

“**MEDIASET ESPAÑA COMUNICACIÓN, S.A.**” (the “**Company**” or “**Mediaset España**”), for the purposes contemplated in article 227 of the consolidated text of the Spanish Securities Market Act approved by Royal Legislative Decree 4/2015 of 23 October and developing legislation, announces the following

## **OTHER RELEVANT INFORMATION**

The Proposed Resolutions corresponding to the items on the Agenda of the Ordinary General Shareholders' Meeting of "MEDIASET ESPAÑA COMUNICACIÓN, S.A." 2021, which include the proposed resolutions relating to the new items introduced (Fourteen, Fifteen and Sixteen), referred to in the Supplementary Announcement to the Notice convening the Ordinary General Shareholders' Meeting 2021, published on this same date, are once again made public.

### **PROPOSED RESOLUTIONS**

#### **ORDINARY GENERAL SHAREHOLDERS MEETING**

**“MEDIASET ESPAÑA COMUNICACION, S.A.”**

**-14<sup>th</sup> April 2021-**

**Item One.- Examination and approval, as the case may be, of the Annual Financial Statements and Management Reports of "MEDIASET ESPAÑA COMUNICACION, S.A." and its Consolidated Group of Companies, for the year ended 31 December 2020.**

- **Justification for the proposed resolution:**

According to article 164 of the Spanish Companies Act, the General Meeting must approve, within the first six months of the financial year, the Annual Accounts and the Management Report of the Company for the previous financial year, after they have been drawn up by the Board of Directors..

Likewise, in accordance with Article 42 of the Spanish Commercial Code, the General Meeting of Shareholders must simultaneously approve the consolidated financial statements of the Group where the Company is the parent (“MEDIASET ESPAÑA COMUNICACION, S.A.”).

The Individual and Consolidated Annual Accounts, which are submitted to the General Meeting of Shareholders for approval, have been prepared in accordance with the accounting standards applicable in each case and in accordance with articles 253 et seq. of the Spanish Companies Act and other concordant regulations. These annual accounts have been prepared by the Board of Directors, at its meeting held on 24 February 2020, in electronic format

(XHTML), with the consolidated financial statements being tagged with technology (XBRL), in accordance with the provisions of Directive 2004/109/EC and the Delegated Regulation (EU) 2019/815

The profit before taxes of the Mediaset España consolidated group in the 2020 financial year amounted to 231,381 thousand euros and the net profit amounted to 178,731 thousand euros.

The parent company's profit before taxes amounted to 161,439 thousand euros, while the distributable net profit was 142,506 thousand euros.

- **Proposed resolution:**

To approve the annual accounts, as well as the management reports, both of “Mediaset España Comunicación, S.A.” and its Consolidated Group of Companies, corresponding to the financial year ended on 31<sup>st</sup> December 2020, drawn-up by the board of directors at its meeting on 24<sup>th</sup> February 2021, verified by the Audit and Compliance Committee, and audited without objections by Deloitte, S.L.

**Item Two.-** Examination and approval of the Non-Financial Information of Mediaset España Comunicación, S.A. and its Consolidated Group of companies corresponding to the financial year ended on 31<sup>st</sup> December 2020.

- **Justification for the proposed resolution:**

In accordance with the amendments made to both the Spanish Companies Act and the Spanish Commercial Code by Law 11/2018 of 28 December, companies that prepare consolidated accounts must include the consolidated non-financial information statement in the consolidated management report. This report shall include the information necessary to understand the evolution, results, situation of the group, and the impact of its activity with regard to, at least, environmental and social issues, respect for human rights and the fight against corruption and bribery, and in relation to personnel, including the measures, if any, adopted to promote the principle of equal treatment and opportunities between women and men, non-discrimination and inclusion of persons with disabilities and universal accessibility.

The Consolidated Statement of Non-Financial Information that is submitted was drawn up by the Board of Directors of “MEDIASET ESPAÑA COMUNICACIÓN, S.A.” at its meeting on 24<sup>th</sup> February 2021, and includes not only all the information required by the law, but also other equally important aspects in order to report in a transparent, precise, clear and consistent manner on the integrated management of the financial and non-financial aspects of the Company and its Consolidated Group of Companies.

The GRI Standards for Sustainability Reporting, in its GRI Standards version, and the Media sector supplement GRI-G4, both issued by the Global Reporting Initiative, as well as the

recommendations of the International Integrated Reporting Framework, have been followed throughout the preparation of the report.

In accordance with the provisions of the law, the non-financial information statement has been independently verified by Deloitte, S.L.

- **Proposed resolution:**

To approve the Non-Financial Information Statement of “MEDIASET ESPAÑA COMUNICACIÓN, S.A.” and its Consolidated Group for the financial year ended 31<sup>st</sup> December 2020.

**Item Three.- Examination and approval, where appropriate, of the proposed distribution of profit or loss for the year 2020.**

- **Justification for the proposed resolution:**

Proposed distribution of profits made by the Board of Directors and which, in accordance with the provisions of article 164 of the Spanish Companies Act, is submitted for approval by the General Meeting of Shareholders.

- **Proposed resolution:**

To approve the distribution of profit for the financial year 2020, which amounts to 142,506 thousands of euros, as follows:

	(thousand €)
<u>Profit and loss (profit)</u>	<u>142,506</u>
<u>Application: To voluntary reserves</u>	<u>142,506</u>
<b>Total</b>	<b>142,506</b>

**Item Four.- Examination and approval, where appropriate, of the management and performance of the Board of Directors during 2020.**

- **Justification for the proposed resolution:**

According to article 164 of the Spanish Companies Act, the General Meeting of Shareholders must approve the company's management within six months of the end of the financial year concerned.

- **Proposed resolution:**

To approve the management and performance of the Board of Directors in the financial year 2020.

**Item Five.- Re-election of the statutory auditors for both “MEDIASET ESPAÑA COMUNICACION, S.A.” and its consolidated group of companies.**

- **Justification for the proposed resolution:**

The appointment and re-election of the auditors for the Company and its group is the responsibility of the General Meeting of Shareholders, and such appointment must be made prior to the end of the financial year to be audited, as established in Article 264 of the Spanish Companies Act.

The proposed auditors, “Deloitte, S.L.”, were elected for an initial period of three years at the General Meeting held on 27<sup>th</sup> April 2017, and it is proposed that they be re-elected for a further three years.

- **Proposed resolution:**

To re-elect as statutory auditors of “Mediaset España Comunicación, S.A.” and its consolidated group of companies for the financial years 2021, 2022 and 2023, the firm “Deloitte, S.L.”, with its registered office in Madrid, Plaza Pablo Ruiz Picasso nº 1, Torre Picasso and tax code B-79104469, registered in the Commercial Register in Volume 35217, Sheet 14, Section 8, Page M-54414, Official Registry of Auditors (ROAC) registration number S0692.

**Item Six.- Authorisation, where appropriate, for Directors with executive functions and Senior Management to receive part of the variable remuneration accrued in the financial year 2020 in the form of shares in the Company.**

- **Justification for the proposed resolution:**

It is proposed that part of the variable remuneration corresponding to Directors with executive functions and Senior Managers, may be paid in the form of shares in the Company, but not exceeding 12,000 euros per person.

This system, which is available voluntarily to all employees of the Company and its Business Group, does not constitute additional remuneration, but rather a form of payment of the variable remuneration corresponding to its recipients.

This same measure, which has already been proposed and approved in previous years, must be approved by the General Meeting as required by article 219 of the Spanish Companies Act.

- **Proposed resolution:**

To approve that part of the variable remuneration corresponding to the financial year 2020 accrued by the Directors with executive functions and the main Executives of “MEDIASET ESPAÑA COMUNICACION, S.A.” and the companies of its Consolidated Group, may be received in the form of shares in the Company, subject to the following conditions:

- Recipients: all employees of “MEDIASET ESPAÑA COMUNICACIÓN, S.A” and the companies comprising its Consolidated Group, including the executive directors thereof.
- Voluntary nature: the receipt of variable remuneration in the form of shares is voluntary on the part of the recipients.
- Maximum limit: the maximum amount of shares to be received by each recipient is that which results from applying 12,000 euros to the closing price of the shares on the day before the delivery date.
- Source of the shares: the shares will come from treasury stock..
- Maximum number of shares to be delivered: those which result from applying 12,000 euros to the closing price of the shares on the day before the delivery date.
- Share value: the closing price of the shares on the day before the delivery date.
- Duration: this remuneration system will apply until the delivery of the shares, which must take place at any time before the end of three months from the date of approval by the General Meeting of Shareholders.
- Delegation: the power to execute this resolution is delegated to the Board of Directors.

**Item Seven.- Authorise the Board of Director, where appropriate, so that it may establish a multi-annual remuneration system for Executive Directors and Mangers of the Group of Companies linked to the value of the Company's shares.**

- **Justification for the proposed resolution:**

Insofar as the remuneration system that, where applicable, may be established on the basis of the proposed resolution, may consist of the delivery of shares in the Company to Executive directors, Article 219 of the Spanish Companies Act applies, by virtue of which:

*“1. In public limited companies, when the Directors' remuneration system includes the delivery of shares or share options, or remuneration linked to the value of the shares, it must be expressly provided for in the Articles of Association and its application shall require a resolution of the General Meeting of Shareholders..*

*2. The resolution of the General Meeting of Shareholders shall include the (i) maximum number of shares that may be allocated in each financial year to this remuneration scheme, (ii) the share price or the system for calculating the price of the share options, (iii) the value of the shares to be taken as a reference, if any, and (iv) the duration of the scheme.*

The proposal consists of a medium-term incentive and loyalty scheme, which will be linked to the stock market value of the Company's shares, and which is aimed at the Company's Executive Directors and Senior Management (the "Plan").

The main objectives of this Plan are as follows:

- To reward the sustainability of the company's results.
- To improve the composition of the remuneration of its recipients.
- Align the interests of Directors and Managers with those of shareholders.

The Plan, which is voluntary, is funded, in equal parts, by (i) a contribution made by each recipient, consisting of 25% of their "base" variable remuneration foreseen for the year in which the Plan is approved, and (ii) a contribution of the same amount by the company, giving rise to a "joint contribution". The resulting amount will determine the allocation of a number of shares in the Company, which will be fixed on the basis of the average share price in the thirty days prior to the preparation of the annual accounts for the year in which the Plan is approved

The Plan will last for three years and the final right to receive the shares allocated at the beginning of the Plan is conditional on the fulfilment of the sum of the "free cash flow" and "net result" objectives foreseen in the budget for each of the three years (the year in which the allocation takes place and the following two years), in such a way that one year's deficit can be compensated by the surplus of another year.

The shares initially allocated are allocated for a level of 100% compliance with the three-year objectives, so that if these objectives are not met, the shares allocated are reduced proportionally. The shares finally accrued according to the level of achievement of the objectives set will be delivered to each recipient after the Ordinary General Meeting in which the annual accounts for the third year of the Plan are approved, provided that the recipient remains linked to the Mediaset España Group, and the value of the shares will be the share price listed on the day of delivery.

With regard to the 'exercise price' for the recipient, there really is no such price, since this is not an option plan. The only contribution made by the recipient is, as mentioned above, an amount equivalent to 25% of the "base" variable remuneration foreseen for the year in which

the Plan is approved and the shares are initially allotted, and it is this amount that is referred to as the "*exercise price or the system for calculating the exercise price of the share options*", which is required by the Spanish Companies Act.

This Plan, which was already foreseen in the Remuneration Policy that was approved in 2018 for the three-year period 2018-2020, is again reflected in the Remuneration Policy for the three-year period 2021-2023, which is submitted to the General Meeting of Shareholders for approval under item nine of the agenda.

- **Proposed resolution:**

To authorise the Board of Directors to approve the establishment of a remuneration system (the "Plan") for Executive Directors and Managers of the Consolidated Group, consisting in the delivery of shares in the Company, the basic characteristics of which are as follows:

- Recipients: the executive directors and managers of the Group of Companies as determined by the Board of Directors, approximately 25 people in total.
- Maximum number of shares to be allocated: the maximum number of shares that may be allocated shall be equivalent to 0.33% of the Company's share capital. Of said 0.33%, up to a maximum of 0.11% shall correspond to the Company's Executive Directors. The Company shall not increase its share capital to cover the Remuneration System.
- Share value: the share value to be taken as a reference for the purposes of allocating shares to each recipient shall be the average share price in the thirty days prior to the preparation of the annual accounts for the financial year in which the Plan is approved.
- Exercise price or system for calculating the exercise price of stock options: each beneficiary of the Plan will make a contribution, consisting of 25% of its "base" variable remuneration foreseen for the year in which the Plan is approved, which corresponds to fifty percent (50%) of the "value of the shares" at the time they are allotted.
- Grant date: any date to be agreed by the Board of Directors within 4 months from the date the Plan is approved.
- Duration: 2021 to 2023, both included, with delivery of the shares being possible at any time after the approval of the annual accounts for the financial year 2023, as determined by the Board of Directors.

