the previous paragraphs, and subject to approval by the General Meeting, the remuneration of the Directors may also</p>

<p><u>Directors may also comprise the delivery of shares or stock option rights, and of as well as a remuneration based on the price value of the Company shares of the Company.</u></p>	<p>comprise the delivery of shares or stock option rights, as well as a remuneration based on the value of the Company shares.</p>
<p>4. The remuneration as Director set out in this article will <u>stipulated herein shall be</u> compatible with, <u>and independent from the remaining professional payment of any fees or work remuneration of salaries that could be claimed by the Directors related to whatever executive or advisory services that they might render to the Company, other than the supervision and decision taking functions as Directors which will be subjected to the applicable legal system vis-à-vis the Company, either in connection with the rendering of services or as a result of any employment relationship, as appropriate, other than the supervision and decision taking functions that emanating from their office as directors which,</u> that will be subject to the legal scheme applicable legal system to them.</p>	<p>4. The remuneration stipulated herein shall be compatible with, and independent from the payment of any fees or salaries that could be claimed by the Directors vis-à-vis the Company, either in connection with the rendering of services or as a result of any employment relationship, as appropriate, other than that emanating from their office as directors, that will be subject to the legal scheme applicable to them.</p>
<p>5. <u>The Company will be authorised to underwrite a civil liability insurance for its Directors.</u></p>	<p>5. The Company will be authorised to underwrite a civil liability insurance for its Directors.</p>
<p>Article 45.- Remunerations Remuneration Policy</p>	<p>Article 45.- Remuneration Policy</p>
<p>1. The Shareholders' General Meeting shall approve At least every three years, and as a the General Meeting of Shareholders shall approve, as a separate item of the agenda, the <u>Directors' Remuneration Policy applicable to the Directors,</u> that will be in line, <u>as appropriate,</u> with the <u>Remunerations Scheme described indicated in the previous section article.</u> The remunerations policy applicable to</p>	<p>1. At least every three years, the General Meeting of Shareholders shall approve, as a separate item of the agenda, the Directors' Remuneration Policy, that will be in line, as appropriate, with the Remunerations Scheme indicated in the previous article. The Directors' Remuneration Policy shall be in force during the three years following the year on which it was approved by the General</p>

<p>the Directors will be valid for article. <u>The Directors' Remuneration Policy shall be in force during</u> the three years following the year on which it was approved by the General Meeting. Any amendment or replacement of such policy during said term shall require the prior approval of the Shareholders' General Meeting of Shareholders, in accordance with the procedure established for its approval in the applicable legislation and in the Regulations of the Board of Directors of the Company.</p>	<p>Meeting. Any amendment or replacement of such policy during said term shall require the prior approval of the General Meeting of Shareholders, in accordance with the procedure established for its approval in the applicable legislation and in the Regulations of the Board of Directors of the Company.</p>
<p>The remunerations policy applicable to the Directors of the Company, Directors' Remuneration Policy shall determine the calculate their remuneration to be paid to them, in their capacity as such, within the scope of the Remunerations Scheme foreseen <u>established</u> in these Bylaws, and shall include the maximum amount of the annual remuneration to be paid to the Directors, in their capacity as such. The Board of Directors shall determine for each item. <u>The remuneration to be paid to each Director, within the maximum limit quantitative limits established by the General Meeting, shall be determined by the Board of Directors, and to that effect, the Board shall take into account the functions and responsibilities assigned to each Director,</u> their presence participation in the Committees of the Board and other objective circumstances deemed relevant.</p>	<p>The Directors' Remuneration Policy shall calculate their remuneration within the scope of the Remuneration Schemes established in these Bylaws and shall include the maximum amount of the annual remuneration to be paid for each item. The remuneration to be paid to each Director, within the maximum quantitative limits established by the General Meeting, shall be determined by the Board of Directors, and to that effect, the Board shall take into account the functions and responsibilities assigned to each Director, their participation in the Committees of the Board and other objective circumstances deemed relevant.</p>
<p>The remuneration scheme applied shall be commensurate with the importance of the Company, the financial situation of the Company from time to time, and the market standards for similar companies <u>concerns</u>. Similarly, it will be focused</p>	<p>The remuneration scheme applied shall be commensurate with the importance of the Company, the financial situation of the Company from time to time and the market standards for similar concerns. Similarly, it will be focused on the</p>

<p>towards on the profitability and sustainability of the Company in the long term, and will avoid to-assume excessive risks risk-taking and to-reward the rewarding of unfavourable results.</p>	<p>profitability and sustainability of the Company in the long term and will avoid excessive risk-taking and the rewarding of unfavourable results.</p>
<p>2. The remuneration of Directors for the fulfilment <u>performance</u> of their executive roles <u>duties</u> shall be in line with <u>conform to the</u> remunerations policy applicable to such <u>the</u> directors, that <u>and</u> shall necessarily contemplate the amount of the fixed remuneration per annum and its changes during the applicable period <u>covered by such policy</u>, the different parameters considered for the calculation of the variable items and the main terms and conditions of their contracts, especially including comprising, in particular, their <u>the</u> effective term, indemnities and any compensations for dismissal or early termination of the labour relationship, <u>as well as any</u> and exclusivity agreements, non or post-contractual <u>non-competition agreements and minimum commitment and loyalty clauses</u>.</p>	<p>2. The remuneration of Directors for the performance of their executive duties shall conform to the remunerations policy applicable to such directors, and shall necessarily contemplate the amount of the fixed remuneration per annum and its changes during the period covered by such policy, the different parameters considered for the calculation of the variable items and the main terms and conditions of their contracts, comprising, in particular, their effective term and any compensations for dismissal or early termination of the labour relationship, as well as any exclusivity or post-contractual non-competition agreements and minimum commitment and loyalty clauses.</p>
<p>The Board of Directors shall establish the remuneration to be received by the Directors for the exercise of executive functions and The terms and conditions of their <u>contained in any</u> contracts with entered into between the Company, and any director who had been vested with executive functions shall be submitted to the Board of Directors for approval in accordance with the remunerations policy approved by the General Meeting. The contract shall detail all those items and the provisions contained in these Bylaws. <u>All the duties</u> that can be <u>entitle the</u></p>	<p>The terms and conditions contained in any contracts entered into between the Company and any director who had been vested with executive functions shall be submitted to the Board of Directors for approval in accordance with the remunerations policy approved by the General Meeting and the provisions contained in these Bylaws. All the duties that entitle the director to receive any remuneration for carrying out such executive functions shall be detailed in the Contract, including, as appropriate, any eventual compensation for the early</p>

<p>subject matter of a <u>director to receive any</u> remuneration for the performance of <u>carrying out such</u> executive functions <u>shall be detailed in the Contract</u>, including, if as appropriate, any eventual <u>indemnity compensation</u> for the early dismissal and <u>termination of such functions, as well as any form of remuneration in kind.</u> Directors will not be paid by the Company as insurance premiums or contribution to savings plans. In this context, Directors may not <u>entitled to</u> receive any remuneration for the performance of executive functions whose, <u>unless the relevant</u> amounts or concepts <u>related to such functions</u> have not been foreseen included in their contracts.</p>	<p>termination of such functions, as well as any form of remuneration in kind. Directors will not be entitled to receive any remuneration for the performance of executive functions, unless the relevant amounts or concepts related to such functions have been included in their contracts.</p>
<p>3. The Board shall prepare and publish an Annual Report on the remunerations received by its members, including those received or to be received in their capacity as Directors <u>by the mere of being one</u> and, if appropriate, for the fulfilment of executive functions. Such Annual Report on Remunerations shall include a complete, clear and understandable information on the policy related to the remunerations of Directors for the year under consideration. It shall also include a global summary on the application of the remunerations policy during the year under review, as well as detailed information on the individual remunerations accrued by each and every one of the Directors during the said year. The report shall be published <u>disclosed</u> by the Company as a Significant Event, simultaneously to <u>together with</u> the Annual report on Corporate Governance, and shall be subject <u>put</u> to the voting <u>vote</u></p>	<p>3. The Board shall prepare and publish an Annual Report on the remunerations received by its members, including those received or to be received by the mere of being one and, if appropriate, for the fulfilment of executive functions. Such Annual Report on Remunerations shall include complete, clear and understandable information on the policy related to the remunerations of Directors for the year under consideration. It shall also include a global summary on the application of the remunerations policy during the year under review, as well as detailed information on the individual remunerations accrued by each one of the Directors during the said year. The report shall be disclosed by the Company as a Significant Event, together with the Annual report on Corporate Governance, and shall be put to the vote of the Annual General Meeting of Shareholders, on a</p>

<p>of the Shareholders' Ordinary Annual <u>Annual</u> General Meeting <u>of Shareholders, on a consultative basis and</u> as a separate item of<u>on</u> the agenda and on a consultative basis. .</p>	<p>consultative basis and as a separate item on the agenda.</p>
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APPENDIX II

CONSOLIDATED TEXT OF THE CORPORATE BYLAWS

CHAPTER I.- NAME, OBJECT, TERM AND REGISTERED OFFICE

Article 1.- Name

The corporate name of the company is ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A. (hereinafter, "**ATRESMEDIA CORPORACIÓN**" or the "**Company**"). The Company will be governed by these By-laws and, as far as those issues not covered by them are concerned, it will be governed by the Corporations Act and other applicable legal provisions.

Article 2.- Corporate Object

1. The object of the Company is:
 - a) The rendering of all kinds of audiovisual communications services, in accordance with the provisions of the licence granted to the Company.
 - b) The exploitation of any kind of audiovisual communications services, irrespective of the broadcasting method.
 - c) The exploitation of any kind of printed media.
 - d) The exploitation of any kind of electronic media and any related and interactive services through any kind of computer means.
 - e) The production, purchase, sale, rental, publishing, reproduction, import, export, distribution, exhibition and financing of all kind of audiovisual works, irrespective of the technical media used, susceptible of being broadcast through cinematic, TV, video or any other audiovisual media.
 - f) The organization, production and broadcast of shows or news, sports, musical, cultural or any other events as well as the acquisition and marketing of any kind of rights related to such events.
 - g) The performance of activities and the rendering of services, surveys, analyses, promotion, programming, data processing and reports through any means related to any communications activities including, in any case, those related to any kind of television services.
 - h) The preparation of any kind of surveys, reports or analyses related to communications companies, media and systems, especially television, video, cinematic and multimedia companies, media and systems.
 - i) The intermediation in any kind of intellectual or industrial property rights markets as well as any activities directly or indirectly related to advertising, marketing, merchandising and any other commercial activities.
 - j) The preparation and execution of advertising projects and any tasks related to the contracting, mediation and broadcasting of any kind of advertising messages.
 - k) The promotion and remote sale of any product or service in any medium, either through clubs, mail, telephone, television or any other IT or audiovisual means.
 - l) The acquisition and exploitation, either by itself or through third parties, of any kind of equipment, devices, items, technical facilities and procedures related to the above activities, including the licence of patents and technological assistance.

- m) Any other services related to audiovisual communications which are not legally subject to any special requirements that are not met by the Company.
2. The activities listed above can be directly developed by the company, either wholly or partially, or indirectly through shareholdings in other companies with a similar object.

Article 3.- Term

The company is incorporated for an indefinite period of time. The company started its activities on the date of its registration with the Mercantile Registry.

Article 4.- Registered Office

1. The company has its registered office at Avenida de la Isla Graciosa nº 13, 28703, San Sebastián de los Reyes, Madrid.
2. The Board of Directors will be responsible for the transfer of the registered office within the national territory, and for the opening, closing or transfer of any branches, agencies or representative offices, either in Spain or abroad, deemed necessary or convenient for the activities of the Company.

CHAPTER II. CAPITAL STOCK AND SHARES

Article 5.- Capital stock

1. The capital stock amounts to EURO ONE HUNDRED AND SIXTY-NINE MILLION TWO HUNDRED AND NINETY-NINE THOUSAND AND SIX HUNDRED (EURO 169,299,600), represented by 225,732,800 shares, correlatively numbered from 1 to 225,732,800, both inclusive, with a face value of EURO SEVENTY-FIVE CENTS (0.75) each, accruable and indivisible, of a single class and with the same rights.
2. The shares consist of registered shares, and they have been fully subscribed and paid up. The shares are represented by book entries.

Article 6.- Representation of Shares and Registry and Information of Shareholders

1. The shares will be represented by book entries, and their accounting records will be in charge of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores (and the Company or Companies that, according to the legislation in force, are entrusted with such role), and will be governed by the regulations of the securities market and other legal provisions in force.
2. The Company, from time to time, may request to the company in charge of the accounting records of the shares any information deemed necessary for the identification of shareholders, including their addresses and contact information available, and will acknowledge as a shareholder any individual duly legitimated in the entries of such accounting records.

This same right will be also enjoyed by any associations of shareholders incorporated within the Company, and which represent at least one (1%) percent of the capital stock, as well as those shareholders who, either individually or jointly with others, have a shareholding of at least three (3%) per cent of the capital stock, exclusively for the purpose of facilitating the communications with shareholders, so that they may exercise their rights and defend their common interests.

3. In turn, the Company, through a resolution of the Board of Directors may establish a Registry of Shareholders to communicate with them.

Article 7.- Shareholders' Rights

The shares bestow on their legitimate holder the status of shareholder which implies for this latter the full compliance with the provisions of these By-laws and the Internal Regulations approved to develop such By-Laws, and of any resolutions validly adopted by the governing bodies of the Company. Furthermore, shareholders may exercise any rights inherent to such status, in accordance with these By-laws, the Internal Regulations and the legislation in force.

According to the law, and subject to the relevant legal exceptions, a shareholder will have at least the following rights:

1. To participate in the distribution of the corporate profits and in the relevant net worth after the winding-up.
2. The preferential subscription rights in the issue of new shares or debentures convertible into shares.
3. To attend and vote at the Shareholders' General Meeting, in accordance with the provisions of these By-laws and the Regulations of the General Meeting, and to contest the corporate resolutions.
4. To be kept informed about the status and the situation of the Company.
5. The Company will be entitled to issue shares with no voting rights attached, under the terms and conditions, and subject to the limits and requirements established by the applicable legislation.

Article 8.- Transfer of Shares

The shares and their inherent rights may be transferred through any legal means. The transfer of shares will always be subject to the terms and conditions set out by the applicable legislation in force.

Article 9.- Co-ownership of shares

The shares are indivisible. The co-holders of a share will be jointly and severally responsible vis-à-vis the Company for any liabilities derived from their condition as shareholders and will appoint one single person to exercise, in their name, the rights inherent to their condition as shareholder. The same rule will be applicable to the co-ownership of rights on the shares.

Article 10.- Usufruct of shares

In the case of usufruct of shares, the remainder person will be considered the shareholder. However, the beneficial owner will be always entitled to receive any dividend distributed by the Company during the usufruct period. The remainder person will be entitled to exercise the remaining shareholder's rights, and the beneficial owner will be obliged to facilitate the exercise of such rights to the remainder person. The relationships between the beneficial owner and the remainder person will be governed by the document which states the usufruct and, in the absence of such document, by the Provisions of the Law on Capital Companies and, otherwise, by the applicable civil legislation.

Article 11.- Pledge and seizure of shares

In case that the shares are pledged or seized, the owner of the shares will exercise the rights of the shareholder and the secured creditor will be obliged to facilitate the full exercise of such rights.

Article 12.- Payments pending on shares

When there are partly paid up shares, the shareholder will have to pay them in full when so determined by the Board of Directors, within a maximum term of five (5) years from the date of approval of the Capital Increase resolution.

Article 13.- Shares without voting rights and redeemable shares

1. The Company may issue shares without voting rights, for a nominal amount not exceeding fifty percent of paid-up capital stock. The holders of non-voting shares will be entitled to those rights established in the issue resolution, in accordance with the provisions established by the applicable legislation.
2. The Company, according to the legislation in force, may issue redeemable shares for a nominal amount not exceeding twenty five percent (25%) of the capital stock. Redeemable shares will bestow their holders those rights established in the issue resolution, in accordance with the provisions established by the applicable legislation.

Article 14.- Capital Increase

1. The Capital Stock of the Company may be increased through a resolution of the General Meeting, either through the issue of new shares or through an increase in the nominal value of the existing shares and, in both cases, the counter value may be obtained through new monetary or non-monetary contributions to the corporate net worth or charged to profits or reserves already existing in the last approved balance sheet. Furthermore, the capital increase may also be carried out partly through new contributions and partly charged to profits or reserves.
2. If the capital increase is not fully subscribed within the term established to that effect, the capital stock will be increased by the amount actually subscribed, provided that such possibility had been expressly foreseen in the relevant resolution.
3. The General Meeting, subject to the requisites established for the amendment of the By-Laws, may delegate to the Board of Directors the power to agree, in one or several occasions, and during a maximum term of five years, the increase of Capital Stock, up to a specific threshold, at the time and for the amount decided by the Board, without the need to previously consult it to the General Meeting, and subject to the limitations established by the legislation in force. Such delegation of powers may also include the faculty to exclude any preferential subscription right.
4. The General Meeting may also delegate to the Board of Directors the power to establish the dates on which the capital increase resolution must be executed for the amount agreed, and to lay down the conditions of such resolution, as far as they have not been laid down in the resolution adopted by the Shareholders' General Meeting.
5. The Shareholders' General Meeting or, if appropriate, the Board of Directors, may fully or partially exclude the preferential subscription right in honour of the corporate interests, in those cases and subject to the conditions established by the applicable legislation. Specifically, corporate interests may not justify the cancellation of the preferential subscription right when it is necessary to facilitate (i) the underwriting of the new shares in foreign markets that allow to access sources of funding; (ii) the raising of funds through the employment of underwriting techniques based on demand surveys and intended to maximize the issue price of the shares; (iii) the incorporation of technological or financial shareholders; (iv) the implementation of Loyalty and Remuneration Schemes for Directors, Managers or Employees and (v) in general terms, to carry out any transactions deemed convenient for the Company.

Article 15.- Capital Decrease

1. The Capital Stock may be decreased through a reduction in the nominal value of the shares, through the redemption of the shares or through their grouping for exchange purposes and, in all cases, the intended purpose of any capital

decrease may be the return of their contribution to the shareholders, the cancellation of the obligation to pay the contributions outstanding, the establishment or increase of the reserves or the re-establishment of the balance between the capital stock and the company's net worth, reduced as a result of losses.

2. The Shareholders' General Meeting may agree, in accordance with the provisions of Article 329 of the Corporations Act, to decrease the Capital Stock in order to redeem the shares held by a group of shareholders, provided that such group has been defined on the basis of substantive, homogeneous and non-discriminatory criteria. In such a case, it will be necessary that this measure is approved by a majority of the shareholders involved and by a majority of the rest of shareholders who remain as shareholders of the Company. The amount to be paid by the Company may not be lower than the value of the shares, as determined by an auditor who is not the Company's Auditor, appointed to that effect by the Commercial Registry in accordance with the provisions of Article 353 of the Corporations Act.

Article 16.- Issue of debentures and other securities

1. The Shareholders' General Meeting will be entitled to issue simple or convertible debentures and/or exchangeable debentures, as well as other negotiable securities that represent the acknowledgement of a debt, according to the regulations in force. However, the Shareholders' General Meeting, in accordance with the provisions of the legislation in force, may delegate such power to the Board of Directors and, if appropriate, the power to exclude the preferential subscription right. The Board of Directors may use such delegation of powers in one or more occasions, during a maximum term of five years. The Shareholders' General Meeting may also authorise the Board to determine the date of the issue and to establish any other terms and conditions not included in the resolution adopted by the Shareholders' General Meeting.
2. Convertible and/or exchangeable debentures may be issued at a fixed (determined or determinable) or variable conversion or exchange ratio. The issue resolution will determine whether the right to execute the conversion or exchange corresponds to the debenture holder or to the Company or, if appropriate, whether such conversion or exchange will occur at a certain time, as well as the remaining terms and conditions of the issue.
3. The Company may issue promissory notes, warrants, preference shares or any other securities different from those foreseen in the previous paragraphs, subject to the requirements of the applicable regulations. The Shareholders' General Meeting may delegate to the governing body the power to issue such securities. Furthermore, the Shareholders' General Meeting may also authorise the Board of Directors to determine the date of the issue and to establish any other terms and conditions that are not included in the resolution adopted by the Shareholders' General Meeting.

CHAPTER III.- BODIES OF THE COMPANY

Article 17.- Bodies of the company

1. The Company will be governed and administered by the corporate bodies set out in this chapter, and they will have the faculties and powers granted by the Law and these By-laws, the Shareholders' General Meeting Regulations and the Board of Directors' Regulations, and their exercise will be subject to the regulations and procedures established by the applicable regulations.

2. For the purposes of this chapter, the Corporate Bodies will comprise the Shareholders' General Meeting and the Board of Directors, without prejudice to the faculty enjoyed by this latter to delegate its powers to a Management Committee and/or one or several Managing Directors, and to create other internal committees.

First Section. - THE SHAREHOLDERS' GENERAL MEETING

Article 18.- General Meeting

1. The shareholders present at a duly summoned General Meeting will decide by majority of votes, on all issues that are the competence of the Meeting. All shareholders, even dissident shareholders and those shareholders who are not present at the meeting, will be bound by the resolutions of the General Meeting, with the exception of the separation and objection rights set out by the law.
2. The General Meeting will be governed by the Legislation in Force and the provisions of these By-Laws. These regulations will be developed and completed with the Shareholders' General Meeting Regulations that will detail, among other aspects, the system followed to convene the Meeting and all issues related to its preparation, information, attendance and development, as well as the exercise at the Meeting of the political rights of shareholders. Any amendments to the Shareholders' General Meeting Regulations must be approved by the Meeting.
3. The Company will guarantee at all times an equal treatment to all those shareholders that are subject to identical conditions, especially in the context of information, participation and the exercise of the voting rights at the meeting.

Article 19.- Faculties of the General Meeting

The General Meeting will decide on all issues of its competence in accordance with the provisions of the Law and these By-laws, especially in the following cases:

- a) The appointment and dismissal of the Directors, Liquidators and Auditors, and the exercise of any action for corporate liability against any of them.
- b) The approval of the corporate management, the accounts for the previous year and the allocation of the results.
- c) The increase and decrease of the capital stock.
- d) The issue of debentures and other securities.
- e) The amendment of the Corporate By-laws.
- f) The restructuring, merger, split-off, global assignment of assets and liabilities of the Company and the transfer of the Registered Office abroad.
- g) The transformation of the Company into a holding through "subsidiarisation", i.e. reallocating to subsidiaries core activities that were previously carried out by the originating firm, even though the latter retains full control of the former.
- h) Any purchase or disposal of essential assets, or their assignment to another company. Essential assets will be understood as those whose amount exceeds twenty-five (25%) percent of the value of the assets included in the last balance sheet approved.
- i) Transactions that effectively add up to the company's winding up.
- j) The winding up of the Company.
- k) The suppression or limitation of the preferential subscription right for new shares.

- l) The approval of the final winding-up balance sheet.
- m) The approval and the amendment of the Shareholders' General Meeting Regulations.
- n) The assignment to subsidiaries of essential activities that were developed by the originating Company up to that time, even though this latter still controls the former ones. Essential operating assets and activities will be understood as those whose turnover exceeds twenty five percent (25%) of the value of the assets included in the balance sheet.
- o) The remuneration policy applied to the Directors.
- p) Any other issue that the Board of Directors decides to submit to its consideration and decision.

Article 20.- Types of General Meetings

1. General Meetings may be ordinary or extraordinary and will be convened by the Board of Directors or, if appropriate, by the liquidators of the Company.
2. The Ordinary Meeting must be convened within the first six months of each year to approve, if appropriate, the corporate management and the accounts for the previous year, and to decide on the allocation of the results as well as on any other item included in the Agenda.
3. Any meeting different from the Ordinary Annual Meeting will be considered an Extraordinary Meeting.