In order to facilitate the execution of the above resolutions, the General Meeting of Shareholders unanimously resolves to delegate to the Board of Directors, with express powers of substitution in favour of any of its members, all the powers necessary for the definition, integration and execution of the aforementioned resolution.

**Item Eight.- Examination and approval, where appropriate, of the Annual Report on Directors' Remuneration of “MEDIASET ESPAÑA COMUNICACION, S.A.”.**

- **Justification for the proposed resolution:**

In compliance with the provisions of article 541 of the Spanish Companies Act, the Board of Directors, following a favourable report from the Appointments and Remuneration Committee, has prepared Mediaset España Comunicación, S.A.'s Annual Report on Directors' Remuneration, which is submitted to the General Shareholders' Meeting for a vote. The Report includes complete, clear and comprehensible information on the Company's remuneration policy for the current year, as well as an overall summary of how the Remuneration Policy was applied during the financial year 2020, including a breakdown of the individual remuneration accrued by each of the directors. This Report complies with the provisions of the Directors' Remuneration Policy for the financial years 2018 to 2020, which was approved at the Annual General Meeting held on 18<sup>th</sup> April 2018.

It should be noted that the Directors' Remuneration Report submitted to the Annual General Meeting has been specifically verified by an independent entity and has been made available to shareholders, together with the rest of the documentation relating to the General Meeting, from the date the meeting was called

The Annual Report on Directors' Remuneration is attached as [Annex I](#).

- **Proposed resolution:**

Approve the Directors' Remuneration Report of Mediaset España Comunicación, S.A. for the financial year 2020.

**Item Nine.- Examination and approval, where appropriate, of the Director's Remuneration Policy of “MEDIASET ESPAÑA COMUNICACIÓN, S.A.”.**

- **Justification for the proposed resolution:**

In accordance with Article 529 novodecies of the Spanish Companies Act, the General Meeting of Shareholders must approve the remuneration policy for directors at least every three years, which must be in accordance with the remuneration system set out in the Articles of Association..

The Company's first Remuneration Policy was approved by the Annual General Meeting of Shareholders held on 18<sup>th</sup> April 2018 and has remained in force during the financial years 2018, 2019 and 2020. It is therefore necessary to approve a new Remuneration Policy.

By virtue thereof, and in compliance with the provisions of article 56 of the Articles of Association, the Board of Directors, following the proposal of the Appointments and Remuneration Committee, has resolved to submit the Remuneration Policy attached as [Annex](#)



II to the General Meeting of Shareholders for approval, which includes the Report drawn up for this purpose by the Appointments and Remuneration Committee.

The proposed Remuneration Policy refers to the financial years 2021 to 2023, both included, and is substantially equal to the one in force during the previous three-year period, and it sets the maximum amount that directors will receive in their capacity as such, including both remuneration for membership of the Board and remuneration for the assignment of delegated or executive functions.

- **Proposed resolution:**

Approve the Remuneration Policy for the directors of Mediaset España Comunicación, S.A. for the period from 2021 to 2023, both included.

**Item Ten.- To authorise the Board of Directors to proceed with the derivative acquisition of own shares by the Company under the terms provided for in current legislation, with the express power to apply them to the implementation of remuneration programmes and/or to dispose of or redeem them with a reduction of share capital and/or use them to carry out potential corporate transactions or corporate of business decisions, revoking, with regards to the amount not used, the delegation approved by the General Meetings of previous years**

- **Justification for the proposed resolution:**

The acquisition of own shares by the company must be previously authorised by the General Meeting. As is established in article 146 of the Spanish Companies Act, which requires submitting the terms and conditions under which the acquisition is to be carried out to the General Meeting.

The proposed measure, which has been previously proposed, is clearly useful in the event that, because it is necessary or convenient for the company, it can or must acquire its own shares.

The Company's Board of Directors, in accordance with the provisions of articles 286 and 318 of the Spanish Companies Act, has drawn up a report to justify the proposal to delegate the power to reduce the share capital to the Board of Directors in accordance with the provisions of articles 286 and 318 of the Spanish Companies Act, in respect of the own shares that the Company may have become the holder. This report is attached as [Annex III](#).

- **Proposed resolution:**

1. To authorise the Board of Directors, in accordance with the provisions of Article 146 et seq of the Spanish Companies Act, it may proceed, to the extent it deems appropriate in view of the circumstances, with the derivative acquisition of own shares in the Company by any means, subject to the following limitations and requirements:

- a) The shares may be acquired through deed of sale or by any other "*inter vivos*" act for consideration.
  - b) The nominal value of its own shares acquired, when added to those already held by "MEDIASET ESPAÑA COMUNICACIÓN, S.A" and its subsidiaries shall not exceed ten percent (10%) of the subscribed capital or the maximum amount that may be established by law.
  - c) The shares acquired shall be free from any charge or lien, fully paid up and not subject to the fulfilment of any obligation.
  - d) The minimum purchase price of the shares will not be less than its nominal value and the maximum price shall not exceed one hundred and twenty percent (120%) of their market value on the acquisition date.
  - e) Duration of authorisation: five (5) years from the date of this agreement.
  - f) When carrying out these operations they will comply with the rules on the matter contained in the Company's Internal Rules of Conduct.
2. To revoke any authorisation granted on the same subject by the Ordinary General Meeting in the past on the amount not used.
3. Authorise the Board of Directors so that it can: (i) use all or part of its own shares acquired for the implementation of the remuneration schemes the purpose of which is the delivery of shares or share options, or are based in any way on the evolution of the market share price, as provided in Article 146.1. a) of the Spanish Companies Act; and / or (ii) proceed with their transfer in any manner; and / or (iii) cancelling them by way of a reduction of share capital; (iv) and/ or use them to carry out potential corporate transactions or corporate or business decisions. In relation to the cancellation of the shares acquired under this agreement and the consequent reduction of capital, the Board of Directors is delegated to the full extent as required by law, with the power to appoint any of its members such as the CEO and the Secretary of the Board, all the powers necessary to carry out the reduction of the share capital, in one or several instances within a maximum period of five [5] years from the adoption of this Agreement, including without limitation, but not limited to:
- a) the power to determine the exact amount of the reduction, which can never exceed the amount of the nominal value of the shares acquired under this agreement;
  - b) determine the precise number of treasury shares that must be cancelled;
  - c) establish the date or dates of the reduction;

- d) implement the reduction of capital in the manner they deem most appropriate establishing the applicable requirements, excluding or not, the right to object by creditors pursuant to Article 335 c) of the Spanish Companies Act and take the necessary measures to comply with the applicable regulations;
  - e) redraft Article 5 of the Articles of Association to reflect the new share capital and number of shares of the Company;
  - f) publication of appropriate notices;
  - g) appear before the Notary of their choice in order to execute the corresponding capital reduction deed and may even provide the amending, complementary or explanatory deeds that, where appropriate, last until the capital reduction is registered in Commercial Register and apply, where applicable, for partial registration from the Commercial Registrar;
  - h) send the necessary notices regarding the reduction of capital to the competent regulatory bodies, including any communications to the National Stock Markets Commission (CNMV) where appropriate, carry out any formalities and actions that are necessary and present any documents required to the responsible bodies so that once the cancellation of Company shares and the capital reduction deed has been executed and registration in the Commercial Register has occurred, the cancelled shares will be delisted on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Computer Assisted Trading System (Continuous Market) and the cancellation of the relevant accounting records as well as to take any such steps necessary or appropriate, for the full performance of the reduction of capital agreement, before any entities, public or private organisations, Spanish and foreign, including declarations, supplements or correction of defects or omissions that might hinder and impede the full performance of this agreement.
4. To authorise the Board of Directors, so that once the agreement has been adopted, to acquire its own shares, constituting, if necessary, a restricted reserve equivalent to the purchase price of the shares.
5. To authorise the Board of Directors, with the express power of substitution to the Board members it deems appropriate, as well as the CEO and the Secretary of the Board, as broadly as necessary, to adopt such resolutions as may be necessary or convenient in order to comply with current legislation, to successfully execute this agreement.

**Item eleven.- Revoke the first to the fourth resolutions adopted by the Extraordinary General Shareholders' Meeting of the Company held on 4<sup>th</sup> September 2019 and the first and second resolutions adopted by the Extraordinary General Shareholders' Meeting of the Company held on 5<sup>th</sup> February 2020, and ratify the cancellation of the Merger resolved by the Board of Directors.**

- **Justification for the proposed resolution:**

By Court Order dated 28<sup>th</sup> July 2020 ("**Order of 28 July**"), Madrid Commercial Court no. 2 rejected to remove the provisional suspension initially granted by Court Order dated 10<sup>th</sup> October 2019 of the resolutions adopted by the Extraordinary General Meeting of the Company held on 4<sup>th</sup> September 2019, whereby it was agreed to carry out the tripartite merger by absorption of the Company and Mediaset S.p.A. by Mediaset Investment N.V. These resolutions were partially amended, with respect to certain aspects of the proposed articles of association of the resulting company, by resolutions adopted at the Extraordinary General Meeting of the Company held on 5<sup>th</sup> February 2020 (all resolutions together, the "**Merger Resolutions**").

In view of the Order of 28<sup>th</sup> July, this Board of Directors, at the meeting held on 5<sup>th</sup> August, noted *"the manifest impossibility of completing the Merger in the terms proposed by the Board of Directors and agreed at the Extraordinary General Meetings of the Company, and therefore resolved to cease all actions and efforts of the Company to completing the Merger"*.

In view of the upcoming Ordinary General Shareholders' Meeting of the Company, the Board of Directors has considered it appropriate, for reasons of transparency and good order, that the General Shareholders' Meeting itself, which approved the Merger Resolutions at the time, takes note of the impossibility of the situation created by the various court decisions for the implementation of the Merger and ratify the cancellation of the Merger agreed by the Board at its meeting held on 5<sup>th</sup> August 2020 and formally revoke the Merger Resolutions.

- **Proposed resolution:**

To take note of the manifest impossibility of carrying out the first to the fourth resolutions adopted by the Ordinary General Shareholders' Meeting of the Company held on 4<sup>th</sup> September 2019 and the first and second resolutions adopted by the Extraordinary General Shareholders' Meeting of the Company held on 5<sup>th</sup> February 2020, whereby it was resolved to carry out the segregation of the Company's entire assets and liabilities in favour of its subsidiary Grupo Audiovisual Mediaset España Comunicación, S.A.U. and the tripartite merger by absorption of the Company and Mediaset S.p.A. by Mediaset Investment N.V.; and, consequently, to ratify the withdrawal of the execution of the merger agreed by the Board of Directors and to revoke for all purposes said resolutions.

**Item Twelve.- Delegation of powers to formalise, interpret, rectify, and execute the previous resolutions, as well as to substitute the powers that the Board of Directors may receive from the General Meeting of Shareholders.**

- **Proposed resolution:**

To delegate the Board of Directors, with express powers of substitution in any of its Executive Directors and in the Secretary of the Board of Directors, so that any of them, without distinction, may formalise and notarise the resolutions adopted at this General Meeting and, in particular, to file at the Commercial Registry, the certification of the

resolutions approving the Annual Accounts and the distribution of profits, attaching such documents as may be legally required, as well as to execute such public or private documents as may be necessary until the corresponding registration of the resolutions adopted in the Commercial Registry is obtained, including the request for partial registration, with powers to remedy or rectify the same in view of the verbal or written qualification that may be made by the Registrar.

**Item thirteen.- Information on the amendments made to the Board of Directors' Regulations since the last General Shareholders' Meeting was held.**

- **Justification for submitting the report:**

In compliance with the provisions of article 528 of the consolidated text of the Spanish Companies Act, and in compliance with the provisions of article 4.2 of the Board of Directors' Regulations of Mediaset España Comunicación, S.A., the Board of Directors must inform the General Meeting of any amendment it intends to make to its Regulations.

In compliance with this provision, the Board of Directors provides the shareholders of the Company, on the occasion of the call of the Ordinary General Meeting, a report explaining the scope and content of the amendments made to articles 6, 13, 19, 21, 22, 38 and 40 of the Board of Directors' Regulations of Mediaset España Comunicación, S.A., which were approved by the Board of Directors of the Company on 23<sup>rd</sup> December 2020. The aforementioned Board of Directors report is attached as Annex IV.