Article 21.- Summons

1. General Meetings will be summoned by the Board of Directors or, if appropriate, by the Receivers of the Company, through an advert inserted in the Official Gazette of the Commercial Registry (BORME) or in one of the major Spanish daily newspapers, on the website of the CNMV and on the Company's website, at least one month before the date fixed for the holding of the meeting, or the term set out by the Law or the By-laws for special circumstances.
2. The advert will include the name of the Company, the place and the date on which the meeting has been convened in first call, the Agenda, including all those items that will be dealt with, the office held by the person or persons that have convened the meeting and any other mentions or information that must be legally notified by listed companies.
3. The date fixed for the second call can also be included in the advert, if appropriate, and such date will be at least twenty-four (24) hours after the date scheduled for the first call.

If a General Meeting, irrespective of its type, which had been duly convened, could not be held in first call, and the announcement does not include a scheduled date for the second call, the holding of the meeting in second call will be announced, including the same Agenda and subject to the same publicity requirements as the first call, within a term of fifteen (15) days from the date of the Meeting not held and at least ten (10) days before the scheduled date of the meeting.

4. Only those issues included in the Agenda will be discussed by the General Meetings, with the exception of those that are legally permitted.
5. Shareholders who represent at least three percent (3%) of the capital stock may request to publish a complement of the summons of the Shareholders' General Meeting, including one or more points in the Agenda, provided that such new points include a justification or, if appropriate, a grounded resolution proposal. This right, which cannot be exercised in connection with Extraordinary

Meetings, should be exercised through an official notice that must be received at the official address within a term of five (5) days from the publication of the summons.

The complement of the summons must be published at least fifteen (15) days before the dated fixed for the holding of the Meeting. It shall also be uninterruptedly published on the Corporate Website, in accordance with the provisions of the applicable legislation.

If the complement of the summons is not published within the term legally established, this will entail the nullity of the Meeting.

6. Shareholders who represent at least three percent (3%) of the capital stock may submit, within a term of five (5) days after the publication of the summons, grounded resolution proposals on issues already included or to be included in the Agenda of the convened Meeting.

The Company will guarantee that such proposals and the documentation attached, if any, are divulged among the remaining shareholders as soon as they are received, by posting them uninterruptedly on the Company's website, according to the Regulations in force.

Article 22.- Summons of the Extraordinary General Meeting

1. The Board of Directors may convene an extraordinary general meeting whenever deemed fit in the company's interests. The directors must likewise convene an extraordinary general meeting upon requisition by shareholders holding at least three percent (3%) of the capital stock, setting out the businesses to be transacted at the meeting. In this event, the meeting must be convened so that it is held within a term of two (2) months following the date on which the relevant notarized request was sent to the Board of Directors. The Board will draw up the agenda, which must include the businesses indicated in the requisition.
2. Without prejudice to the above, when the Company offers its shareholders the effective possibility of casting their votes through electronic means that are available for all of them, Extraordinary General Meetings may be convened at least fifteen (15) days in advance, subject to the requirements set out by the legislation in force and the Shareholders' General Meeting Regulations.

Article 23.- Information Right of Shareholders

1. Up to five days before the date fixed for the meeting, shareholders may request from the directors any information or clarifications considered necessary or submit any questions in writing deemed appropriate in connection with the subjects included in the agenda. Similarly, shareholders may request to the Directors, in writing, any clarifications deemed appropriate about the information available to the public and forwarded to the Comisión Nacional del Mercado de Valores after the holding of the last General Meeting and the Auditor's Report.

The Directors will be obliged to provide information in writing up to the date on which the General Meeting will be held.

2. Additionally, during the holding of the meeting, shareholders may verbally request any clarification or information considered appropriate about the subjects or information referred to in the previous paragraph. If it is not possible to deliver such information at that time, the directors will have to forward such information in writing within a term of seven (7) days after the closing of the meeting.

3. The Directors will be obliged to provide the information referred to in connection with the two previous paragraphs, except in those cases where such information is not required for the protection of the rights of shareholders, or there are objective reasons to consider that it could be used for other than corporate purposes or it could go against the interests of the Company or its affiliates.

The information will have to be compulsorily provided when it has been requested by a number of shareholders which represents, at least, one fourth (25%) of the capital stock. In case of a detrimental or abusive use of the information requested, the shareholder who request it will be responsible for any damages caused.

Notwithstanding the foregoing, the directors will not be obliged to answer any question posed by the shareholders when the information requested is clearly and easily available for all shareholders on the corporate website, under a "question-answer" format.

4. Without prejudice to the above, from the time of the summons and until the General Meeting is held, the Company shall publish on the corporate web site, on an uninterrupted basis, the information which is legally required from listed companies, as well as any other information deemed convenient by the Board of Directors, and the Notice of the Summons will indicate the channels available to obtain such information or documents.

Especially, valid requests of information, clarifications or any other questions posed in writing, as well as the written answers provided by the directors will be included in the Corporate Website.

Article 24.- Quorum

1. The Ordinary or Extraordinary General Meeting will be validly constituted in first call when the shareholders present or represented hold at least twenty five percent (25%) of the subscribed capital with voting rights. In second call, the Meeting will be validly held irrespective of the capital present.
2. The absence of any shareholders, once the General Meeting has been validly constituted, will not affect the holding of such Meeting.

Article 25.- Quorum. Special Cases

Notwithstanding the provisions of the previous article, to enable the Meeting to validly approve the issue of debentures, the increase or decrease of the capital stock, the suppression or limitation of the preferential right to subscribe new shares, the restructuring, merger, split-off, global assignment of assets and liabilities and the restructuring of the Company, the transfer of the Registered Office abroad or any other amendment of the By-Laws, at least fifty percent (50%) of the subscribed capital with voting rights must be either present or represented in first call. In second call, the presence of twenty five percent (25%) of the subscribed capital with voting rights will suffice.

Article 26.- Attendance Right

1. General Meetings may be attended by shareholders who hold shares at least four hundred (400) shares, provided that such shares have been registered in their name in the relevant book five (5) days before the date of the General Meeting and this is evidenced through the relevant attendance card or certificate issued by any of the entities belonging to the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores or in any other form admitted by the legislation in force.

2. Without prejudice to the above, shareholders who hold a lower number of shares may at any time delegate their representation to a shareholder entitled to attend the Meeting, or they can group with other shareholders who are in the same situation until the necessary number of shares is reached. In such a case, they will be represented by one of them. The grouping must be a special one for each Meeting and be duly evidenced in writing.
3. The members of the Board of Directors will attend the General Meetings unless such attendance is prevented by any duly justified reasons. However, their attendance will not be necessary for the valid constitution of the Meeting.
4. The managers and any other persons who have a direct interest in the proper course of the corporate business can be authorized by the Chairman of the Board of Directors to attend the General Meeting. The Chairman may also invite guests and media professionals. However, such authorisation may be revoked by the General Meeting.

Article 27.- Representation

1. Any shareholder entitled to attend can be represented at the General Meeting by any other person, whether a shareholder or not. The representation can be granted in writing or by post or e-mail, in accordance with the terms and within the scope set out by the legislation in force, provided that the identity of the shareholder to be represented and of the appointed representative or representatives, as well as the security of communications, are duly guaranteed. The representation must be especially granted for each Meeting, in accordance with the terms and within the scope set out by the Corporations Act and the Shareholders' General Meeting Regulations.

This last requisite will not be applicable when the representative is the spouse, ascendant or descendant of the shareholder represented; it will be neither applicable when the representative holds a general power that entitles him to administer the net worth owned in the national territory by the shareholder represented.

2. In case that the representation has been granted by mail or e-mail, the provisions established in Article 31 of these by-laws for the casting of votes through such means will be of application, as long as they are compatible with the nature of the representation granted.
3. The representation can be always revoked. The personal attendance of the shareholder to the Meeting, or the remote casting of votes after the date on which the representation was granted will represent an actual revocation of such representation.
4. The Chairman and the Secretary of the General Meeting will enjoy the broadest legal powers to admit the proxy and will only reject a proxy if it does not meet the minimum unavoidable requisites and such defect cannot be cured.

Article 28.- Venue and time of the meeting. Extension and suspension

1. The General Meeting of Shareholders will be held at the venue stated in the notice of summons, within the municipality where the registered office of the company is located, on the date and at the time specified in such notice of summons.
2. The General Meeting may extend its sessions during one or more consecutive days and, in any case, it will be understood that it is a single General Meeting of Shareholders, and a single set of minutes shall be drawn up for all sessions.
3. The General Meeting may be also temporarily suspended in the cases and in the manner foreseen by the General Meeting Regulations.

Article 29.- Chairman and Secretary of the Meeting. Presiding Committee of the Meeting.

1. In the Ordinary and Extraordinary General Meetings, the Chairman and the Secretary of the Board of Directors will act as Chairman and Secretary of such Meetings. In the absence or impossibility to attend the meeting on the part of the Chairman, the meeting will be chaired by one of the Deputy Chairmen of the Board of Directors, following the relevant order if there are several Deputy Chairmen. In the case of non-existence or absence of a Deputy Chairman, the senior Director will act as Chairman and, in the case of the same seniority, the older one will act as Chairman. In the absence or impossibility to attend the meeting on the part of the Secretary, a Deputy Secretary will act as Secretary, following the relevant order if there are several Deputy Secretaries and, in their absence, the junior Director will act as Secretary. In the case of the same seniority, the youngest director will act as Secretary.
2. The Presiding Committee of the Meeting will be formed by the Chairman and the Secretary, and by those members of the Board of Directors present at the Meeting. The Presiding Committee will help the Chairman to perform his/her duties.

Article 30.- Preparation of the List of Attendants

1. Once the Presiding Committee has been appointed, and before discussing the Agenda, a list of attendants will be prepared, indicating the status or representation of each attendant and the number of own or third parties' shares represented. The number of attendants will be indicated at the end of the list (including those shareholders who cast their votes remotely in accordance with the provisions of the legislation in force and the Shareholders' General Meeting Regulations), or by proxy, as well as the capital stock held by them. The list can be prepared either manually or incorporated into a recordable medium. In both cases, the method chosen will be indicated in the Minutes and the Secretary, with the approval of the Chairman, will attach to the sealed cover sheet of the relevant folder or medium used the relevant certificate of identification which, if appropriate, shall be authenticated by a Notary Public.
2. Once the list has been dressed, the Chairman will declare whether the requisites called for to validly constitute the Meeting have been complied with. Any doubts or claims presented in this respect will be solved by the Secretary. Subsequently, if appropriate, the Chairman will declare the Meeting validly constituted.

Article 31.- Development of the Meeting and Approval of Resolutions

1. The Chairman, in accordance with the provisions of the Shareholders' General Meeting Regulations, will chair the Meeting so that the discussions are held in accordance with the Agenda and will solve any doubts raised about its contents; when deemed appropriate, the Chairman will give the floor to the shareholders that request it and will withdraw the right to speak when he considers it advisable; the Chairman will indicate when the voting of the resolutions will take place and will inform about the relevant result.
2. The voting of the Resolutions by the attendants at the General Meeting will be in accordance with the provisions of these By-Laws and the Shareholders' General Meeting Regulations.

Those shareholders who are entitled to cast their votes at the meeting may exercise such right by mail, by e-mail or through any other remote communications means determined, if appropriate, by the Board of Directors, upon the summons of the Meeting, according to the Regulations that govern

the operation of the General Meeting, and provided that the identity of the shareholder who exercises his/her right to vote is properly guaranteed. Those shareholders who have remotely cast their votes will be considered present, for the purposes of the constitution of the General Meeting.

3. Each share present or represented at the General Meeting will give right to cast one vote, unless they are shares without voting rights, in accordance with the law.
4. The corporate resolutions will be approved by a simple majority of votes of those shareholders present or represented, and it will be understood that a resolution has been adopted when the favourable votes of the share capital present or represented exceed the number of unfavourable votes, except in those cases set out in the By-laws and the legislation in force that call for a specific majority.

In this context, and for the adoption of those resolutions that call for the special quorum set out in Article 25 of these By- laws, if the share capital present or represented exceeds (50%) an absolute majority of votes will suffice for the approval of the resolution. However, the favourable vote of two thirds of the Capital Stock present or represented at the Meeting will be required in second call, in case that the Meeting is attended by shareholders who represent twenty-five per cent (25%) or more and less than fifty per cent (50%) of the subscribed capital with voting rights.

5. The resolutions approved, and the result of the ballots will be published in full in the Corporate Website within a term of five (5) days following the closing of the General Meeting.

Article 32.- Minutes and Certificates

1. The discussions and resolutions of the General Meeting will be included in the Minutes, as well as all the information required by the Law and the Regulations of the Commercial registry. Once the Minutes have been approved in accordance with the Law, they will be incorporated into the Book of Minutes and signed by the Secretary with the approval of the Chairman or the persons who have acted as such at the Meeting.
2. The Minutes of the Meeting can be approved at the end of the Meeting by the Meeting itself or, alternatively, within a term of fifteen (15) days by the Chairman and two Controllers, one representing the majority and the other one the minority shareholders.

The Minutes approved in any of these two manners will be enforceable as from the date of their approval.

3. The Secretary, and in his/her absence, the Deputy Secretary, will be responsible for certifying the Minutes and the resolutions of the General Meetings, and for their execution and conversion into a public deed, with the approval of the Chairman and, if appropriate, the Vice Chairman. Furthermore, any of the members of the Board of Directors who has been expressly empowered to that effect, provided that his/her office is in force and registered with the Commercial registry, may convert the corporate resolutions into a public deed.
4. The Directors may require the presence of a Notary Public to take the Minutes of the Meeting and they will have to do so provided that this has been requested, at least five (5) days before the date scheduled for the Meeting, by shareholders who represent at least one per cent (1%) of the capital stock. The fees of the Notary Public will be paid by the Company. The certificate of the Notary Public will be considered the Minutes of the Meeting, and the resolutions

included in such certificate will be enforceable as from the date of its completion.

Second Section. - THE BOARD OF DIRECTORS

Article 33.- The Board of Directors

1. The Board of Directors is the body in charge of managing and representing the Company judicially and extra-judicially, with full powers, and of exercising any powers not expressly reserved to the General Meeting by virtue of the Law or these By-laws.
2. The Board of Directors will be governed by the applicable legal rules and these By-Laws. Furthermore, the Regulations of the Board of Directors will contain the rules related to the operation and internal procedures of the Board, its Members and Committees, and the rules that govern the conduct of its members. The General Meeting shall be kept informed about any amendments introduced in the Regulations of the Board of Directors.
3. The General Meeting may not give any instructions to the Board of Directors and the adoption of any decision or resolution regarding specific management issues will not be subject to the authorisation of the General Meeting, without prejudice to the provisions established by the legislation in force.

Article 34.- Composition of the Board

1. The Board of Directors will be formed by a minimum of five (5) and a maximum of fifteen (15) members. Directors may be Executive or Non-executive directors. Directors included in this category may be Nominee Directors, Independent Directors or other External Directors. These terms shall have the meaning assigned to them by the legislation in force and the specifications provided by the Board of Directors.
2. The General Meeting shall determine the number of Directors, as well as their appointment, re-election, ratification and dismissal.
3. Notwithstanding the above, the Board of Directors is empowered to provisionally cover any vacancies by legally appointing the relevant persons that will fill such vacancies until the next General Meeting is held, unless it had been already convened, in which case, the Board of Directors may appoint a Director until the next general Meeting is held.
4. It is not necessary to be a shareholder to be appointed as Director.
Directors may be individuals or companies. In case that a legal entity is appointed director, such legal entity, in turn, shall appoint an individual who permanently performs the duties of such office. The dismissal of its representative by the Director Legal Entity will not be effective until a new representative has been appointed.
Those individuals included in the prohibitions and incompatibilities established by the applicable legislation and the Regulations of the Board of Directors may not be Directors. Furthermore, such limitations shall also be of application to those individuals acting as representatives of Directors that are legal persons.
5. The proposal for the appointment or re-election of independent directors corresponds to the Appointments and Remunerations Committee. In the remaining cases, the proposal corresponds to the Board itself.
6. The Board of Directors, in the performing of its duty to submit to the approval of the General Meeting any proposal for the filling of any vacancy, or to fill such vacancies through co-optation, will make every effort so that Non-Executive

Officers represent a broad majority of the members of the Board, when compared with Executive Officers.

Additionally, the Board of Directors will try that the procedures implemented for the selection of its members foster the diversity of genders, experiences and qualifications, and are not implicitly biased so that they may imply any kind of discrimination and, specifically, they favour the selection of Women directors.

Article 35.- Term of Office of the Directors

1. The members of the Board of Directors will hold their office for a term of four (4) years from their respective appointment. The Directors may be re-elected for similar periods one or several times.
2. The appointment of the Directors will expire, once their term of office has lapsed, upon the holding of the next General Meeting or upon the expiration of the legal term to hold the meeting that will decide on the approval of the accounts of the previous year. In this context, those Directors whose appointment has expired will perform the functions they were exercising up to that time.
3. The directors appointed by co-optation will hold their office until the next General Meeting is held, and their appointment, if appropriate, must be ratified at such Meeting. However, if the vacancy occurs once the General Meeting has been summoned, but before it has been held, the Board of Directors may appoint a Director until the next general Meeting is held.

Article 36.- Summons and Quorum of the Meetings of the Board of Directors

1. The Board will always meet when so required by the corporate interests and, at least, once every two (2) months. The meeting will be convened by the Chairman. However, the Secretary and, in his/her absence, a Deputy Secretary may also convene the meeting in accordance with the instructions received from the Chairman.
2. The meeting of the Board will be convened in writing (by fax, e-mail, letter), attaching the relevant Agenda, at least five (5) days before the date of the meeting, except in case of urgency, in the opinion of the Chairman. In such a case the meeting will be convened with a prior notice of 24 hours.
3. The Board will hold an extraordinary meeting at the initiative of the Chairman or any person who substitutes him, or at the request of one third of the directors or of the Co-ordinator Director, if appropriate, indicating the agenda of the meeting.

In these cases, if the Chairman, without a valid reason, does not convene the meeting within a term of one month, the Meeting of the Board may be convened by those Directors who had requested it according to the previous paragraph, indicating the relevant items of the agenda, and the Meeting will be held at the city where the registered office of the Company is located.

4. The meetings of the Board of Directors will be held at the Registered Office of the Company, or at the venue stated in the summons; however, the meetings of the Board may also be held via video conference, conference call or any other means which guarantees the real-time recognition, identification and permanent communications among the attendants, irrespective of the place where they are, as well as their interventions and casting of votes. In this latter case, the resolutions will be considered approved on the place where the Chairman is located.

5. The Board will be validly constituted, without a prior summons, if all the Directors are present or represented and unanimously accept to hold the meeting of the Board.

The Board of Directors may also adopt its resolutions in writing (including a prior fax or e-mail message and the subsequent forwarding of the original, by mail), without the need of holding a meeting, provided that no Director objects such procedure.

All the Directors must attend the meetings to be held, except in the case of justified reasons. The Directors absent may grant their representation to another Director, in writing and on a case-by-case basis. However, Non-executive directors may only be represented by another non-executive director.

6. The Board will be validly constituted when the Meeting is attended by a majority of Directors, either present or represented.

Article 37.- Adoption of Resolutions by the Board of Directors

1. The resolutions will be adopted by a majority of votes of the Directors attending the meeting, either present or represented, except in those cases that the law or these By-Laws call for the favourable vote of a higher number of Directors for certain resolutions to be valid.
2. It will be considered that the Directors present are those that physically are present at the meeting and those who personally participate through any of the media referred to in the previous Article.
3. All the Directors may cast their vote and grant their representation to another Director. However, Non-Executive Directors may only be represented by another Non-Executive Director. Such representation will be specially granted for the specific meeting of the Board referred to in the relevant voting instructions and may be notified through any of the media referred to in the previous Article.
4. Directors shall refrain from participating in the discussion and voting of resolutions where the said director or a related party has a direct or indirect conflict of interest. The above liability will exclude those resolutions or agreements that affect him/her in his/her capacity as Director, such as his/her appointment for or removal from any offices in that administration body or in other analogous bodies..
5. The discussions and resolutions of the Board will be recorded in the Minutes signed by the Secretary, with the approval of the Chairman, or by those persons who have replaced them in the relevant meeting. The Minutes will be included or transcribed in the book of Minutes which can be different from the Book of Minutes of the Shareholders' General Meeting. In the case of votes in writing and without holding a meeting, the resolutions adopted, and the votes cast in writing will also be included in the Book of Minutes.
6. The Minutes will be approved by the Board of Directors itself, either at the end of the meeting or at a subsequent meeting.

Article 38.- The Chairman and the Secretary

1. Subject to a prior report issued by the Appointments and Remunerations Committee, the Board will elect among its Directors a Chairman and one or more Deputy Chairmen. In the case among its members. In case that several Deputy Chairmen are appointed, they will be correlatively numbered. The Deputy Chairman will replace the Chairman either by delegation or in case of absence or illness. In the event that there were several Deputy Chairmen, the Chairman will be replaced by the appropriate Deputy Chairman, following the

relevant numbering. In any case, the Deputy Chairmen will perform the functions and hold the powers deemed appropriate by the Board or by the Chairman.

2. Apart from the powers conferred by the legislation and these corporate by-laws, the Chairman of the Board will hold the following powers:
 - a. To convene and chair the meetings of the Board of Directors, fixing the agenda of the meetings and conducting the relevant discussions.
 - b. Unless these bylaws state otherwise, to Chair the General Shareholders' Meeting.
 - c. To ensure that the Directors receive sufficient information, well before the relevant meeting, to discuss the points included in the Agenda.
 - d. To encourage the discussions and the active participation of the Directors during the meetings of the Board, safeguarding their free expression of their opinion.
3. The Office of Chairman of the Board of Directors may be held by an Executive Director. In this case, the appointment of chairman will call for the favourable vote of two thirds of the members of the Board of Directors.
4. When the Chairman is also an executive Director, the Board of Directors, with the abstention of the Executive Directors, shall necessarily appoint a Coordinator-Director among the independent Directors, and such director will be especially empowered to request the summons of a meeting of the Board of Directors or the inclusion of new items in the Agenda of a Meeting of the Board which has been already summoned, to co-ordinate and the work of non-executive directors and manage, if appropriate, the periodical assessment of the Chairman of the Board of Directors.
5. Subject to a prior report issued by the Appointments and Remunerations Committee, the Board of Directors shall appoint one or several Deputy Secretaries, correlatively numbered. 4. The Secretary and, if appropriate, the Deputy Secretaries will only have a right to vote in case that they are Directors. This procedure will also be followed to agree the removal of the Secretary and, if appropriate, each Deputy Secretary, from their offices.
6. Apart from the functions set out by the Law and the Corporate By-laws, or the Board of Directors Regulations, the Secretary of the Board will custody the corporate documentation and shall draft the Minutes of the meetings which will be signed by him, with the approval of the Chairman of the relevant body, and will issue, subject to the legal requisites established for each specific case, the Certificates of the Minutes or of any other documents that must be authorized to fulfil the corporate object or at the request of a legitimate party, and will convert the corporate resolutions into a public deed, implementing the necessary measures so that they become fully enforceable. Furthermore, the Secretary shall assist the Chairman so that the Directors receive any information which is relevant for the performance of their functions, sufficiently in advance and in the appropriate format.