The purpose of the amendments was to introduce technical improvements and to make the adaptations derived from the partial amendment of the CNMV Code of Good Governance of June 2020 (also in line with the Technical Guide 1/2016 on good practices for the implementation of the "comply or explain" principle) and, in line with this, the CNMV Circular 1/2020 of 6<sup>th</sup> October, which amends the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration.

**Item Fourteen.- Amendment of the Articles of Association to incorporate the possibility of attendance at the general meeting by shareholders and their proxies by telematic means..**

- **Justification for the proposed resolution:**

It is proposed to incorporate into Mediaset España's Articles of Association the possibility, provided for in articles 182 and 521 of the Spanish Companies Act, for the Articles of Association of listed companies to provide for the attendance of shareholders and their proxies at general meetings by telematic means, as an additional alternative to physical attendance and the exercise of rights by shareholders and proxies through remote means of communication prior to the date scheduled for the holding of the meeting.

The corresponding justification is set out in the justificatory report approved by the Board of Directors, which is attached as Annex V.

- **Proposed resolution:**

Approve the incorporation of a new article 33 bis in the Articles of Association with the following wording:

*«Article 33 bis. Attendance at the General Shareholders' Meeting by telematic means.*

- 1. The notice convening the General Meeting may provide, in addition to the physical attendance of shareholders and their proxies and the exercise of shareholders' rights by remote means of communication prior to the date scheduled for the meeting, for the telematic attendance of shareholders and their proxies by remote and simultaneous connection to the meeting by electronic means of communication, provided that the identity of the person attending and the security of the electronic communications can be properly verified.*
- 2. The telematic attendance of shareholders and their proxies shall be governed by the provisions of the General Shareholders' Meeting Regulations and, where appropriate, by the rules of implementation approved by the Board of Directors regarding procedural aspects, which shall include, among other aspects, the identification requirements for registration and accreditation of attendees, the minimum time the registration process must be completed in advance, and the manner and time in which shareholders attending the General Shareholders' Meeting by telematic means may exercise their rights during the General Shareholders' Meeting.»*

**Item fifteen.- Amendment of the Articles of Association to incorporate the possibility of holding general meetings exclusively by telematic means.**

- **Justification for the proposed resolution:**

It is proposed to incorporate into Mediaset España's Articles of Association the possibility of holding general meetings attended by shareholders and their proxies exclusively by telematic means, as provided for in the Reform Bill for the Spanish Companies Act to transpose into Spanish law EU Directive 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC with regard to the promotion of long-term shareholder engagement, which is currently in the parliamentary process. In any event, the calling of general meetings to be held exclusively by telematic means shall only be applicable when the regulations providing for such possibility enter into force and the conditions or requirements set forth in such regulations are met.

The corresponding justification is set out in the justificatory report approved by the Board of Directors, which is attached as [Anexo V](#).

- **Proposed resolution:**

Approve the incorporation of a new article 33 tris into the Articles of Association to read as follows:

«**Article 33 tris. General Meeting exclusively by telematic means.**

1. *The General Meeting may also be convened to be held exclusively by telematic means and, therefore, without the physical attendance of the shareholders, their proxies and, where appropriate, the members of the Board of Directors, when so permitted by the applicable regulations.*
2. *The holding of the General Meeting exclusively by telematic means shall be in accordance with the provisions of the law and the Articles of Association, and with the extension of those contained in the General Shareholders' Meeting Regulations and, in any event, shall be subject to the identity and legitimacy of the shareholders and their proxies being properly verified and to all attendees being able to effectively participate in the meeting by the means of remote communication permitted in the notice convening the General Shareholders' Meeting, to exercise in real time both the rights of intervention, information, to make proposals and voting to which they are entitled, and to follow the interventions of the other attendees by the means indicated, taking into account the state of the technology and the circumstances of the Company, all in accordance with the applicable regulations.»*

**Item Sixteen.- Amendment of the General Shareholders' Meeting Regulations to develop Articles 33 bis and 33 tris of the Articles of Association to establish a basic regime for attendance at the General Meeting by shareholders and their proxies via telematic means**

- **Justification for the proposed resolution:**

In line with the proposal to amend the Articles of Association to incorporate the possibility for shareholders and their proxies to attend General Shareholders' Meetings telematically in real time by remote electronic means of communication (new articles 33 bis and 33 tris), it is proposed to incorporate into the General Shareholders' Meeting Regulations a basic regime establishing the minimum requirements to be met to enable shareholders and their proxies to attend by telematic means and exercise their rights of information, intervention, to make proposals and vote in terms equivalent to those that would apply if the general meeting were held with physical attendance of the shareholders and their proxies. The measures envisaged seek to guarantee the identification of attendees by remote connection, the correct exercise of their rights, interactivity in real time and, in general, the proper conduct of the meeting.

To give systematic coverage to this new regime, it is proposed that a new Title V of the Regulations be created, under the heading "Attendance at General Shareholders' Meetings by telematic means", included in a new Article 33.

The corresponding justification is set out in the justificatory report approved by the Board of Directors, which is attached as [Anexo VI](#).

- **Proposed resolution:**

To approve the amendment of the General Shareholders' Meeting Regulations by incorporating a new Title V included in a new article 33 with the following wording:

**« TITLE V**

***Attendance at General Shareholders' Meetings by telematic means***

***Article 33. Attendance of shareholders and their proxies by telematic means by remote connection in real time.***

- 1. Without prejudice to the possibility for shareholders and their proxies to physically attend the General Meeting and to exercise their rights by remote electronic means of communication prior to the date scheduled for the General Meeting under the terms provided for in these Regulations, when the notice of the General Meeting so provides in accordance with Article 33 bis of the Articles of Association, shareholders and their proxies may also attend the General Meeting via telematic means through a remote and simultaneous connection to the meeting using electronic means of communication. In any case, the means of connection used must be able to guarantee the identity of the attendees connecting remotely, the correct exercise of their rights, interactivity in real time and, in general, the proper conduct of the meeting.*
- 2. Attendance at the General Meeting by remote connection in real time shall be subject to the following rules, which shall be further developed and completed by the Board of Directors and published on the Company's website:*
  - (a) The notice convening the meeting shall state how far in advance of the start of the meeting a shareholder or proxy holder wishing to attend the meeting must have registered in order to be considered present or represented at the meeting, as well as the means and procedure by which such registration must be carried out.*
  - (b) Shareholders or proxies wishing to attend the General Meeting by telematic means must identify themselves using an electronic signature or any other similar form of identification that adequately verifies their identification, in accordance with the terms established by the Board of Directors.*
  - (c) During the General Meeting, the rights of information, intervention, to make proposals and vote may be exercised by shareholders attending the meeting by*



*telematic means using remote electronic means of communication in accordance with the procedure determined by the Board of Directors.*

*(d) The Board of Directors shall determine the time and manner in which any interventions and proposed resolutions to be made, in accordance with the law, shall be submitted to the Company by those attending by telematic means, in order to guarantee the exercise of rights by those attending by remote connection and, in turn, the orderly conduct of the General Shareholders' Meeting.*

*(e) Unless any of the circumstances for refusal provided by law, the Articles of Association or these Regulations apply, requests for information or clarification made during the General Shareholders' Meeting by those attending via telematic means shall be answered during the Meeting and, if it is not possible to satisfy the shareholder's right at that time, the information requested shall be provided in writing to the shareholder concerned within seven (7) days following the end of the General Shareholders' Meeting.*

*3. The provisions set forth in the preceding sections, insofar as they are compatible with the legal requirements, shall also apply in those cases in which, pursuant to the provisions of article 33 tris of the Articles of Association and the applicable regulations, the notice convening the meeting provides for the General Meeting to be held exclusively by telematic means and, therefore, without the physical attendance of the shareholders and their proxies nor, as the case may be, the members of the Board of Directors. In any event, the notice convening the meeting shall provide information on the rules applicable in this respect.*

*4. In any case, the Company shall not be liable for any damages that may be caused to the shareholder or proxy as a result of the occasional unavailability of its website, as well as breakdowns, overloads, line failures, connection failures or any other eventuality of the same or a similar nature, beyond the Company's control, without prejudice to the adoption of the measures required by each situation, including the possible temporary suspension or extension of the Meeting if necessary to ensure the full exercise of shareholders' or their proxies' rights.»*

**Mario Rodríguez Valderas**  
**Secretary of the Board**



**ANNEX I**

**ANNUAL REPORT ON REMUNERATION OF  
MEDIASET ESPAÑA COMUNICACIÓN, SA DIRECTORS 2020**

# **Mediaset España Comunicación, S.A.**

Independent Limited Assurance Report on  
the 2020 Annual Report on Directors'  
Remuneration

24 February 2021

*Translation of a report originally issued in Spanish. In the  
event of a discrepancy, the Spanish-language version  
prevails.*

*Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.*

## **INDEPENDENT LIMITED ASSURANCE REPORT ON THE ANNUAL REPORT ON DIRECTORS' REMUNERATION**

To the Directors of  
Mediaset España Comunicación, S.A.,

### **Scope of the Engagement**

We have performed a limited assurance engagement in relation to the information included in the Annual Report on Directors' Remuneration of Mediaset España Comunicación, S.A. for the year ended 31 December 2020, prepared in accordance with the provisions of Article 541 of the Spanish Limited Liability Companies Law, Ministerial Order ECC/461/2013, of 20 March, which determine, inter alia, the minimum content and the structure of the Annual Report on Directors' Remuneration, and Circular 4/2013, of 12 June, of the Spanish National Securities Market Commission (CNMV), which establishes model annual reports on directors' remuneration for, among others, listed companies, amended by CNMV Circular 7/2015, of 22 December, CNMV Circular 2/2018, of 12 June, and CNMV Circular 1/2020, of 6 October.

### **Responsibilities of the Directors**

The directors of Mediaset España Comunicación, S.A. are responsible for the preparation, content and presentation of the information contained in the accompanying Annual Report on Directors' Remuneration. This responsibility includes the design, implementation and maintenance of such internal control as is determined to be necessary to enable the Annual Report on Directors' Remuneration to be free from material misstatement, whether due to fraud or error.

The directors of Mediaset España Comunicación, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the Annual Report on Directors' Remuneration is obtained.

### **Our Responsibility**

Our responsibility is to issue a limited assurance report based on the procedures we conducted and the evidence we obtained. We performed our limited assurance engagement in accordance with the requirements established in Standard ISAE 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance provided is also lower.

The procedures we conducted for the purposes of this engagement were based on professional judgement and consisted of making inquiries of management, and carrying out certain analytical procedures and sample-based review tests.

Specifically, our work included the following procedures:

- Perusal and understanding of the information prepared by the Company and included in the 2020 Annual Report on Directors' Remuneration and evaluation of whether this information addresses all the contents required by Article 541 of the Spanish Limited Liability Companies Law, Ministerial Order ECC/461/2013, of 20 March, and CNMV Circular 4/2013, of 12 June, amended by CNMV Circular 7/2015, of 22 December, CNMV Circular 2/2018, of 12 June, and CNMV Circular 1/2020, of 6 October.
- Perusal of the legal documentation, the minutes of the Annual General Meeting and Board of Directors meetings, the separate and consolidated financial statements for 2020, and the various internal and external communications relating to the suitability of the information included in the Annual Report on Directors' Remuneration.
- Holding of interviews with the personnel of Mediaset España Comunicación, S.A. including members of management and other bodies responsible for the Company's various areas of governance covered by the report.
- Analysis of the procedures used by the Company to compile and validate the data and information presented in the 2020 Annual Report on Directors' Remuneration.
- Verification, by means of sample-based review tests, of quantitative information included in the 2020 Annual Report on Directors' Remuneration and of its adequate compilation from the data supplied by management of Mediaset España Comunicación, S.A. and, as appropriate, against the figures included in the separate and consolidated financial statements for 2020 provided by management of Mediaset España Comunicación, S.A.
- Obtainment of a representation letter on the work performed duly signed by the persons responsible for preparing and drafting the 2020 Annual Report on Directors' Remuneration.

### **Independence**

We have complied with the independence and other ethical requirements of the Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA).

In accordance with International Standard on Quality Control (ISQC) 1, Deloitte has in place a global system of quality control which includes documented policies and procedures in relation to compliance with ethical requirements, professional standards and applicable legislation.