In any case, the Secretary will be responsible for the formal and material legitimacy of the actions of the Board, will monitor the compliance with the provisions issued by the regulatory bodies and, if appropriate, their recommendations, and will guarantee the respect of the procedures and regulations of the governing bodies of the Company and, especially, the rules contained in the Regulations of the Board.
7. The actions of the Deputy Secretaries will be equivalent to the actions of the Secretary who will determine, either on a case-by-case basis or in general

terms, the occurrence of sufficient reasons to be replaced in his/her activities by a Deputy Secretary or, in case that there were several deputy secretaries, by the appropriate Deputy Secretary, on the basis of the relevant numbering order, always provided that this is feasible from a legal point of view.

In any case, it will be the responsibility of the Secretary to supervise the activities of the Deputy Secretaries.

8. In the absence of the Secretary and the Deputy Secretary or Secretaries, the Director appointed to such effect by the Board will act as Secretary of the Meeting of the Board of Directors.

Article 39.- The Executive Committee

1. The Board of Directors, with the vote of two thirds of its members, may indefinitely delegate, unless revoked by the same majority, to an Executive Committee which will hold all or part of the faculties of the Board except those that cannot be delegated in accordance with the provisions of the applicable legislation, these By-Laws and the Regulations of the Board of Directors.
2. The Executive Committee will be formed by not less than three (3) and no more than nine (9), members appointed among the members of the Board of Directors of the Company. The appointment and dismissal of the members of the Executive Committee will require, at least, the favourable vote of two thirds of the members of the Board of Directors.

In any case and considering their offices, the Chairman of the Board and the Chief Executive Officer, if any, will form part of such Committee.

3. The Committee will be chaired by the Chairman of the Board of Directors, after his appointment as member of the Committee, and in his absence, by the Deputy Chairman or in case of several Deputy Chairmen, by the relevant Deputy Chairman, according to a pre-established order, provided that he is a member of the Committee. In case of absence or impossibility, the Committee will be chaired by the member appointed by the attendants to the meeting
4. The Secretary of the Executive Committee will be the Secretary of the Board of Directors and, in his/her absence, the Deputy Secretary, or one of the Deputy Secretaries, following the relevant order if there are several Deputy Secretaries. In case of absence or impossibility, the member of the Committee appointed by the attendants to the meeting will act as Secretary of the Committee. The Secretary of the Committee will only be entitled to vote if he/she is also a Director and a member of the Executive Committee.
5. The Committee will be summoned by the Chairman. It will meet when deemed necessary in the interests of the company and regularly once a month, unless the Chairman does not consider it necessary.

The Committee will be validly constituted when a majority of its members is present or represented and will take its decisions by a majority of its members present or duly represented by another Director who is also a member of the Executive Committee. However, a Non-Executive Director may only delegate his/her representation to another Non-Executive Director.

6. In case of tie, the Chairman will have the casting vote.
7. The Secretary will prepare the Minutes of each meeting. The Minutes of the meetings will be available for all the members of the Board of Directors.
8. In those matters not specifically foreseen, the rules of operation established in these By-Laws and in the Board of Directors' Regulations in connection with the Board will be applicable, provided that they are compatible with the nature and functions of the Committee.

Article 40.- The Chief Executive Officer

The Board of Directors may appoint one or several Chief Executive Officers among its members. With the vote of two thirds of its members, the Board may also permanently delegate all its faculties and powers that can be delegated, in accordance with the Legislation in force, these By-laws, and the Board of Directors' Regulations, without prejudice to the delegations and powers granted to other members of the Board of Directors or any other person. Similarly, the dismissal and the revocation of powers of the Chief Executive Officers will also require, at least, the favourable vote of two thirds of the members of the Board.

When the Office of Chief Executive Officer is held by one of the members of the Board of Directors, the Chief Executive Officer and the Company will enter into a contract that will be previously approved by the Board, with the favourable vote of two thirds of its members. The Director involved shall not attend the discussions and will abstain from voting. The approved contract shall be included as an attachment to the minutes of the meeting.

Article 41.- Internal Committees of the Board of Directors

1. The Board of Directors may create as many committees, of a purely internal nature and without executive functions, as it deems appropriate, assigning them any tasks related to the preparation of reports, advice and submission of proposals for the Board of Directors, its Chairman or the Chief Executive Officer.
2. However, the Board of Directors shall create and maintain an Audit and Control Committee and an Appointments and Remunerations Committee. The organizational and operating rules of such Committees will be developed in the Board of Directors' Regulations, on the basis of the provisions included in these corporate By-Laws.
3. In those matters not specifically foreseen, the rules of operation established in these By-Laws and in the Board of Directors' Regulations in connection with the Board will be applicable to the Internal Committees of the Board, provided that they are compatible with the nature and functions of such Committees.

Article 42.- Audit and Control Committee

1. The Board of Directors shall establish an Audit and Control Committee, formed by a minimum of three (3) and a maximum of five (5) Non-executive Directors, appointed by the Board of Directors among its members.
2. Notwithstanding the above, at least a majority of the Members of the Audit and Control Committee must be Independent Directors, and at least one (1) of them must be elected taking due consideration of his/her qualifications and experience in the fields of accountancy, audit or both.
Collectively, the members of the Committee shall have the relevant technical expertise required in connection with the field of activity in which the Company operates.
3. The members of the Committee shall be removed from their position when they lose their status as Directors, or when so decided by the Board of Directors.
4. The Chairperson of the Audit and Control Committee shall be elected among the Independent Directors who are members of the Committee and shall be substituted every four (4) years, although he/she may be re-elected once a term of one (1) year has lapsed since his/her dismissal.
5. The Secretary of the Board of Directors or, in his/her absence, any of the Deputy Secretaries, following the appropriate order of precedence, will perform the duties of the Secretary of the Audit and Control Committee. In the absence of the Secretary of the Committee, his/her duties will be performed by the

member of the Committee appointed by its members among the attendants to the relevant meeting.

6. Without prejudice to any other functions set out by the legislation in force, these Bylaws or the Board of Directors' Regulations, the Audit and Control Committee will have, at least, the following competences:
 - a) To keep the General Meeting of Shareholders informed about any issues raised in connection with those subjects that are the competence of the Committee and, especially, the results of the Audit, explaining how this latter has contributed to offering a true and fair view of the financial information and the role played by the Committee in this process.
 - b) To supervise the efficiency of the internal control practices in force within the Company and the internal audit and risk management systems, and to discuss with the accounts auditors any significant weaknesses of the internal control system that might be noticed in the course of the audit, without jeopardizing their independence. To that effect and, if appropriate, recommendations and proposals may be submitted for the consideration of the Board of Directors, indicating the relevant follow-up period.
 - c) To supervise the process concerning the preparation and filing of any regulated financial information, submitting recommendations or proposals to the Board of Directors, in an effort to safeguard the completeness of such information.
 - d) To submit to the consideration of the Board of Directors any proposals related to the selection, appointment, re-election and substitution of the external auditor, assuming any responsibilities concerning the selection process, as well as the terms and conditions of its contract, requesting information, on a regular basis, regarding the audit plan and its implementation, and to safeguard the independent exercise of their functions by the auditors.
 - e) To establish the appropriate relationships with the External Auditors to receive information related to issues that might impair their independence, so that such issues may be scrutinized by the Committee, as well as any other issues related to the development of the accounts audit process and, if appropriate, to authorize any services other than those prohibited according to the applicable regulations on the independent status of auditors, as well as any other communications set out by the legislation on accounts audit and the audit standards. Notwithstanding the foregoing, an statement must be received every year from the Accounts Auditors, declaring their independence vis-à-vis the Company or other directly or indirectly related entities, as well as a detailed and itemized account of any kind of additional services rendered and the relevant fees collected from those entities by the external auditor or the individuals or companies related to such auditor, in accordance with the provisions established by the applicable legislation on accounts audits.
 - f) To issue, on an annual basis and prior to the issue of the accounts audit report, a report stating an opinion on whether the Independence of the Accounts Auditor might be at risk. In any case, such report should include a reasoned opinion on the rendering of each and every one of the additional services referred to in the previous paragraph, considered individually and together, other than legal audit services, and in connection with the required independence or the regulations governing audit activities.

- g) To keep the Board of Directors informed, on a preliminary basis, about any matters contained in the legislation in force, the Corporate Bylaws and the Board of Director's Regulations, and specifically:
 - 1º) The financial information that must be divulged from time to time by the Company.
 - 2º) The creation or acquisition of shareholdings in special purpose companies or companies domiciled in countries or territories that are considered tax havens, and
 - 3º) The transactions with related parties.

The provisions contained in points d), e) and f) of the previous paragraph shall be understood without prejudice to the regulations governing audit activities.

- 7. The Committee shall meet on a quarterly basis, subject to the prior summons of the Chairperson, and when so requested at least by three (3) of its members, by the Executive Committee or by the Chief Executive Officer.
- 8. The Audit and Control Committee will be validly constituted when the number of Directors, either present or represented, exceeds the number of Directors absent, and will adopt its resolutions by a majority of the attendants. In case of tie, the Chairperson will have the casting vote. The members of the Committee may delegate their representation to another member.
- 9. The Board of Directors' Regulations shall establish the framework for the operation of the Audit and Control Committee, in accordance with the provisions of this Article.

Article 43.- The Appointments and Remunerations Committee.

- 1. The Board of Directors will establish an Appointments and Remunerations Committee formed at least by three (3) directors, subject to a limit of five (5) directors, all of them Non-Executive Directors, appointed among the members of the Board of Directors
- 2. At least two (2) members of the Appointments and Remunerations Committee shall be Independent Directors. Notwithstanding this, the Board will appoint the members of this Committee taking into consideration the skills, aptitudes and experience of the Directors and the tasks to be fulfilled by the Committee, maintaining their independence at all times.
- 3. The members of the Committee shall be removed from their offices when they are no longer directors, or when so agreed by the Board of Directors.
- 4. The Appointments and Remunerations Committee will be chaired by an independent Director. The Secretary of the Appointments and Remunerations Committee will be the Secretary of the Board of Directors or one of its Deputy Secretaries, following the appropriate numbering order. In case of absence or impossibility, the member of the Committee appointed by the attendants to the relevant meeting will act as Secretary of the Committee.
- 5. Without prejudice to the remaining functions assigned by the applicable legislation, these Corporate Bylaws or the Board Regulations, the following functions, at least, shall be performed by the Appointments and Remunerations Committee:
 - a) Evaluate the skills, knowledge and experience necessary for the Board, consequently defining the functions and qualifications required from the candidates that must fill each vacancy, and to assess the time and dedication required for the proper performance of their offices.

- b) To establish a criterion for the representation of the gender which is less represented at the Board of Directors and prepare guidelines aimed at the accomplishment of such objective.
 - c) To submit to the Board of Directors any proposals for the appointment of Independent Directors so that they may be elected by co-optation or by a decision of the General Shareholders' Meeting, as well as any proposals for the re-election or removal of such Directors by the General Meeting.
 - d) To inform about the proposals for the appointment of the remaining Directors so that they may be elected by co-optation or by a decision of the General Shareholders' Meeting, as well as any proposals for the re-election or removal of such Directors by the General Meeting.
 - e) To inform about the proposals for the appointment and dismissal of senior executives, and the basic terms and conditions of their contracts.
 - f) To examine or arrange, as appropriate, the succession of the Chairman and the Chief Executive Officer and, if appropriate, to submit proposals to the Board, so that the succession is carried out in an orderly and well-planned manner.
 - g) To propose to the Board of Directors the remuneration policy followed for the Directors, General Managers and top executives who directly report to the Board of Directors, the Executive Committee or the Chief Executive Officers as well as the individual remuneration and the rest of contractual terms and conditions of application to Executive Directors and watch over their fulfilment.
6. The Committee will meet quarterly, duly summoned by the Chairman, when he deems it appropriate, and when so requested by at least three (3) of its members, the Executive Committee or the Chief Executive Officer.
 7. The Appointments and Remunerations Committee will be validly constituted when the number of Members present or duly represented exceeds the number of Members absent and will approve its resolutions by an absolute majority of those present. In case of tie, the Chairman will have the casting vote.
 8. The operation of the Appointments and Remunerations Committee, according to the provisions of this Article, will be developed in the Board of Directors' Regulations.