### **Conclusion**

As a result of the procedures that we have conducted and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the content of the accompanying Annual Report on Directors' Remuneration of Mediaset España Comunicación, S.A. for the year ended 31 December 2020 contains material errors or has not been prepared, in all material respects, in accordance with the content of Article 541 of the Spanish Limited Liability Companies Law, Ministerial Order ECC/461/2013, of 20 March, and CNMV Circular 4/2013, of 12 June, amended by CNMV Circular 7/2015, of 22 December, CNMV Circular 2/2018, of 12 June, and CNMV Circular 1/2020, of 6 October.

### **Other Matter**

Under no circumstances may this report be considered to be an auditor's report in the terms envisaged in the audit regulations in force in Spain.

DELOITTE, S.L.



Fernando García Beato  
24 February 2021

ANNUAL REPORT ON REMUNERATION OF DIRECTORS  
OF LISTED COMPANIES

IDENTIFICATION DETAILS OF THE ISSUER

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Year-end date: [ 31/12/2020 ]

CIF/Tax identification No.: [ A-79075438 ]

Company name:

[ MEDIASET ESPAÑA COMUNICACION, S.A. ]

Registered office:

[ CARRETERA DE FUENCARRAL A ALCOBENDAS, 4 MADRID ]

***DISCLAIMER: The English version is a translation of the original in Spanish for information purposes only. In case of a discrepancy, the Spanish original will prevail.***

## A. REMUNERATION POLICY APPROVED FOR THE CURRENT FINANCIAL YEAR

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**A.1.** Explain the current director remuneration policy applicable to the year in progress. Insofar as it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

The specific determinations for the year in progress should be described, both the remuneration of directors in their status as such and as a result of their executive functions carried out for the Board pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Shareholders' Meeting.

In any event, the following aspects should be reported:

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, where applicable, explain whether comparable companies have been considered in order to establish the company's remuneration policy.
- Information on whether any external advisors took part in this process and, if so, their identity.

The company's remuneration policy for its directors is regulated by Articles 37 and 56 of the Articles of Association and Article 28 of the company's Board of Directors Regulations. These provisions establish the competent bodies to approve or modify the remuneration policy, the principles on which it is based, its structure and its purpose.

In accordance with the principles governing Mediaset España's management, and in accordance with the provisions of article 28 of the Board of Directors Regulations and the best corporate governance practices, the remuneration policy must be:

- In accordance with the responsibilities assigned to them and the dedication employed.
- Incentive based and therefore, likely to retain the most valuable professionals rewarding the dedication, qualification and responsibility that the position requires.
- Related, at all times, to the importance of the Company in the business environment and its economic situation.
- In line with the market standards of companies with similar characteristics.
- Designed to promote the Company's long-term profitability and sustainability.
- Provide the necessary precautions to prevent excessive risk taking and avoid reward where unfavourable results are obtained.

With regards to Independent Directors, this policy also seeks, that the amount of remuneration is such that it provides incentives for their dedication and service to the Company, but that it does not compromise their independence.

During the definition and approval process, different management bodies of the company are involved, including its shareholders. This process begins with the Appointments and Remuneration Committee which analyses and approves the main defining lines of the Directors remuneration and formulates both, this report and the Director's remuneration policy, where appropriate.

Once the report has been prepared and, in accordance with Article 37.3 of the Articles of Association, it is the Board of Directors that is responsible for approving the remuneration policy of its members that will be submitted for the approval of General Meeting.

Finally, it is Mediaset's own shareholders, via the General Meeting, who evaluate and decide on a system and the way in which the company remunerates its directors.

In 2021, in accordance with the applicable regulations, the remuneration policy for the next three financial years will be submitted to the Shareholders' General Meeting for approval.

It should be noted that no external advisors were contracted in the drafting of the remuneration policy in force.

In accordance with the governance regulations the remuneration scheme for the directors of Mediaset España is as follows:



- The Directors, in their capacity as members of the Board of Directors, will be entitled to receive remuneration from the Company that will consist of a fixed annual amount and attendance fees. In the case of the Chairmen of the Board of Directors, and of the Executive, Audit and Compliance, and Appointments and Remuneration Committees, attendance fees will be higher.

The Director's remuneration does not provide for the granting of loans or advances or guarantees; likewise, it does not provide for their participation in social welfare systems, nor severance payments for termination of their relationship with the Company, except in the cases of executive directors. Also, they do not receive any remuneration for belonging to other Boards of Directors of the Group's companies.

- In accordance with the provisions of the Articles of Association, the Chairman of the Board of Directors, who does not have executive functions and holds the status of external director, will receive a supplementary remuneration in response to the special dedication required by the position. This must be approved by the Board of Directors and based on objective and measurable criteria, following a prior report from the Appointments and Remuneration Committee.

- With regard to the executive directors' remuneration for the performance of delegated or executive functions in the Company, in accordance with the provisions of article 56.2 of the Articles of Association and as provided for in their respective contracts approved by the Board of Directors, they are entitled to receive the following the components of remuneration:

(i) A fixed annual amount that is consistent with the delegated or executive services and responsibilities assumed, which includes a fixed amount of monetary remuneration and another amount in kind for habitual concepts specific to the Company's management team.

(ii) A variable annual amount that is correlated to the Director's or the Company's performance indicators, referenced in the latter case to budgetary objectives.

(iii) Medium-term incentive and remuneration system linked to the share price.

(iv) Benefits.

- Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

As mentioned, the remuneration of the executive directors for their work within the company, in 2021 they will be paid a fixed part, complemented by a variable component tied to the results obtained in terms of the budgetary targets. This remuneration system has been a constant in the history of this Company.

As in previous years, the accrual and quantification of the variable remuneration will depend on the degree to which the Company achieves the budget for the financial year 2021, particularly with regard to the following three variables: (i) gross advertising revenues, (ii) consolidated EBIT and (iii) free cash flow.

For the CEO, the variable remuneration constitutes 71% of the fixed remuneration and 41% of his full pay (based on 100% achievement of the objectives on which the accrual and quantification of the variable remuneration is dependent).

For the other Executive Directors, the percentage of the variable component of their remuneration is between 51% and 56% of the fixed component, and between 29% and 32% of their full pay is based on 100% achievement of the objectives on which the accrual and quantification of the variable remuneration is dependent).

The Board of Directors considers that there is an appropriate balance between the fixed and the variable remuneration of the Company's CEO, based on the fact that when the variable component reaches its maximum, it could mean up to 47% of the total remuneration that may accrue in his favour when all the concepts are included.

We understand that this ratio fully meets the objectives of proportionality, preservation and incentivisation that, as we have noted in previous sections, the variable remuneration system must comply with.

Finally, it should be noted that any qualifications in the external auditor's report that reduce the company's results will be taken into account when determining variable remuneration.

The payment of variable remuneration to the executive directors is deferred for four months from the end of the year, following the application of the internal procedures for checking compliance with the previously established performance conditions and, in any case, prior approval by the General Meeting; The procedure for verifying that these objectives have been complied with is carried out after the close of the fiscal year, in accordance with the following procedure:

In the three months following the close of the fiscal year, the Board of Directors and/or the CEO, where appropriate, will evaluate whether the approved objectives have been complied with at the time of preparing the previous year's annual accounts; Therefore, it is necessary that the annual evaluation has been closed and audited and the annual accounts have been drawn up.

Furthermore, and once compliance with the previously established performance conditions has been verified, the actual payment of the variable remuneration does not take place until the fourth month after the close of the fiscal year, once the annual accounts have been approved by the General Meeting, which allows the Company to detect any possible breach or irregularity, in which case the payment variable remuneration is not made.

– **Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such**

It is envisaged that the directors in their capacity as such, will receive a fixed remuneration of 75 thousand euros per year, this fixed remuneration will be supplemented by allowances for attendance at board and committee meetings of 4 thousand euros for each meeting, and 8 thousand euros in the case of the Chairmen of the board of directors and of each committee.

– **Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors**

The executive directors, in their capacity as Company executives, shall receive a fixed monetary remuneration established in their respective contracts, in line with the functions and responsibilities attributed to them in each case.

This fixed remuneration shall be as follows:

Mr. Paolo Vasile: 930 thousand euros.

Mr. Massimo Musolino: 560 thousand euros.

Mr. Mario Rodríguez Valderas: 408 thousand euros.

– **Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.**

For the current financial year 2021, the scope and main characteristics of the remuneration in kind to be received by the directors are to be maintained. The main characteristics are as follows:

1. CEO: (i) company vehicle; (ii) housing in Spain (Madrid) with parking space; (iii) life and accident insurance; (iv) medical insurance for him and his beneficiaries; (v) tax payments on account paid by the employer.

2. For the other executive directors: (i) company vehicle; (ii) life and accident insurance; (iii) medical insurance for them and their beneficiaries; (iv) tax payments on account paid by the employer.

Both cases are of little economic relevance. The amount of remuneration in kind for 2020 is expected to reach 132,000 euros.

- Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms

As previously mentioned, the executive directors receive an integrated remuneration, which includes a fixed and a variable part, for the performance of their duties within the company.

The variable remuneration system is approved at the beginning of each year by the Board of Directors. The objectives set for 2020 are set based on the following parameters: (i) advertising revenues, (ii) consolidated group EBIT and (iii) Free Cash Flow. Each of the objectives is assigned a weighting of 20%, 50% and 30%, respectively, the sum is 100%. The result of each target is independent of the rest.

In the case of the CEO, the Bonus Target for 2020 is 659,000€/year (for 100% achievement of objectives), it being possible to achieve up to 50% of the said bonus (for 85% achievement of objectives), and 130% of the bonus (for a degree of achievement of objectives greater than 105%).

With regard to the Chairman of the Board of Directors, the variable remuneration system and his objectives for 2020 are the same as those of the CEO, maintaining the amounts received in the said year without any variations regarding those established in 2019.

With regard to the executive director, Mr. Massimo Musolino, the variable remuneration system established allows for the maximum achievement of 51% of the fixed remuneration. 17% depends on individual objectives, another 17% on company objectives (the achievement of which is a condition for the accrual of variable remuneration), the remaining 17% depends on the performance evaluation during the year.

Finally, for the executive director, Mr. Mario Rodríguez, a variable remuneration system has been provided that allows a maximum achievement of 56% of the fixed remuneration. 20% depends on individual objectives, 20% on company objectives (the achievement of which is a condition for the accrual of variable remuneration), and 16% depends on the performance evaluation during the year.

The approval and evaluation of the CEO's objectives is carried out by the Board of Directors, following a prior report from the Appointments and Remuneration Committee. For this purpose, the proposals, the

results achieved, and the resulting amount are presented to the Appointments and Remuneration Committee beforehand.

The objectives of Mr Musolino and Mr Rodriguez are set by the Chief Executive Officer, who also evaluates the achievement of these objectives, at the proposal of the Human Resources Division.

In any case, when determining variable remuneration, any qualifications in the external auditor's report that reduce the company's results will be taken into account.

With regard to the payment period and techniques for determining the degree of achievement of the objectives and parameters, we refer to the comments in this section, A1.

There is no profit sharing, nor are there any bonuses or gratuities planned for 2021 other than the above-mentioned schemes.

It should be noted that the absolute amounts of the variable remuneration to which the 2021 remuneration plan would give rise would be as follows; (i) the sum of the variable remuneration in its target grade for an amount of 1,031,816 euros and (ii) the sum of the variable remuneration in its maximum grade would be 1,611,176 euros. The payment of the variable remuneration is scheduled for April 2022, once the Company's annual accounts have been approved, as in previous years.

The criteria considered in variable remuneration are solely of an economic nature, mainly related to the generation of value and profitability for the shareholder. Compliance with these criteria is controlled and supervised by the Appointments and Remuneration Committee and by the Board of Directors, which is responsible for preparing the annual accounts for each financial year.

- Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

There are no long-term saving plans such as consideration for retirement planned for 2021. It must be noted that as a result of contractual agreements signed by the executive director, Mr. Massimo Musolino, an annual provision is made equal to one thirteenth of the sum of the fixed and variable annual remuneration, updated with reference to the annual CPI, which will become effective at the time when the said Director leaves the company. The annual cost is 57,050 euros.

- Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration

The CEO's contract does not include clauses that establish compensation for early termination of his executive functions, nor any other type of compensatory remuneration.

With regards to the other two executive directors, (Mr. Mario Rodríguez and Mr. Massimo Musolino), in the event of any change in Mediaset España's current ownership/control (direct or indirect), and in cases of unfair dismissal, collective or objective dismissal, termination by the Executive Director for the reasons set out in articles 39, 40, 41, and 50 of the Workers' Statute, shall be entitled to receive in addition to the corresponding severance pay, two annuities of their gross annual remuneration.

In addition, Mr. Massimo Musolino has the following compensation regime: Voluntary redundancy: Accrual per year: Fixed salary + annual variable, divided by 13.5, the total remuneration is the sum of the amounts corresponding to the number of years worked.

Termination by fair or unfair dismissal: statutory compensation plus compensation under point (i) above.

Exclusivity, post-contractual non-competition, permanence or loyalty agreements:

None of the executive directors' contracts contemplate permanence or post-contractual non-competition obligations.

Notwithstanding the fact that the duty of loyalty prevents any director from carrying out activities on his own behalf or for others that imply actual, current or potential competition with the Company, Mr. Musolino's contract, by reference to his status as a director, contains an exclusivity clause which prohibits competition, and prohibits him joining another company, maintaining an employment or professional relationship with, directly or indirectly, persons, companies and entities engaged in business or commercial activities that are or may be in competition with the objects of Mediaset España, or the specific activity performed by it, anticipating that in the case of non-compliance, Mediaset shall be entitled to deduct the amount corresponding to the period defaulted, from the settlement.

- Indicate the conditions that contracts of executive directors performing senior management functions must contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

Mr. Paolo Vasile's contract is commercial in nature and is linked, in terms of duration and functions, to his status as CEO of the Company, without any shielding or permanency conditions.

With regard to compensation for Mr. Massimo Musolino and Mr. Mario Rodríguez Valderas both contracts are governed by employment legislation, and there are no special conditions, except those mentioned in the preceding paragraph, relating to compensation.

- The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

As in 2020, no additional remuneration has been planned for 2021 for the directors and the services rendered other than those inherent to their position.

- Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

At the date that this report was prepared no advances, loans or guarantees have been granted. If any are granted after the date hereof, it will be promptly reported. It should be noted that no advance payments were made in 2020 either.

- The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

There are no other remuneration concepts in addition to those already mentioned in this report for the financial year 2021.

**A.2** Explain any significant change in the remuneration policy applicable in the current year resulting from:

- A new policy or an amendment to the policy already approved by the General Meeting.
- Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
- Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.

There have been no relevant changes in directors' remuneration with respect to the remuneration policy in force.

As mentioned in previous sections, a remuneration policy for the next three years, which is in the process of being drawn up and which will be in line with those approved to date, is expected to be submitted for approval at the General Shareholders' Meeting to be held in 2021.

**A.3** Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

[https://www.mediaset.es/inversores/es/Politiclas\\_Corporativas.html](https://www.mediaset.es/inversores/es/Politiclas_Corporativas.html)

**A.4** Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

The shareholders' vote on the annual remuneration report is important for the company, having been approved at the most recent general shareholders' meetings with a majority of votes in favour.

## **B OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED**

**B.1** Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

Different management bodies of the company and its shareholders are involved in the definition and approval process.

This process is initiated within the Appointments and Remuneration Committee, which analyses and approves the main definitions of the Directors' remuneration.

The Appointments and Remuneration Committee is composed of the following directors:

Ms. Consuelo Crespo Bofill – Chairman – independent  
Ms. Cristina Garmendia Mendizábal - independent  
Mr. Fedele Confalonieri - external proprietary.  
Mr. Niccoló Querci - external proprietary.

Once the report has been prepared and drawn up by the Appointments and Remuneration Committee, and in accordance with Article 37.3 of the Articles of Association, it is the Board of Directors that is responsible for approving the remuneration policy of its members.

As has been the case in previous years, each and every one of the members of the Board of Directors has taken part and actively participated in the approval of the Report, under the direction and coordination of its Chairman, taking into account the comments and suggestions made by all of them.

Finally, via the General Meeting, it is Mediaset España's own shareholders who evaluate and decide on the system and the manner in which the company directors receive their remuneration.

It should be noted that external consultants have not been hired in the process of drafting the remuneration policy in force.

**B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued and that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.**

The Board of Directors considers that there is an adequate balance between fixed and variable remuneration of the Company's CEO, because when the variable component reaches its maximum, it could represent up to 47% of the total remuneration that could be accrued in his favour when all concepts are included.

We understand that this ratio fully satisfies the objectives of proportionality, preservation and incentivisation which, as we have pointed out in previous sections, the variable remuneration system must comply with.

Regarding the existence of policies for the prevention or resolution of a conflict of interest situation:

Article 34 of the Board of Directors Regulations establishes that: 1. Under the duty to avoid situations of conflict of interest indicated in section 2.e) of the previous article, the Director and his related persons, in the event that they are the beneficiaries of the prohibited acts or activities, must refrain from:

- a) Using the name of the Company or invoking their status as Directors to unduly influence the performance of private transactions.
- b) Making use of the Company's assets, including confidential Company information, for private purposes;
- c) Taking advantage of the Company's business opportunities; for this purpose, business opportunity means any possibility of carrying out an investment or commercial transaction that has arisen or has been discovered in connection with the exercise of the Director's position, or through the use of the Company's means and information, or under such circumstances that it is reasonable to believe that the third party's offer was in fact addressed to the Company.
- d) Obtaining advantages or remuneration from third parties other than the Company and its Group associated with the performance of their duties, except in the case of mere courtesy;
- e) Carrying out activities on their own behalf or on behalf of others that involve actual or potential competition with the Company or that would otherwise place them in permanent conflict with the interests of the Company. In this respect, before accepting any executive position in another company or entity, the Director must consult the Appointments and Remuneration Committee. Likewise, a Director who completes his term or for any other reason ceases to hold his position may not be a director or executive, or provide services in another entity that has a corporate purpose totally or partially similar to that of the Company or that is its competitor, for a period of two (2) years. The Board of Directors, if it deems it appropriate, may exempt the outgoing Director from this obligation or shorten the period of its duration;
- f) Carrying out transactions with the Company or with companies in its group, except for ordinary transactions, carried out under standard conditions for customers and of minor relevance, understood as those whose information is not necessary to give a true and fair view of the Company's assets, financial situation and results.

In any case, Directors must inform the Board of Directors of any situation of conflict, direct or indirect, that they or persons related to them may have with the Company's interests. Situations of conflict of interest incurred by Directors shall be disclosed in the report.

The Code of Ethics of Mediaset España and its Group of Companies provides that: "A conflict of interest is considered to be all those situations in which the interests of persons associated with the Mediaset Group could be, directly or indirectly, different or opposed to the interests of the Group's companies, whether for personal, professional, business or any other reason"; In this respect, the provisions of this document and, furthermore, the "Stock Market's Internal

Rules of Conduct" must be complied with.

The latter document provides the following in relation to conflicts of interest: "Affected persons, except for the Company Directors, who shall be governed in this matter by the provisions of the Board of Directors regulations, are obliged to inform the Director of the Compliance Department of any possible conflicts of interest. Conflict of interest is defined as any situation in which conflict arises between (or may arise), whether directly or indirectly, the Company's interests, the integrated companies of the Mediaset Group and the personal interest of the Affected Person to these Internal Regulations of Conduct. A personal interest will exist when the matter affects that person, or a person closely related to him or her".

Finally, it should be noted that both the objectives of the CEO, senior management and the rest of Mediaset España's executive directors are aligned with the company's strategic objectives. The latter are shared by all executives and are set annually in order to pursue actions that reduce possible threats and take into account the interests of Mediaset and its shareholders. In addition to the above, each executive has individual objectives that must add value to the company and help achieve and/or initiate strategic business objectives.

### **B.3 Explain how the remuneration accruing and vested during the year complies with the provisions of the current remuneration policy.**

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

The remuneration accrued during the year complies with the scheme of the concepts included in the remuneration policy in force until 2020.

Thus, the amounts received that are detailed in section C.- of this Report, correspond to the concepts included in said policy:

#### 1.- Remuneration applicable to directors in their capacity as such.

The members of the Board of Directors in their capacity as such shall be entitled to receive remuneration from the Company consisting of a fixed annual amount and attendance fees. In the case of the Chairmen of the Board committees, attendance fees will be higher based on the dedication linked to the exercise of that position.

Likewise, and in accordance with the provisions of the Company's Articles of Association, the Chairman of the Board of Directors, who in the case of Mediaset España is an external director, will receive an additional remuneration in view of the special dedication required by the position and which will be approved by the Board of Directors.

The maximum annual amount that the Company can pay to the directors in their capacity as such will be set by the General Meeting and is included in the Remuneration Policy in accordance with article 529 septdecies.1 of the LSC (Companies Act). The Board of Directors is responsible for setting the exact amount to be paid within this limit and its distribution among the different directors in consideration of the functions and responsibilities attributed to each director.

#### 2.- Remuneration system applicable to Executive Directors

The Directors who have executive functions within the Company shall be entitled to receive remuneration for the performance of these duties, consisting of a fixed part in line with the services and responsibilities assumed, a variable part linked to performance indicators related to the director or the Company, and benefits, which will include the appropriate benefits and insurance systems, the maximum amount that the Company can pay to the Executive Directors as a variable part will be established in the Remuneration Policy that is submitted to the General Meeting.

In particular, and as detailed in the Policy, in accordance with the provisions of article 56.2 of the Articles of Association and as stated in their respective contracts, consist of variable remuneration linked to the achievement of budgetary targets and an assessment of their individual performance.

The remuneration criteria for 2020 are the same as those stated for 2021, explained in section A1 above.

The company's results have been considered for the accrual of variable amounts, both annual and medium term,



payment of which is dependent on certain objectives being attained: EBIT, Free Cash Flow, advertising revenue, net profit.

Tying these remuneration rights to the achievement of the aforementioned objectives, ensures that the remuneration contributes towards the achievement of short and long-term results.

**B.4 Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes against, if any:**

	Number	% of total
Votes cast	238,089,047	100.00

	Number	% of votes cast
Votes against	45,457,405	19.09
Votes in favour	189,235,344	79.47
Abstentions	3,396,298	1.42

Remarks

**B.5 Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined and how they changed with respect to the previous year**

In accordance with the provisions of the Company's Articles of Association, the Ordinary General Meeting in 2018 agreed, by approving the remuneration policy for the three years 2018, 2019 and 2020 to set the maximum amount that the Company can pay to all of its Directors in respect of (i) fixed annual remuneration and (ii) attendance fees, at the amount of 2,500,000 euros over each financial year; providing that, in the exceptional event that the number of Board or Committee meetings held in a given year reach the maximum figure indicated, the remaining sessions of the Board or its committees held within that year will not generate the right to receive allowances.

**B.6 Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.**

Calculation of salaries accrued during the financial year 2020:

- Fixed part of the salary: with respect to 2019, the CEO, Mr. Paolo Vasile's salary has remained unchanged, and in the case of Mr. Massimo Musolino and Mr. Mario Rodríguez it has been increased, as detailed below.
- Variable part of salary: with respect to 2019, the percentages on the fixed salary, which determine the amount of the Bonus, or the amount of the Target Bonus, and the calculation system have not been increased in the case of the CEO.
- Remuneration in kind: has remained unchanged with respect to 2019.

During 2020, the evolution of the salaries earned by the Executive Directors, for the performance of their management duties, compared to 2019, was as follows:

- Mr. Paolo Vasile: his salary has remained unchanged with respect to the previous year.
- Mr. Massimo Musolino: his salary has increased 0.8% compared to 2019.
- Mr. Mario Rodríguez: his salary has increased 0.8% compared to 2019.

**B.7** Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.

In particular:

- Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.
- In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.
- Each director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).
- Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems:

As indicated above, with respect to 2020, the variable remuneration system is linked to the achievement of a series of objectives fixed by the Board of Directors. The objectives set for 2020 referred to: (i) advertising revenues, (ii) consolidated group EBIT and (iii) Free Cash Flow. In the case of the other two executive directors, also Managing Directors, it included an accumulated audience objective in relation to the competitors.

In the case of the CEO, the Bonus Target for 2020 was 659,000€/year (for a 100% achievement of objectives). The said level of achievement was exceeded at the end of the year.

With respect to the Chairman of the Board, the variable remuneration system and the targets for 2020 were the same as those of the CEO.

In the case of both the CEO and the Chairman, the target and maximum bonuses foreseen, did not increase with regard to 2019.

In the case of the executive director, Mr. Massimo Musolino, the variable remuneration system planned for 2020 allowed a maximum of 51% of fixed remuneration to be achieved. 17% of which depends on individual objectives, another 17% on company objectives (the achievement of which is a condition for the accrual of variable remuneration), the remaining 17% depends on the performance evaluation during the year.