Article 44.- Remuneration of Directors

1. The remuneration scheme established for the Directors of the Company comprises a fixed cash payment and allowances for the attendance to the meetings of the Board and of its Committees. The specific amounts shall be calculated in accordance with the provisions of the remunerations policy, which shall be approved by the General Meeting of Shareholders.
2. The remuneration of Directors may vary according to their dedication. Furthermore, the functions and responsibilities attributed to each director must be taken into consideration and, in any case, such remuneration shall abide by the policy in force from time to time.

Executive directors shall be excluded from the remunerations scheme described in paragraph 1 above. The office of executive director shall also be a remunerated office, and they may be included in one of the following remuneration schemes, which shall be specified in the contract to be entered into with the Company and, in any case, shall be in accordance with the remunerations policy approved by the Meeting:

- a) A fixed remuneration in cash.

- b) A monetary remuneration of a variable nature, that will be subject to the achievement of the financial objectives to be established in accordance with the criteria established in the remuneration policy and, eventually, to the fulfilment of any other requirements.
 - c) A remuneration in kind, that may comprise: (i) the underwriting of a life insurance policy; (ii) the underwriting of a health insurance policy covering the director and his/her immediate family; and/or (iii) the renting of a vehicle for his/her professional and/or personal use.
 - d) A severance pay or compensation for early termination, according to the contractual clauses, of the relevant contract entered into by and between the Company and the executive Directors.
3. Notwithstanding the provisions of the previous paragraphs, and subject to approval by the General Meeting, the remuneration of the Directors may also comprise the delivery of shares or stock option rights, as well as a remuneration based on the value of the Company shares.
 4. The remuneration stipulated herein shall be compatible with, and independent from the payment of any fees or salaries that could be claimed by the Directors vis-à-vis the Company, either in connection with the rendering of services or as a result of any employment relationship, as appropriate, other than that emanating from their office as directors, that will be subject to the legal scheme applicable to them.
 5. The Company will be authorised to underwrite a civil liability insurance for its Directors.

Article 45.- Remuneration Policy

1. At least every three years, the General Meeting of Shareholders shall approve, as a separate item of the agenda, the Directors' Remuneration Policy, that will be in line, as appropriate, with the Remunerations Scheme indicated in the previous article. The Directors' Remuneration Policy shall be in force during the three years following the year on which it was approved by the General Meeting. Any amendment or replacement of such policy during said term shall require the prior approval of the General Meeting of Shareholders, in accordance with the procedure established for its approval in the applicable legislation and in the Regulations of the Board of Directors of the Company.

The Directors' Remuneration Policy shall calculate their remuneration within the scope of the Remuneration Schemes established in these Bylaws and shall include the maximum amount of the annual remuneration to be paid for each item. The remuneration to be paid to each Director, within the maximum quantitative limits established by the General Meeting, shall be determined by the Board of Directors, and to that effect, the Board shall take into account the functions and responsibilities assigned to each Director, their participation in the Committees of the Board and other objective circumstances deemed relevant.

The remuneration scheme applied shall be commensurate with the importance of the Company, the financial situation of the Company from time to time and the market standards for similar concerns. Similarly, it will be focused on the profitability and sustainability of the Company in the long term and will avoid excessive risk-taking and the rewarding of unfavourable results.

2. The remuneration of Directors for the performance of their executive duties shall conform to the remunerations policy applicable to such directors, and shall necessarily contemplate the amount of the fixed remuneration per annum and its changes during the period covered by such policy, the different parameters considered for the calculation of the variable items and the main terms and

conditions of their contracts, comprising, in particular, their effective term and any compensations for dismissal or early termination of the labour relationship, as well as any exclusivity or post-contractual non-competition agreements and minimum commitment and loyalty clauses.

The terms and conditions contained in any contracts entered into between the Company and any director who had been vested with executive functions shall be submitted to the Board of Directors for approval in accordance with the remunerations policy approved by the General Meeting and the provisions contained in these Bylaws. All the duties that entitle the director to receive any remuneration for carrying out such executive functions shall be detailed in the Contract, including, as appropriate, any eventual compensation for the early termination of such functions, as well as any form of remuneration in kind. Directors will not be entitled to receive any remuneration for the performance of executive functions, unless the relevant amounts or concepts related to such functions have been included in their contracts.

3. The Board shall prepare and publish an Annual Report on the remunerations received by its members, including those received or to be received by the mere factor of being one and, if appropriate, for the fulfilment of executive functions. Such Annual Report on Remunerations shall include complete, clear and understandable information on the policy related to the remunerations of Directors for the year under consideration. It shall also include a global summary on the application of the remunerations policy during the year under review, as well as detailed information on the individual remunerations accrued by each one of the Directors during the said year. The report shall be disclosed by the Company as a Significant Event, together with the Annual report on Corporate Governance, and shall be put to the vote of the Annual General Meeting of Shareholders, on a consultative basis and as a separate item on the agenda.

CHAPTER IV.- FISCAL YEAR AND ANNUAL ACCOUNTS

Article 46.- Fiscal Year

The fiscal year will coincide with the calendar year.

Article 47.- Accountancy and Annual Accounts

1. In accordance with the provisions of the Commercial Code, the Company must keep a proper accountancy in line with its activities that enables a chronological follow up of the operations and the preparation of inventories and balance sheets. The Accountancy Books will be authenticated by the relevant Commercial Registry of the city where the registered office is located.
2. The Board of Directors will have to prepare within a maximum term of three (3) months from the closing of the fiscal year the annual accounts, the management report and the proposal for the allocation of results and, if appropriate, the consolidated annual accounts and management report. The annual accounts will include the balance sheet, the profit and loss account, the statement of changes in net worth, the statement of cash flows and the annual report for the year, as well as any other document considered appropriate by the applicable regulations. These documents, altogether, will be clearly drafted and show a true and fair image of the net worth, the financial situation and the results of the Company in accordance with the provisions of the law and the Commercial Code and must be signed by all the members of the Board.

Article 48.- Deposit of the accounts with the Commercial Registry

Within a term of one month following the approval of the annual accounts by the Shareholders' General Meeting, they will be filed by the Directors of the Company, along with the relevant certificate evidencing such approval and the allocation of the results and, if appropriate, the Consolidated Accounts, so that they are deposited with the Commercial Registry according to the applicable legislation.

Article 49.- Allocation of the results

1. The Shareholders' General Meeting will decide on the allocation of the results for the year, in accordance with the approved balance sheet.
2. From the profits obtained each year, once the allocation to legal reserves and the remaining provisions set out by the legislation in force have been covered, the Meeting may apply the amount considered appropriate to voluntary reserves, investment fund and any other legal provisions, provided that the value of the accounting net worth does not become lower than the Capital Stock of the Company, as a consequence of the distribution.
3. In case that the Shareholders' General Meeting decides to pay any dividend, it will also determine the time and the method of payment, and such dividend, if appropriate, will be distributed among the shareholders on a pro rata basis to the capital paid up per each share.
4. Any decision regarding any measure that could be necessary or convenient for the effectiveness of the resolution may be delegated to the Board of Directors.
5. The Shareholders' General Meeting may agree the payment of in kind dividends, either wholly or partially, provided that the goods or securities to be distributed are of an homogeneous nature and they are listed on an official market when the distribution resolution becomes effective; it will be understood that this last requisite has been also met when the Company offers substantial guarantees of liquidity, or when it guarantees that such liquidity will be obtained within a maximum term of one year. The goods or securities that are the subject matter of the distribution cannot be distributed at a value which is lower than the value shown in the balance sheet of the Company.
6. The rule established in the previous paragraph will also be applicable to the reimbursement of contributions in case of a capital decrease.
7. The payment of interim dividends will be subject to the provisions of the law.

CHAPTER V.- Winding-up and Liquidation**Article 50.- Winding-up**

The company will be wound up for the reasons set out by the law. Mergers and total split-offs are excluded from the winding-up period. In case of winding up, the liquidation will be the responsibility of the Directors who, as liquidators, will prepare the liquidation and distribution in accordance with the resolutions of the General Meeting and the legal provisions in force.

Article 51.- Liquidation

Once all the creditors have been paid and the amount of their credits against the Company recorded, and those not matured yet guaranteed, the remaining assets will be distributed among the shareholders in accordance with the applicable legislation.

CHAPTER VI. - CORPORATE WEBSITE

Article 52. – Corporate Website

1. The Company will maintain a corporate website ("**www.atresmediacorporacion.com**"), to divulge the information and documentation required by the regulations applicable to listed companies, these By-laws, the Shareholders' General Meeting Regulations and the Board of Directors' Regulations, as well as any other information that, in the opinion of the Board of Directors, should be provided to shareholders and investors through such channel.
2. The corporate website will be considered as a "virtual branch" of the Company, in accordance with the provisions of the Corporations Act.
3. The Board of Directors may agree the elimination and transfer of the website, in accordance with the procedures established by the applicable regulations.



SCHEDULE 2

EXPLANATORY REPORT PREPARED BY THE APPOINTMENTS AND REMUNERATIONS COMMITTEE OF ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A. (ATRESMEDIA CORPORACIÓN), CONCERNING THE REMUNERATION POLICY FOR THE DIRECTORS OF THE COMPANY FOR YEARS 2019 TO 2021

Article 529 *novedecies* of the Corporations Act (LSC) sets forth that listed companies will be obliged to prepare and submit to the authorization of the General Meeting of Shareholders any proposal concerning the approval, amendment or substitution of the remuneration policy for directors.

The proposal related to the Remuneration Policy should state the reasons on which it is based, and must be accompanied by a specific report prepared by the Appointments and Remunerations Committee.

In accordance with the provisions contained in the Act, the Appointments and Remunerations Committee of Atresmedia Corporación de Medios de Comunicación, S.A. (the "Company" or "Atresmedia Corporación") has prepared this report on the changes to be introduced in the Remunerations Policy, that will be submitted to the plenary session of the Board of Directors.

This new Remuneration Policy, concerning years 2019 to 2021, both inclusive, shall be submitted to the 2019 Ordinary General Meeting of Shareholders for approval. Should this proposal be passed, it shall repeal the remunerations policy for years 2018 to 2020, both inclusive, which was approved by the General Meeting of Shareholders of the Company held on 19th April 2017, as well as resolution 4.3, concerning the determination of those items that were affected by the maximum aggregate threshold of the remuneration of directors, which was approved by the General Meeting of Shareholders of the Company held on 20th April 2016.

Reasons for the amendment of the Remunerations Policy

In general terms, the Appointments and Remunerations Committee has considered it appropriate to maintain the basic lines of the systems and parameters set forth in the Remunerations Policy currently in force. Consequently, the amendment proposed does not entail a conceptual change in the current Remunerations Policy, with which it maintains a relationship of continuity, but a review, aiming at:

- (i) **Providing the policy with greater transparency, concision and clarity**, so that it may be clearly understood and analysed by the investors, their consultants and the financial markets in general.

The clarity shown by the Remunerations Policy makes it easier to ascertain the amounts that may be earned by the directors.

- (ii) **Updating its contents in line with the best corporate governance practices and recommendations**, addressing at all times the specific characteristics of the Company.

In the context of this review of the Remunerations Policy, the Appointments and Remunerations Committee has thoroughly studied the recommendations and best practices available in the field of the



remuneration obtained by the directors of listed companies, always taking due consideration of the peculiarities and specificities of the Company (and especially, its shareholder structure, market capitalisation and relevant business sector).

- (iii) **Explaining with greater precision the items included in the breakdown of the remuneration obtained by the different directors**, taking into account their level of dedication and the different roles played within the Company.

Thus, the Remunerations Policy proposed:

- Breaks down the remuneration received by the directors for the performance of the different functions and their dedication to the Company and, consequently, helps to get a better knowledge of the distribution of the remuneration among the directors.
- Clarifies the amounts that, in principle, would be earned by the directors (for instance, the fixed remuneration or the attendance fees accrued in connection with the meetings of the corporate bodies) and the number of them that will be dependent on contingent facts (for instance, the compensation paid for the termination of the contracts of executive directors).
- Identifies (as far as it is possible) the maximum thresholds applicable to the different remuneration items.
- Describes the operation of the Long-Term Incentive Scheme currently in force.
- Specifies the contractual and remuneration conditions of application to the executive directors.

- (iv) **Introducing certain technical and drafting improvements.** During the review of the current Remunerations Policy, the Appointments and Remunerations Committee has taken into account, among other criteria, the contents of Judgement 98/2018 of the Supreme Court, dated 26th February 2018. Despite the fact that a single decision of such Court cannot become a precedent, and that the court decision does not assess the issue of listed companies, the Committee has considered it appropriate to delete any existing references to the expression “as such” contained in the current wording of the Remuneration Policy in connection with the directors of the Company.



REMUNERATION POLICY APPLICABLE TO THE DIRECTORS OF ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A. (ATRESMEDIA CORPORACIÓN) FOR YEARS 2019 TO 2021

INTRODUCTION

The regulatory significance and the public visibility of good corporate governance practices for corporations have increased in recent years, especially in the case of listed companies.

The compliance with the best corporate governance practices, as far as the remuneration received by the directors is concerned, has always been considered one of the key factors for the social valuation and perception of a company, both in financial and reputational terms. Besides the strictly financial aspects, the degree of compliance with the best corporate governance practices and recommendations is an essential reference in the analyses made by institutional or corporate investors and their advisors. The good governance recommendations concerning remunerations are aimed at ensuring a perfect alignment of interests between the shareholders of the Company and its directors, while guaranteeing that external directors are sufficiently motivated, but they maintain a sufficient degree of independence to perform their supervisory tasks and scrutinize the day-to-day management tasks performed by the executive directors.

In the specific case of Atresmedia Corporación, corporate governance has an added reputational significance, since it is the most important and diversified media group in Spain. Its continued presence in public life entails a greater standard of expectations as well as an additional level of exposure to the critical eye of citizens, the remaining media and the public institutions, financial analysts and investors and the market as a whole.

The Company is committed to meet this challenge, by designing a remuneration policy which is clear, transparent, predictable and easy to understand, and which meets the necessary requisites to attract and retain the talent required to maintain its position as the major media conglomerate in Spain.

REGULATORY FRAMEWORK

According to Article 529 *novedecies* of the Corporations Act, the general Meeting of Shareholders of those companies whose shares are admitted to trading on a secondary regulated market must approve, at least every three years, a remuneration policy which covers any remuneration received by its directors, including the executive directors, for the performance of their duties.

Article 45 of the corporate bylaws of Atresmedia Corporación also sets forth that the General Meeting of Shareholders must express its approval of such Remuneration Policy, that will determine the remuneration to be paid to the Directors as a whole, on the basis of the remuneration schemes set out by the corporate bylaws, and will include the maximum quantitative thresholds established for the annual remuneration to be paid to the directors as a whole, including executive directors.

In accordance with the provisions of the Corporations Act related to the remuneration of executive directors, the aforementioned Article 45 of the bylaws established that the remunerations policy shall contemplate (i) the amount of the fixed annual remuneration



and its changes during the period covered by the policy, (ii) the different parameters considered for the calculation of the variable components of the remuneration and (iii) the main terms and conditions of their contracts, specifically including their effective term, compensations for early dismissal or termination of the contractual relationship and exclusivity, post-contractual non-competition and loyalty agreements.

THE ROLE PLAYED BY THE APPOINTMENTS AND REMUNERATIONS COMMITTEE IN THE DETERMINATION OF THE REMUNERATION POLICY

Article 33 of the corporate bylaws of Atresmedia Corporación sets out that the Appointments and Remunerations Committee will be entitled to propose to the Board of Directors the remuneration policy followed in connection with the directors, as well as the individual remuneration paid to the executive directors and the contractual terms and conditions of application to them.

In application of this principle, article 25 of the Regulations of the Board of Directors of Atresmedia Corporación sets out that the Appointments and Remunerations Committee will perform the following functions, among others, related to the remunerations policy followed in connection with the directors:

- (i) To propose to the Board of Directors the remuneration policy applicable to the directors (paragraph 10);
- (ii) To inform about and propose the individual remuneration of the executive directors and the remaining terms and conditions of their contracts, informing the Board about the suitability of the contracts of the executive directors and watching over the compliance with the legal requirements, the corporate bylaws and the remunerations policy established by the Company, both in the context of remunerations and contracts (paragraph 11);
- (iii) To review, from time to time, the remunerations policy applied to Directors, including the remuneration schemes based on stock options and their implementation, and to ensure that the individual remuneration of each one of them is commensurate with the remuneration received by the remaining directors of the Company (paragraph 12); and
- (iv) To ensure that the advice received from external advisors is genuinely independent and it is not biased by eventual conflicts of interest (paragraph 13).

In the performance of its functions, the Appointments and Remunerations Committee has made a punctual follow-up of the evolution of the remunerations scheme of the Company and the parameters set out for the remuneration of directors and, especially in connection with the variable remuneration scheme in force for executive directors. Similarly, the Appointments and Remunerations Committee has made a review of this issue from a corporate governance point of view, monitoring the best practices and applicable recommendations and the most recent normative and doctrinal developments. The Appointments and Remunerations Committee has benefitted from the advice of external independent professionals in the performance of its functions.



The results of these works have determined the appropriateness of submitting a proposal concerning the approval of a new remunerations policy for the Company, to replace the policy which was approved by the General Meeting of Shareholders held on 19th April 2017, which should have initially been in full force and effect for years 2018 to 2020, both included. The aim was to adapt such policy in line with the latest recommendations and best practices available in the field of corporate governance, especially in the context of transparency and regulation of the remuneration schemes for executive directors, and the incorporation of certain precautions in favour of the company. Notwithstanding the foregoing, the Appointments and Remunerations Committee has also considered it appropriate to maintain the basic guidelines and parameters set out in the previous remuneration policy, in the context of the remunerations paid to external and executive directors.

GENERAL PRINCIPLES OF THE REMUNERATION POLICY

This Remuneration Policy is based on the principles stated below, that have been instrumental in its configuration and represent the cornerstone of the remuneration paid to all directors, both external and executive. These principles have been defined by the Appointments and Remunerations Committee and embraced by the Board of Directors, taking into consideration not only the rules applicable to the remuneration of directors, but also the existing good governance recommendations and the demands and requirements posed by professional investors and their proxy advisors.

The general principles followed for the remuneration of the directors of Atresmedia Corporación are essentially the following:

- Transparency of the remuneration schemes of application to external and executive directors, setting out clear and easily understandable criteria and procedures.
- Compliance with the recommendations and best corporate governance practices in that respect, taking the characteristics of the Company into consideration.
- Differentiation between the office of external and executive directors, also distinguishing, in terms of remuneration, the different degrees of dedication and responsibility of external directors.
- Amounts and items included in the remuneration of directors, as compared with other similar companies.
- Predictability of the system, so that it does not entail any risk of significant alterations owing to reasons that cannot be appropriately controlled and the investors may predict the amount of the remunerations to be paid.

In the context of the remuneration to be paid to the executive directors, the principles to be applied are the following:



- Definition of a remuneration system which allows the Company to attract and retain highly talented executive directors, that are able to generate value for shareholders.
- Alignment of the remuneration of executive directors with the creation of value for shareholders and the long term objectives of the Company and its consolidated group.
- Creation of safeguard mechanisms that allow to ensure that the achievement of the short term objectives does not hinder the strategic medium- and long term objectives of the Company.
- Definition of preventive measures that allow to amend the payment of the variable remuneration, when this latter is based on erroneous information.

Finally, the main inspirational principles underlying the determination of the remuneration paid to external directors are the following:

- To endeavour to ensure that the remuneration is sufficiently attractive to retain highly talented external directors, while maintaining their impartiality and independence.
- To link the remuneration paid to external directors to their effective involvement with the Company and the responsibilities that have been taken on by them, and to foster their participation in the work of the Board of Directors and, if appropriate, of the relevant committees.
- To exclude external directors from the payment of the variable remuneration related to their individual performance or the evolution of the businesses of the Company, thus avoiding to compromise the independence of judgment of external directors when they have to judge accounting practices or other decisions that might alter the immediate results of the Company, in case that such results may influence their remuneration.

REMUNERATION OF EXTERNAL OR NON-EXECUTIVE DIRECTORS

The remuneration paid to the external directors of Atresmedia Corporación during the reference period will be adjusted in line with the following parameters:

1. A fixed annual remuneration for each one of the external directors, for an amount of 25,000 euros.
2. An additional amount of 2,000 euros, to be paid as attendance fees to the external directors for their attendance to each one of the meetings of the Board of Directors.
3. A supplementary fixed annual payment of 50,000 euros, to be paid to those non-executive directors that are also members of the Executive Committee.



4. An additional amount of 2,500 euros, paid as attendance fees to non-executive directors for their attendance to each one of the meetings of the Executive Committee.
5. An additional amount of 2,000 euros, paid as attendance fees to non-executive directors for their attendance to each one of the meetings of the Audit and Control Committee and/or the Appointments and Remunerations Committee.

For clarification purposes, and notwithstanding the payment of the aforementioned fees, it must be stated that the fact of being a member of the Audit and Control Committee and/or the Appointments and Remunerations Committee does not entail the payment of any additional fixed remuneration to their members.

The performance of any duties within the corporate bodies of the Company (including the offices of chair or deputy chair of the Board or the committees) will not entail any additional or differentiated remuneration for the holders of such offices, unless they involve a relevant additional activity for the director concerned, with the consequent added dedication and responsibilities.

Notwithstanding the foregoing, the maximum annual remuneration of the external directors as a whole will amount to EURO THREE MILLIONS (€3,000,000), exclusive of the eventual remuneration that might correspond to some of the external directors for the rendering to the Company of professional services that are not related to their status as directors.

The Board of Directors, at its own discretion, may increase or decrease the remuneration amounts set out in this paragraph for external directors, provided that they do not exceed the above-mentioned maximum annual threshold, even through the allotment of an additional remuneration for the performance of any duties within the Board of Directors or any of its committees when, in the opinion of Board, the additional involvement and responsibilities associated to such activity so indicate.

REMUNERATION OF EXECUTIVE DIRECTORS

The Remuneration to be paid to the Executive Chairman and the Chief Executive Officer of Atresmedia Corporación for the reference period shall be adjusted in accordance with the following parameters:

The executive Chairman

In consideration for the performance of his duties, the Executive Chairman will receive the following remuneration:

1. A fixed annual remuneration of 410,000 euros, to be distributed in twelve (12) equal monthly payments.
2. A variable annual remuneration, up to a maximum amount of 88% of the fixed remuneration indicated above, which will be accrued on the basis of: (i) the degree of achievement of the objectives set out each year by the Board of Directors, on the basis of the budget for the relevant year and the EBITDA figure resulting from the consolidated annual accounts of Atresmedia Corporación, and (ii) the commitment of the Director to stay at the Company during the year



following the reference year used for the purposes of the calculation of the remuneration. This remuneration shall be paid in two equal instalments (50%). The first instalment will be paid during the first quarter of the year following the reference year used for the calculation of the remuneration, within a month from the preparation by the Board of Directors of the consolidated annual accounts used as the basis for the calculation of the variable remuneration; the second 50% instalment shall be paid during the first quarter of the second year after the reference year used for the calculation of the remuneration, provided that the Executive Chairman still holds his office, or in case of decease of the Director. The payment of this remuneration will be linked to the performance by the Executive Chairman of the responsibilities inherent to his position.