For Mr. Mario Rodríguez, a variable remuneration system was provided that allowed a maximum of 56% of the fixed remuneration to be achieved. 20% of which depends on individual objectives, another 20% on company objectives (the achievement of which is a condition for the accrual of variable remuneration), and the remaining 16% depends on the performance evaluation during the year.

The approval and evaluation of the CEO and Chairman's objectives was carried out by the Board of Directors, following a report from the Appointments and Remuneration Committee.

The other two executive director's objectives were established by the CEO, who also evaluates the achievement

evaluation thereof, following a proposal from the Human Resources Department.

The payment of the variable remuneration is deferred for four months from the year end, following the application of the internal procedures to verify compliance with the previously established performance conditions and, in any case, following approval by the General Meeting;

In 2019, a proposed resolution was submitted to the General Shareholders' Meeting for approval, allowing the executive directors to receive part of their variable remuneration, in Company shares, in accordance with the following conditions. Two of the Executive Directors opted for this method:

- Voluntary nature: Receipt of variable remuneration in shares will be voluntary on the part of the beneficiaries;
- Maximum Limit: The maximum number of shares to be received by each beneficiary is the result of applying 12,000 euros to the average share price on the date of delivery;
- Share value: the average share price on the date of delivery;
- Duration: The remuneration system shall apply until the date of delivery, which will be verified before the end of one month from the date of approval by the General Meeting, where applicable.

Explain the remuneration systems' long-term variable components:

There are no long-term variable components.

**B.8** Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

There are no long-term variable components.

**B.9** Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

There have been no long-term savings systems, such as retirement benefits, etc. It should be noted that, as a result of the contractual agreements signed by one of the executive directors, an annual provision is made consisting of one thirteenth of the sum of the fixed and variable annual remuneration, updated with reference to the annual CPI, which would become effective at the time the director leaves the company. The annual cost in 2020 amounted to 56,597 euros.

**B.10** Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

No payments or indemnities have been paid in this respect.

**B.11** Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain

them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

There have been no changes or new contracts signed.

**B.12** Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

None exist

**B.13** Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

None exist.

**B.14** Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

During 2020 the remuneration in kind received by the Executive directors was as follows:

1. Paolo Vasile (CEO): (i) company vehicle; (ii) housing in Spain (Madrid) and parking space; (iii) life and accident insurance; (iv) medical insurance for him and his beneficiaries; (v) tax payments on account paid by the employer.
2. In the case of Mr. Mario Rodríguez and Mr. Massimo Musolino: (i) company vehicle; (ii) life and accident insurance; (iii) medical insurance for them and their beneficiaries; (iv) tax payments on account paid by the employer.

All three cases have little relevance from an economic point of view: 132,000 euros.

**B.15** Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director's services to the company.

None occurred

**B.16** Explain any item of remuneration other than the foregoing, whatever its nature or the group company paying it, especially when this is considered a related party transaction or its settlement distort the true and fair picture of the total remuneration accrued by the director.

None exist.

### C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Accrual period in year 2020
Mr. FEDELE CONFALONIERI	Proprietary Vice chairman	From 01/01/2020 to 31/12/2020
Mr. MARCO GIORDANI	Proprietary Director	From 01/01/2020 to 31/12/2020
Mr. ALEJANDRO ECHEVARRÍA BUSQUET	Chairman-other external	From 01/01/2020 to 31/12/2020
Mr. PAOLO VASILE	CEO	From 01/01/2020 to 31/12/2020
Mr. BORJA PRADO EULATE	Proprietary Director	From 01/01/2020 to 31/12/2020
Mr. MASSIMO MUSOLINO	Executive Director	From 01/01/2020 to 31/12/2020
Mr. NICCOLÒ QUERCI	Proprietary Director	From 01/01/2020 to 31/12/2020
Ms. GINA NIERI	Proprietary Director	From 01/01/2020 to 31/12/2020
Mr. MARIO RODRÍGUEZ VALDERAS	Executive Director	From 01/01/2020 to 31/12/2020
Mr. JAVIER DIEZ DE POLANCO	Independent Director	From 01/01/2020 to 31/12/2020
Ms. CRISTINA GARMENDIA MENDIZÁBAL	Independent Director	From 01/01/2020 to 31/12/2020
Ms. CONSUELO CRESPO BOFILL	Independent Director	From 01/01/2020 to 31/12/2020
Ms. HELENA REVOREDO DELVECHIO	Independent Director	From 01/01/2020 to 29/02/2020

**C.1** Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

**a) Remuneration from the reporting company:**

**i) Remuneration accruing in cash (thousands of euros)**

Name	Fixed remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other concepts	Total 2020	Total 2019
Mr. FEDELE CONFALONIERI	75	64							139	151
Mr. MARCO GIORDANI	75	48							123	143
Mr. ALEJANDRO ECHEVARRÍA BUSQUET	75	52		635	263				1,025	1,003
Mr. PAOLO VASILE	75	30		930	848			19	1,902	1,683
Mr. BORJA PRADO EULATE	75	30							105	123
Mr. MASSIMO MUSOLINO	75	26		560	260			54	975	971
Mr. NICCOLÓ QUERCI	75	40							115	123
Ms. GINA NIERI	75	26							101	111
Mr. MARIO RODRÍGUEZ VALDERAS	75	26		408	229			46	784	795
Mr. JAVIER DIEZ DE POLANCO	75	66							141	167
Ms. CRISTINA GARMENDIA MENDIZÁBAL	75	52							127	167
Ms. CONSUELO CRESPO BOFILL	75	72							147	147
Ms. HELENA REVOREDO DELVECHIO	13	8							21	131

Remarks

**ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments**

Name	Name of the Plan	Financial instruments at the beginning of 2020		Financial instruments granted during 2020		Consolidated financial instruments in the year				Expired and non-exercised instruments	Financial instruments at the end of 2020	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	Number of equivalent/ consolidated shares	Price of consolidated shares	Gross profit of the shares or consolidated financial instruments (€ thousand)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. FEDELE CONFALONIERI	Plan							0.00				
Mr. MARCO GIORDANI	Plan							0.00				
Mr. ALEJANDRO ECHEVARRÍA BUSQUET	Variable plan 2 -2 <sup>nd</sup> instalment / Variable plan 2 / Variable plan 3	3	36,565			1	9,057	3.23	29		2	
Mr. PAOLO VASILE	Variable plan 2 -2 <sup>nd</sup> instalment / Variable plan 2 / Variable plan 3	3				1	29,185	3.23	94		2	
Mr. BORJA PRADO EULATE	Plan							0.00				

Name	Name of Plan	Financial instruments at the beginning of 2020		Financial instruments granted during 2020		Consolidated financial instruments in the fiscal year				Expired and non-exercised instruments	Financial instruments at the end of 2020	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/consolidated shares	Price of the consolidated shares	Gross profit of the shares or consolidated financial instruments (€ thousand)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. MASSIMO MUSOLINO	Variable plan 2 - 2 <sup>nd</sup> instalment / Variable plan 2 / Variable plan 3	3				1	4,243	3.23	13		2	
Mr. NICCOLÒ QUERCI	Plan							0.00				
Ms. GINA NIERI	Plan							0.00				
Mr. MARIO RODRÍGUEZ VALDERAS	Variable plan 2 - 2 <sup>nd</sup> instalment / Variable plan 2 / Variable plan 3	3					3,487	3.23	11		2	
Mr. JAVIER DIEZ DE POLANCO	Plan							0.00				
Ms. CRISTINA GARMENDIA MENDIZÁBAL	Plan							0.00				
Ms. CONSUELO CRESPO BOFILL	Plan							0.00				
Ms. HELENA REVOREDO DELVECHIO	Plan							0.00				



Observations

**iii) Long-term savings schemes**

Name	Remuneration for the vesting of rights to saving schemes
Mr. FEDELE CONFALONIERI	
Mr. MARCO GIORDANI	
Mr. ALEJANDRO ECHEVARRÍA BUSQUET	
Mr. PAOLO VASILE	
Mr. BORJA PRADO EULATE	
Mr. MASSIMO MUSOLINO	
Mr. NICCOLÓ QUERCI	
Ms. GINA NIERI	
Mr. MARIO RODRÍGUEZ VALDERAS	
Mr. JAVIER DIEZ DE POLANCO	
Ms. CRISTINA GARMENDIA MENDIZÁBAL	
Ms. CONSUELO CRESPO BOFILL	
Ms. HELENA REVOREDO DELVECHIO	

Name	Contribution for the year by the company (thousands €)				Cumulative amount of funds (thousand €)			
	Saving schemes with vested economic rights		Saving schemes with non-vested economic rights		Saving schemes with vested economic rights		Saving schemes with non-vested economic rights	
	2020	2019	2020	2019	2020	2019	2020	2019
Mr. FEDELE CONFALONIERI								
Mr. MARCO GIORDANI								
Mr. ALEJANDRO ECHEVARRÍA BUSQUET								
Mr. PAOLO VASILE								
Mr. BORJA PRADO EULATE								
Mr. MASSIMO MUSOLINO								
Mr. NICCOLÓ QUERCI								
Ms. GINA NIERI								
Mr. MARIO RODRÍGUEZ VALDERAS								
Mr. JAVIER DIEZ DE POLANCO								
Ms. CRISTINA GARMENDIA MENDIZÁBAL								
Ms. CONSUELO CRESPO BOFILL								
Ms. HELENA REVOREDO DELVECHIO								

Remarks

#### iv) Details of other items

Name	Concept	Remuneration amount
Mr. FEDELE CONFALONIERI	Concept	
Mr. MARCO GIORDANI	Concept	
Mr. ALEJANDRO ECHEVARRÍA BUSQUET	Concept	
Mr. PAOLO VASILE	Payment on account remuneration in kind	18
Mr. BORJA PRADO EULATE	Concept	
Mr. MASSIMO MUSOLINO	Payment on account remuneration in kind	54
Mr. NICCOLÓ QUERCI	Concept	
Ms. GINA NIERI	Concept	
Mr. MARIO RODRÍGUEZ VALDERAS	Payment on account remuneration in kind	46
Mr. JAVIER DIEZ DE POLANCO	Concept	
Ms. CRISTINA GARMENDIA MENDIZÁBAL	Concept	
Ms. CONSUELO CRESPO BOFILL	Concept	
Ms. HELENA REVOREDO DELVECHIO	Concept	

Remarks

**b) Remuneration of company directors for seats on the boards of other group companies:**

**i) Remuneration accruing in cash (thousands of euros)**

Name	Fixed remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other concepts	Total 2020	Total 2019
No data										

Observations
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**i) Breakdown of movements of the share-based remuneration systems and gross profit of the consolidated shares or financial instruments.**

	Name of Plan	Financial instruments at the beginning of 2020		Financial instruments granted during 2020		Financial instruments vested during the year				Expired and non-exercised instruments	Financial instruments at the end of 2020	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent /vested shares	Price of the vested shares	Gross profit from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. FEDELE CONFALONIERI	Plan							0.00				
Mr. MARCO GIORDANI	Plan							0.00				

Mr. ALEJANDRO ECHEVARRÍA BUSQUET	Remuneration plan							0.00				
Mr. PAOLO VASILE	Plan							0.00				
Mr. BORJA PRADO EULATE	Plan							0.00				
Mr. MASSIMO MUSOLINO	Plan							0.00				
Mr. NICCOLÓ QUERCI	Plan							0.00				
Ms. GINA NIERI	Plan							0.00				
Mr. MARIO RODRÍGUEZ VALDERAS	Plan							0.00				
Mr. JAVIER DIEZ DE POLANCO	Plan							0.00				
Ms. CRISTINA GARMENDIA MENDIZÁBAL	Plan							0.00				
Ms. CONSUELO CRESPO BOFILL	Plan							0.00				
Ms. HELENA REVOREDO DELVECHIO	Plan							0.00				

Remarks

**iii) Long-term savings schemes**

Name	Remuneration for the vesting of rights to saving schemes
Mr. ALEJANDRO ECHEVARRÍA BUSQUET	
Mr. FEDELE CONFALONIERI	
Mr. MARCO GIORDANI	
Mr. ALEJANDRO ECHEVARRÍA BUSQUET	
Mr. PAOLO VASILE	
Mr. BORJA PRADO EULATE	
Mr. MASSIMO MUSOLINO	
Mr. NICCOLÓ QUERCI	
Ms. GINA NIERI	
Mr. MARIO RODRÍGUEZ VALDERAS	
Mr. JAVIER DIEZ DE POLANCO	
Ms. CRISTINA GARMENDIA MENDIZÁBAL	
Ms. CONSUELO CRESPO BOFILL	
Ms. HELENA REVOREDO DELVECHIO	

Name	Contribution by the company in the year (thousands €)				Cumulative amount of funds (thousands €)			
	Saving schemes with vested economic rights		Saving schemes with non-vested economic right		Saving schemes with vested economic rights		Saving schemes with non-vested economic right	
	2020	2019	2020	2019	2020	2019	2020	2019
Mr. FEDELE CONFALONIERI								
Mr. MARCO GIORDANI								
Mr. ALEJANDRO ECHEVARRÍA BUSQUET								
Mr. PAOLO VASILE								
Mr. BORJA PRADO EULATE								
Mr. MASSIMO MUSOLINO								
Mr. NICCOLÓ QUERCI								
Ms. GINA NIERI								
Mr. MARIO RODRÍGUEZ VALDERAS								
Mr. JAVIER DIEZ DE POLANCO								
Ms. CRISTINA GARMENDIA MENDIZÁBAL								
Ms. CONSUELO CRESPO BOFILL								
Ms. HELENA REVOREDO DELVECHIO								

Remarks

#### iv) Details of other concepts

Name	Concept	Remuneration amount
Mr. FEDELE CONFALONIERI	Concept	
Mr. MARCO GIORDANI	Concept	
Mr. ALEJANDRO ECHEVARRÍA BUSQUET	Concept	
Mr. PAOLO VASILE	Concept	
Mr. BORJA PRADO EULATE	Concept	
Mr. MASSIMO MUSOLINO	Concept	
Mr. NICCOLÓ QUERCI	Concept	
Ms. GINA NIERI	Concept	
Mr. MARIO RODRÍGUEZ VALDERAS	Concept	
Mr. JAVIER DIEZ DE POLANCO	Concept	
Ms. CRISTINA GARMENDIA MENDIZÁBAL	Concept	
Ms. CONSUELO CRESPO BOFILL	Concept	
Ms. HELENA REVOREDO DELVECHIO	Concept	

Remarks



**c) Summary of remuneration (thousands of euros):**

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

Name	Remuneration accrued in the company					Remuneration accrued in the Group's companies					Total financial year 2020 company + group
	Total cash Remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration	Total in 2020, company	Total cash Remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration	Total in 2020, Group	
Mr. FEDELE CONFALONIERI	139				139						139
Mr. MARCO GIORDANI	123				123						123
Mr. ALEJANDRO ECHEVARRÍA BUSQUET	1,025	29			1,054						1,054
Mr. PAOLO VASILE	1,902	94			1,996						1,996
Mr. BORJA PRADO EULATE	105				105						105
Mr. MASSIMO MUSOLINO	975	13			988						988
Mr. NICCOLÓ QUERCI	115				115						115
Ms. GINA NIERI	101				101						101
Mr. MARIO RODRÍGUEZ VALDERAS	784	11			795						795
Mr. JAVIER DIEZ DE POLANCO	141				141						141
Ms. CRISTINA GARMENDIA MENDIZÁBAL	127				127						127
Ms. CONSUELO CRESPO BOFILL	147				147						147
Ms. HELENA REVOREDO DELVECHIO	21				21						21
<b>TOTAL</b>	<b>5,705</b>	<b>147</b>			<b>5,852</b>						<b>5,852</b>

Remarks

## **D OTHER INFORMATION OF INTEREST**

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

There are no other relevant aspects of directors' remuneration that have not been covered in the other sections of this report.

This annual remuneration report was approved by the Board of Directors of the company in its meeting of

24/02/2021

Indicate whether any director voted against or abstained from approving this report

Yes

No

**ANNEX II**  
**REPORT PREPARED BY THE APPOINTMENTS AND REMUNERATION**  
**COMMITTEE JUSTIFYING THE DIRECTOR'S REMUNERATION POLICY OF**  
**MEDIASET ESPAÑA COMUNICACIÓN, S.A.**  
**FOR THE FINANCIAL YEAR 2021-2023**

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## **I. INTRODUCTION.**

The article 529 novodecies of the Spanish Companies Act ("LSC") establishes the obligation for listed companies to have a directors' remuneration policy, which complies with the remuneration system established by the Articles of Association and is approved by the company's General Meeting at least every three years as a separate point of the agenda.

This Report is prepared by the Appointments and Remuneration Committee of MEDIASET ESPAÑA COMUNICACIÓN, S.A. (hereinafter, "**Mediaset España**" or the "**Company**"), in accordance with section 2 of the referred article 529 novodecies of the Spanish Companies Act, which establishes that the proposal for the remuneration policy of the Board of Directors shall be reasoned and must be accompanied by a **specific report from the Appointments Remuneration Committee**.

Accordingly, the purpose of this report is to set forth the criteria on which it is based the proposed Remuneration Policy for the Directors of Mediaset España Communication, S.A. 2021-2023, which will be submitted by the Board of Directors, as a separate point on the agenda, for the approval of the next Shareholders General Meeting.

This report will be made available to the shareholders, together with the proposal of the Remuneration Policy, on the corporate web page of the Company from the notice of the General Meeting.

## **II. THE APPOINTMENTS AND REMUNERATION COMMITTEE OF MEDIASET ESPAÑA.**

### **2.1. Composition.**

The Appointments and Remuneration Committee of the Company is regulated in Articles 51 of the Articles of Association and 22 of the Company's Board of Directors Regulations. It also has its own regulations regarding organisation and operation.

In accordance with articles 22.1 of the Board of Directors Regulations and 3 of the Appointments and Remuneration Committee Regulations, the Appointments and Remuneration Committee will consist of a minimum of three and a maximum of five non-executive directors, at least two of whom must be independent directors. In compliance with this article, the Commission is made up of four members, all external directors and appointed by the Board of Directors.

Therefore, following the provisions of both the Articles of Association and the Board of Directors Regulations, and in accordance with the corporate governance regulations, the Appointments and Remuneration Committee of Mediaset España is chaired by an independent director.

All members of the Committee have the level of experience and training required for the performance of their functions.

As of the date that this Report was issued, the Appointments and Remuneration Committee of the Company is composed of the following members:

- Ms. Consuelo Crespo Bofill (Chairman) – Independent Director
- Ms. Cristina Garmendia Mendizabal – Independent Director
- Mr. Fedele Confalonieri – Proprietary Director
- Mr. Niccoló Querci – Proprietary Director

## **2.2. Functions regarding the remuneration of directors.**

In accordance with the provisions of article 51 of the Articles of Association, 22.3 of the Board of Directors Regulations and 5.1 of the Appointments and Remuneration Committee Regulations, and without prejudice to any functions attributed to it by law, the Articles of Association or the Board of Directors itself, the Appointments and Remuneration Committee of the Company, has been attributed, among other functions, the following in matters of remuneration:

- a) Verify compliance with and the remuneration policy applied to directors and senior executives, including share remuneration systems and their application, as well as ensuring proportional individual remuneration compared to other directors and senior executives of the Company.
- b) Ensure transparency of remuneration and the inclusion in the Annual Report, as well as in the Annual Corporate Governance Report and in the Directors' Annual Remuneration Report, of information about the remuneration of the Directors and, to this end, submit any information that may be appropriate to the Board.
- c) Assist the Board of Directors in the evaluation of the Chairman of the Board and top executives, specifically in the definition and supervision of the remuneration policy for Directors and senior executives, proposing the manner, procedures and amount of annual payments to the Directors (including, where appropriate, incentive proposals such as share option plans), periodically reviewing the remuneration programs and ensuring that remuneration is moderate and in line with the Company's results.

- d) Draft and verify a Report on the Remuneration Policy of the Directors that must be approved by the Board of Directors and presented to the General Shareholders Meeting.

### **III. JUSTIFICATION AND DESCRIPTION OF THE DIRECTORS' REMUNERATION POLICY PROPOSED FOR APPROVAL AT THE GENERAL MEETING**

As explained above, the approval of a Remuneration Policy for the Directors is motivated by the provisions of article 529 novodecies.1 of the Spanish Companies Act, which requires listed companies to have a remuneration policy for the Directors approved by the General Meeting of the Company at least every three years.

In this respect, Mediaset España's Directors Remuneration Policy 2021-2023 is based on the following principles:

- i. It complies with the provisions of the Spanish Companies Act, as well as with the general system for directors' remuneration provided for in the Articles of Association (article 56), and in the Company's Board of Directors Regulations (article 28).
- ii. It is aimed at promoting profitability and long-term sustainability of the Company and incorporate the necessary precautions to avoid the excessive assumption of risks and rewarding unfavourable results.
- iii. It is in accordance with the responsibilities entrusted and the dedication employed by each one of the Board members. Ensure it is capable of attracting and retaining the most valuable professionals, rewarding the dedication, qualification and responsibility that the position demands.
- iv. It is related to the importance of the Company within its business environment and with its economic situation, and is proportionate to market standards of companies with similar characteristics.
- v. Guarantees an adequate balance between executive directors fixed and variable remuneration, and in this sense it establishes the remuneration with objective criteria related to the individual performance of the executive Directors and the achievement of business objectives of the Company.
- vi. Incorporates in the Directors remuneration regime, clauses that allow these variable concepts to be linked to the evaluation of performance indicators of the Company, thus ensuring the alignment of the Policy with the interest of the shareholders.

#### **3.1. Remuneration applicable to directors in their capacity as directors.**

The members of the Board of Directors, in their capacity as such, will be entitled to receive remuneration from the Company that will consist of a fixed annual amount and attendance

allowances. In the case of the Chairmen of the Board Committees, the attendance fees will be higher based on the dedication linked to the exercise of their position.

Also and in accordance with the provisions of the Articles of Association, the Chairman of the Board of Directors, which, in the case of Mediaset España, has external status, he will receive a complementary remuneration in response to the special dedication required by the position and which will be approved by the Board of Directors.

The maximum annual amount that the Company may pay to the directors in their capacity as such will be set by the General Meeting and will be included in the Remuneration Policy in accordance with the provisions of article 529 septdecies.1 the Spanish Companies Act. The Board of Directors will be responsible for setting the exact amount to be paid within this limit and its distribution among the different directors depending on the functions and responsibilities attributed to each director.

### **3.2. Remuneration System applicable to executive Directors.**

Directors with executive functions will be entitled to receive remuneration for the performance of these functions, consisting of a fixed part in line with the services and responsibilities assumed, a variable part linked to performance indicators of the director or of the Company, and an attendance part, which will contemplate the appropriate pension and insurance plans, establishing the maximum amount that the Company may pay to executive Directors as a variable part in the Remuneration Policy to be submitted to the General Meeting.

In particular, and as detailed in the Policy, in accordance with the provisions of article 56.2 of the Articles of Association and as foreseen in their respective contracts, the variable remuneration concepts applicable to executive Directors are as follows:

- a) Variable remuneration referenced to budgetary targets.
- b) Voluntary receipt of part of this annual variable remuneration in the form of Company shares.
- c) Medium-term incentive and loyalty system linked to the share price.

Executive Directors, in addition to the specific remuneration concepts, for the exercise of delegated or executive functions, in their capacity as members of the Board of Administration, will receive the remuneration referred to in section 3.1 of this Policy.

In the Remuneration Policy, in accordance with the provisions of Article 529 octodecies the Spanish Companies Act, detailed information is collected regarding the amount of fixed annual remuneration, the parameters for the variable components, as well as the main terms and conditions of their contracts.

#### **IV. CONCLUSION.**

In accordance with the provisions of this Report, Mediaset España's Appointments and Remuneration Committee considers that the Remuneration Policy contains the information required by the applicable regulations, complies with the provisions of the corporate governance system of the Company and with the criteria of prudence in the assumption of risk, good governance and transparency, allowing the Company to have an adequate remuneration policy, aligned with the interests of the shareholders and prudent risk management.

On the basis of the aforementioned, the Appointments and Remuneration Committee issues this Report justifying the Proposal for the Remuneration Policy of the Directors of Mediaset España Comunicación, S.A. for 2021-2023 that will be submitted to the next General Shareholders' Meeting of the Company.

## ANNEX III

### **REPORT PREPARED BY THE BOARD OF DIRECTORS OF MEDIASET ESPAÑA COMUNICACIÓN, S.A. REGARDING THE PROPOSAL TO AUTHORISE THE COMPANY TO ACQUIRE ITS OWN SHARES AND, WHERE APPROPRIATE, THE CAPITAL REDUCTION BY THE CANCELLATION OF OWN SHARES INCLUDED IN POINT TEN ON THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 14<sup>TH</sup> APRIL 2021 ON A SINGLE CALL.**

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#### **1. Purpose of the report.**

This report was prepared by the Board of Directors of Mediaset España Comunicación, S.A. ("Mediaset" or the "Company") pursuant to the provisions of Articles 286 and 318 of the Spanish Companies Act ("LSC"), to justify the proposed delegation to the Board of Directors of the power to reduce the capital through the cancellation of treasury shares of which the Company has become the holder, which is subject to approval by the General Shareholders' Meeting of the Company to be held on 14<sup>th</sup> April, 2021 on a single call.