3. The Executive Chairman shall not receive the remuneration established for external directors for the fact of being a member of the Board and the committees: a fixed tranche plus attendance fees.
4. The executive Chairman agrees to refund, on a pro rata basis, any amount received as variable remuneration in case that it is evidenced that the information used for the calculation and settlement of such variable remuneration were inaccurate or in case that he had failed to perform the duties and responsibilities inherent to his position.

The Chief Executive Officer

In consideration for the performance of his duties, the Chief Executive Officer will receive the following remuneration:

1. A fixed annual remuneration of 1,100,000 euros, to be distributed in twelve (12) equal monthly payments.
2. A variable annual remuneration, up to a maximum amount of 88% of the fixed remuneration indicated above, which will be accrued on the basis of: (i) the degree of achievement of the objectives set out each year by the Board of Directors, on the basis of the budget for the relevant year and the EBITDA figure resulting from the consolidated annual accounts of Atresmedia Corporación, and (ii) the commitment of the Director to stay at the Company during the year following the reference year used for the purposes of the calculation of the remuneration. This remuneration shall be paid in two equal instalments (50%). The first instalment will be paid during the first quarter of the year following the reference year used for the calculation of the remuneration, within a month from the preparation by the Board of Directors of the consolidated annual accounts used as the basis for the calculation of the variable remuneration; the second 50% instalment shall be paid during the first quarter of the second year after the reference year used for the calculation of the remuneration, provided that the Chief Executive Officer still holds his office, or in case of decease of the Director. The payment of this remuneration will be linked to the performance by the Chief Executive Officer of the responsibilities inherent to his position.



3. Remuneration in kind: (i) a life insurance policy, with an annual premium to be paid by the Company, for a maximum amount of 15,000 euros; and (ii) a health insurance policy, covering the immediate family of the director, with an annual premium to be paid by the Company, for a maximum amount of 20.000 euros.
4. The Chief Executive Officer shall not receive the remuneration established for external directors for the fact of being a member of the Board and the committees: a fixed tranche plus attendance fees.
5. The Chief Executive Officer agrees to refund, on a pro rata basis, any amount received as variable remuneration in case that it is evidenced that the information used for the calculation and settlement of such variable remuneration were inaccurate or in case that he had failed to perform the duties and responsibilities inherent to his position.

The Director and General Manager of Atresmedia Televisión

The Notice of the Ordinary General Meeting for year 2019 included the submission to the shareholders of a proposal concerning the appointment of Javier Bardají Hernando as a new member of the Board of Directors of the Company. As it has been indicated in the documentation provided as a result of such Notice, Mr. Bardají will become an executive director of the Company.

In consideration for the performance of his duties, Mr. Bardají will receive the following remuneration:

1. A fixed annual remuneration of 650,000 euros, to be distributed in twelve (12) equal monthly payments.
2. A variable annual remuneration, up to a maximum amount of 88% of the fixed remuneration indicated above, which will be accrued in the same manner previously described for the Chief executive Officer, or in other words, it will depend on: (i) the degree of achievement of the objectives set out each year by the Board of Directors, on the basis of the budget for the relevant year and the EBITDA figure resulting from the consolidated annual accounts of Atresmedia Corporación, and (ii) the commitment of the Director to stay at the Company during the year following the reference year used for the purposes of the calculation of the remuneration. This remuneration shall be paid in two equal instalments (50%). The first instalment will be paid during the first quarter of the year following the reference year used for the calculation of the remuneration, within a month from the preparation by the Board of Directors of the consolidated annual accounts used as the basis for the calculation of the variable remuneration; the second 50% instalment shall be paid during the first quarter of the second year after the reference year used for the calculation of the remuneration, provided that the Executive



Director still holds his office, or in case of decease of the Director. The payment of this remuneration will be linked to the performance by the Director of the responsibilities inherent to his position.

3. Remuneration in kind: (i) a life insurance policy, with an annual premium to be paid by the Company, for a maximum amount of 10,000 euros; and (ii) a health insurance policy, covering the immediate family of the director, with an annual premium to be paid by the Company, for a maximum amount of 15.000 euros.
4. Mr. Bardají shall not receive the remuneration established for external directors for the fact of being a member of the Board and the committees: a fixed tranche plus attendance fees.
5. Similarly, Mr. Bardají agrees to refund, on a pro rata basis, any amount received as variable remuneration in case that it is evidenced that the information used for the calculation and settlement of such variable remuneration were inaccurate or in case that he had failed to perform the duties and responsibilities inherent to his position.

Notwithstanding the foregoing, the Board of Directors, at its own discretion and on an exceptional basis, will be entitled to increase the amount of the remuneration foreseen in this section for executive directors, provided that such additional remuneration does not exceed the equivalent of their fixed annual remuneration, and has been accrued as a consequence of singular and extraordinary operations carried out within the Company, or has been paid on the basis of the quality of the results obtained, the individual performance of the director or any other reasons that require a qualitative assessment.

Discretionary terms and conditions included in the contracts of the Executive Directors

Contracts executed with executive directors may include the following commitments, the suitability of which should be assessed on a case-by-case basis, considering the specific circumstances of each contract and, especially, whether the activities of the Director have been performed on a full-time and exclusive basis:

- (i) A mutual notice period, in the case of early and voluntary termination of the contract. Such period will be at least three (3) months, with a penalty equivalent to the proportional remuneration corresponding to the relevant event of default.
- (ii) A remunerated non-competition commitment, that would be in force for a term of one year after the termination of the contract, which may be enforced or not by Atresmedia Corporación, on the basis of the eventual appreciation made by the Company in connection with the existence of an effective industrial or commercial competition interest. In consideration of such commitment, a gross lump sum will be paid, equivalent to the total amount of one year's



remuneration (annual fixed remuneration and variable monetary remuneration received during the last twelve (12) months). In case of non-fulfilment of this liability, the executive director must compensate the Company with an amount equivalent to one year of the total remuneration agreed, without prejudice to the right of the Company to claim an eventual compensation for damages.

- (iii) An indemnity commitment in favour of the executive director in case of termination of the contract by the Company or at the request of the executive director, in the following cases: (a) a serious breach of the contractual obligations by the company; (b) a significant change in the duties of the executive director, or (c) a change in the control of the Company. The compensation to be paid will be equivalent to the amount of two years' total monetary remuneration (fixed and variable remuneration received during the period of twenty four (24) months before the date of termination of the contract).

The indefinite duration contracts of Mr. Silvio González ad Mr. Javier Bardají, who perform their professional duties on an exclusive and full-time basis, include all the above-mentioned stipulations.

On the other hand, since the position of Executive Chairman of the Board of Directors foresees a limited and non-exclusive dedication, the relevant contract, which is also an indefinite duration contract, does neither incorporate any post-contractual non-competition obligation, no any indemnity clause in case of termination of the contract (for whatever reasons, either at the initiative of the Company or the Director himself). Certain items included in the remuneration in kind determined for the Chief Executive Officer, namely the life and health insurance policies, have been also excluded.

LONG-TERM INCENTIVE SCHEMES

In addition to the remunerations already explained, executive directors are also beneficiaries of the Long-term incentive scheme approved by the General Meeting of Shareholders of the Company held on 20th April 2016, which has the main following characteristics:

- (a) Term. The Long-term incentive scheme will be valid for a term of four years and four months, split into two differentiated periods:
- Compliance with performance targets and assessment period (Years 2016 to 2018): the pre-established financial targets must be achieved during this period, and the degree of performance must be assessed against such targets.
 - Settlement period (Years 2019 and 2020): the shares will be delivered during this period, which implies an additional commitment of the beneficiaries to stay at Grupo Atresmedia. A clawback clause has been included, in case that the delivery of the relevant shares did not meet the pre-established targets, or if they have been delivered on the basis of data which have been subsequently revealed as inaccurate.



- (b) Allotment of shares. A package of Treasury shares of Atresmedia Corporación, which had been purchased on the stock market, at a purchase price lower than the maximum price set out by the General Meeting upon the approval of the plan, amounting to € 8,930,900 has been created. For the implementation of the scheme, and immediately after the holding of the General Meeting that approved it (during the period between 22/4/2016 and 09/05/2016), the Company purchased a total of 791,880 treasury shares, for a total amount of 8,930,820.54 euros.

Following the decision of the Board of Directors, a maximum of 137,718 shares were allotted to the Chairman of the Board, a maximum of 206,577 shares were allotted to the Chief Executive Officer and a maximum of 96,403 shares were allotted to the General Manager of Atresmedia Televisión.

- (c) Targets. The Long-term Incentive Scheme has been configured as a long term incentive plan linked to the performance of the Company during a three-year assessment period, from year 2016 to 2018, in connection with the fulfilment of two financial targets.

The two targets to be considered will be:

- I. *Primary objective*: sum of the planned consolidated EBITDA (Earnings Before Interests, Taxes, Depreciations and Amortizations) of Grupo Atresmedia during the three (3) fiscal years 2016, 2017 and 2018, amended by the actual variation of the advertising market vs. the variation anticipated in the three-year plan used as a reference for the determination of the target, in order to exclusively assess the management performance, regardless the evolution of the market.
 - II. *Secondary objective*: it is related to the "total shareholders return" of Grupo Atresmedia during the above-mentioned term of three (3) years, wherein (i) the evolution in the share price and (ii) the dividend actually paid by Atresmedia Corporación between the General Meetings of Shareholders held in 2016 and 2019 will be considered.
- (d) Delivery date. The delivery of the shares shall be subject to the stay of the Beneficiaries at Grupo Atresmedia during the effective term of the Remuneration Scheme, including the additional mandatory period after the achievement of the financial targets. Such delivery will be made as follows: 50% during the first four months of 2019, and the remaining 50% during the first four months of 2020.

The Board of Directors of the Company approved this proposal concerning the Remuneration Policy in the same meeting where the annual accounts for year 2018 were formulated. Both items will be part of the agenda of the Ordinary Meeting of Shareholders, that will foreseeably be held in April 2019. The accounts for year 2018 (that, consequently, have been already formulated by the Board of Directors, but are still pending approval by the General Meeting) must be taken into account to specify the performance level of the targets set out in this plan. Notwithstanding the foregoing, in the likely event that the annual accounts for year 2018 are approved by the General



Meeting without any changes, the executive directors would receive, approximately and as a total figure, 33% of the maximum number of shares that they would be entitled to receive as beneficiaries, which represents a total of 45,447 shares in the case of the executive Chairman, 68,170 shares in the case of the Chief executive Officer and 31,813 for the General Manager of Atresmedia Televisión. For these purposes, it should be remembered that a performance level of 200% should be achieved to receive the maximum number of shares set forth in the above-mentioned plan. Similarly, it should also be noted that, although the target EBITDA has been adjusted in line with the plan estimates, the unfavourable evolution of the share price represents a significant correction factor which, as already indicated, would influence in the estimated final number of shares to be delivered to those executive directors that are also beneficiaries of the scheme.

In accordance with the terms and conditions established in the plan, the beneficiaries will receive in 2019 50% of the shares that correspond to them, and the remaining 50% will be delivered in 2020, provided that the directors still hold their offices.

EFFECTIVENESS OF THE REMUNERATION POLICY

This Remuneration Policy will be in force during the years 2019, 2020 and 2021, unless the General Meeting of Shareholders of the Company expressly or implicitly approves any amendment, through the approval of any binding resolution concerning the remuneration paid to the directors of the Company, in which case, this Remuneration Policy shall be understood as modified by the contents of the relevant resolution. Any eventual amendment of this Remuneration Policy shall be implemented on the basis of the same requirements and formal requisites as the Policy itself.

For the relevant purposes, it is expressly stated that, after the approval of this Remuneration Policy of Atresmedia Corporación for years 2019, 2020 and 2021, (i) the remuneration policy in force for years 2018 to 2020, both inclusive, which was approved by the General Meeting of Shareholders of the Company held on 19th April 2017, as the third item of the agenda, and (ii) the resolution 4.3 approved by the General Meeting of Shareholders of the Company held on 20th April 2016, concerning the determination of the items included in the remuneration that were affected by the maximum joint threshold of the remuneration paid to the directors will become ineffective.