Pursuant to the aforementioned articles, the Board of Directors must formulate a report with the justification, insofar as the capital reduction necessarily entails the amendment of the article in the Articles of Association regulating the share capital.

#### **2. Justification for the proposal.**

The Spanish Companies Act, which regulates transactions involving own shares in Articles 144 et seq. and 509, allows public limited companies, subject to certain requirements, to acquire, either directly or through subsidiaries, shares issued by the company itself and to hold them.

Once the derivative acquisition of own shares has taken place, several legally established mechanisms can be used to reduce or cancel the company's own shares. In this respect, it is possible to cancel the said treasury shares, the disposal of treasury shares on the market or in the framework of corporate transactions, or, if applicable, to deliver them to employees or directors of the Company as part of their remuneration or as a result of the exercise of option rights held by them, or even use them to carry out potential corporate transactions or corporate or business decisions.

For the adoption of one or other of the alternatives set out above, it is necessary to consider the market conditions at any given time, and it is therefore proposed to delegate to the Board of Directors (with express powers of delegation) the power to assess and decide these questions at the time they arise, given the impossibility of being able to determine a priori the factors that would enable the most appropriate decision to be taken at any given time in view of the market situation.



In the event that the cancellation of treasury shares is carried out, it is necessary for the General Meeting to adopt a resolution to reduce the share capital, although, as the appropriateness and timeliness of this operation must be determined in the light of changing circumstances influencing the socio-economic context, the financial situation and the objectives and policies of the Company, such reduction, as it cannot be determined a priori in all its terms, must be conceived in broad terms, delegating to the Board of Directors (with express powers of substitution) a series of powers that allow it to use this procedure, as contemplated in the legislation..

The delegated powers include: (i) establishing the exact amount of the reduction, which may never exceed the par value of the shares to be acquired under the own share acquisition resolution; (ii) determining the specific amount of treasury shares to be cancelled; (iii) executing the capital reduction in the manner it deems most appropriate, establishing the applicable requirements, excluding or not the right of creditors to object in accordance with article 335 c) of the Spanish Companies Act; (iv) take such steps and actions as may be necessary and file such documents as may be required with the competent bodies so that, once the cancellation of the Company's shares has taken place and the capital reduction deed has been executed and registered in the Companies Register, the cancelled shares are delisted on the stock exchanges on which they are listed.

Finally, it should be noted that the purpose of this resolution is to provide the Company with the most suitable instruments in the interests of itself and its shareholders.

In Madrid, 24<sup>th</sup> of February 2021

## ANNEX IV

### REPORT JUSTIFYING THE AMENDMENT OF THE BOARD OF DIRECTORS' REGULATIONS

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#### 1. INTRODUCTION AND PURPOSE OF THE REPORT

This proposal for the amendment of the Board of Directors' Regulations of MEDIASET ESPAÑA COMUNICACIÓN, S.A. ("**Mediaset**" or the "**Company**"), merely reflects the adaptations derived from the partial reform of the CNMV's Code of Good Governance (CGG) of June 2020 (also in line with the Technical Guide 1/2016 on good practices for the application of the "comply or explain" principle) and, in line with this, the CNMV's Circular 1/2020 of 6th October, which amends the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration.

Furthermore, this adaptation of the Board's Regulations by the regulatory reform has been complemented by the introduction of certain technical or drafting improvements.

In this regard, and in accordance with the provisions of article 4 of the Regulations, the Board of Directors of the Company prepares this Report, following a prior report from the Audit and Compliance Committee drawn up, in order to explain the amendments to articles 6 ("Powers of the Board of Directors"), 13 ("Resignation and Removal of Directors"), 19 ("Executive Committee"), 21 ("Audit and Compliance Committee"), 22 ("Appointments and Remuneration Committee"), 38 ("Web page") and 40 ("Relations with the Securities Markets").

#### 2. JUSTIFICATION FOR THE AMENDMENT.

As indicated above, the amendment focuses essentially on **adapting the Board of Directors' Regulations** to the recommendations introduced by the CNMV in the Code of Good Governance and the provisions of Technical Guide 1/2016 and Circular 1/2020..

##### a) In Article 6, "Powers of the Board of Directors":

- Section (v) is amended for the purpose of renaming the *Director Selection Policy* to "Director Selection and Diversity Policy", integrating into a single policy what was previously envisaged in two separate policies. Furthermore, it is thus adapted to the new wording of Recommendation 14 of the CBG of June 2020, also in line with the provisions of article 540.4.c)6° of the Spanish Companies Act, as provided by Law 11/2018 and Technical Guide 1/2019 of the CNMV on appointments and remuneration committees.
- A new section (vi) is added, concerning "approval of the policy on communication, contacts and engagement with shareholders, institutional investors and proxy advisors, including the policy on communication of

economic-financial, non-financial and corporate information", in accordance with the new wording of Recommendation 4 of the CGG..

- In section (xx), sub-section (f) is amended by renaming the Corporate Social Responsibility Policy to "Corporate Social Responsibility and Sustainability Policy".

- b) In **article 13, "Resignation and removal of Directors"**, section 3.e) is amended to adapt it to the new wording of Recommendation 22 of the CGG, to read as follows:

"e) Where their continuance on the Board may jeopardise, for whatever reason directly or indirectly or through persons connected to them, the loyal and diligent performance of their functions in line with corporate interest or if situations arise that affect them, whether or not they are related to their actions in the Company itself, that may negatively affect the credit and reputation of the Company, and they must report to the Board of Directors, in particular, any criminal proceedings in which they are under investigation, as well as of the procedural developments thereof.

Having been informed of or otherwise become aware of any of the situations mentioned in the previous paragraph, the Board of Directors will examine the case as soon as possible and, taking into account the specific circumstances, will decide, following a report from the Appointments and Remuneration Committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the Director or proposing his or her removal. This shall be reported in the Annual Corporate Governance Report, unless there are special circumstances that justify it, which must be recorded in the minutes, without prejudice to the information that the Company must disclose, where appropriate, at the time the corresponding measures are adopted; or"

- c) In **article 19, "Executive Committee"**, the second paragraph of section 2) is amended to adapt it to the new wording of Recommendation 37 of the CGG of June 2020, with which the Company already complies (the Executive Committee is made up of 6 members, 5 of whom are external and one of whom is independent), to read as follows:

"The Board of Directors shall ensure that the qualitative composition of the Executive Committee adheres to efficiency criteria and that there are at least two non-executive directors, one of whom shall be independent".

- d) In **article 21, "Audit and Compliance Committee"**:

- In section 3 (Powers) paragraph c) is amended to extend the Commission's monitoring to "non-financial" risks; and paragraph g) is amended to extend the Commission's monitoring to "non-financial" information. This is in accordance with the new wording of Recommendation 42.1.a) of the CGG.

- Section 5 indicates that “*the Audit and Compliance Committee shall be deemed to be validly constituted when at least one half plus one majority of its members are present or represented by proxy; its resolutions shall be approved when voted for by an absolute majority of those present*”, in accordance with the provisions of the current Regulations of the Committee and articles 25.1 and 26.1 of these Regulations.

e) In article 22, “**Appointments and Remuneration Committee**”:

- Section 3.a) is amended to indicate that the Committee shall also assess “*the time and dedication necessary - for candidates - to carry out their duties properly*”, thus adapting it to the new wording of Recommendation 14 of the CGG and the CNMV's Technical Guide 1/2019.
- And section 5 is amended, specifying, as in the case of the Audit and Compliance Committee, that “*the Audit and Compliance Committee shall be deemed to be validly constituted when at least one half plus one majority of its members are present or represented by proxy; its resolutions shall be approved when voted for by an absolute majority of those present*”.

f) In article 38, “**Website**”:

- - Section 1.r) is amended, replacing the reference to “relevant facts” with “privileged information and other relevant information”, thus adapting it to the provisions of articles 226 and 227 of the Securities Market Act and the procedure for the communication of information from issuers enabled by the CNMV since 8<sup>th</sup> February 2020.
- Section 1.s) is amended to bring it into line with the CGG Recommendation 18 to read as follows:

*(s) Information about the Directors including: (i) a brief professional and biographic profile; (ii) outline of all Boards to which they belong, whether or not they are listed companies, as well as any other remunerated activities they perform, whatever their nature; (iii) indication of the category of director o which they belong indicating, in the case of proprietary directors, the shareholder they represent or with whom they are related; (iv) indication of the date of first or subsequent appointments; (v) number of shares and option rights held.*

**g) In article 40, “Stock Market Relations”:**

- Section 1.a) is amended, replacing the reference to "relevant facts" with "privileged information and other relevant information", in accordance with the provisions of article 226 of the Securities Market Act.
- - Section 2 is completed by adding a reference to "non-financial information", in accordance with the provisions of Recommendation 42.1.a) of the CGG and Articles 49.6 of the Commercial Code and 529 ter.1.j) of the Spanish Companies Act, as worded by Law 11/2018, to read as follows:

*“The Board of Directors shall adopt the appropriate measures to ensure that the quarterly, half-yearly and any other financial and non-financial information that the Law requires to be made available to the stock markets, is prepared in accordance with the same principles, criteria and professional standards used to prepare the annual financial statements and has the same reliability as the latter. The Audit and Compliance Committee shall report in advance to the Board of Directors on the financial information that the Company must periodically make public”.*

Madrid, 24<sup>th</sup> of February 2021

## ANNEX V

### **REPORT JUSTIFYING THE PROPOSED RESOLUTION TO AMEND THE ARTICLES OF ASSOCIATION OF "MEDIASET ESPAÑA COMUNICACIÓN", S.A., TO PROVIDE FOR THE HOLDING OF GENERAL MEETINGS WITH THE ATTENDANCE OF SHAREHOLDERS BY TELEMATIC MEANS**

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#### **1. PURPOSE OF THE REPORT**

This report was prepared by the Board of Directors of "Mediaset España Comunicación, S.A." ("**Mediaset España**" or the "**Company**") in compliance with the provisions of article 286 of the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July ("**Ley de Sociedades de Capital**" (Spanish Companies Act)), which requires the preparation of a written report justifying the reasons for the proposed amendment of the Articles of Association that is submitted for the approval of the Ordinary General Shareholders' Meeting of the Company, convened for 14 April 2021, under items *Fourteen* and *Fifteen* of its agenda.

#### **2. JUSTIFICATION FOR THE PROPOSAL.**

The proposed amendment of the Articles of Association consists of the introduction of two new articles, 33 bis and 33 tris, into Mediaset España's Articles of Association to authorise, on the one hand, the telematic attendance of shareholders and their proxies (attendance in real time by remote electronic means of communication) at General Meetings at which the physical presence of shareholders and proxies is also provided for (article 33 bis) and, on the other hand, the calling of General Meetings with the attendance of shareholders and their proxies exclusively by telematic means (article 33 tris).

Article 182 of the Spanish Companies Act, applicable in general to all public limited companies, and Article 521 of the same Act, which applies specifically to listed companies, contemplates the possibility that the articles of association provide for the attendance of shareholders and their proxies at general meetings by telematic means as an additional alternative to physical attendance and the exercise of rights by shareholders and proxies via remote means of communication prior to the date scheduled for the holding of the meeting.

This is a possibility which has been used by a significant number of listed companies, thus extending the possibilities for shareholders and their proxies to participate in general meetings and facilitating the exercise of their rights, and which is now feasible thanks to the progress made in the incorporation of technological means. In any event, this alternative should only be made available to shareholders and their proxies where the identity of those exercising

their rights by telematic means can be properly verified and where it does not affect the normal conduct of the general meeting.

In this regard, the crisis situation resulting from the COVID-19 pandemic has given unprecedented impetus to the incorporation of electronic means of remote communication in relation to the organisation and operation of capital companies and, in particular, listed companies. The exceptional regulations enacted in 2020 and 2021 to address the economic and social impact caused by this situation have also incorporated measures to facilitate the holding of meetings of the governing bodies of companies, both the board of directors and the general meeting, by remote means of communication and, among them, have also provided for the possibility of holding general meetings exclusively by telematic means, without the physical presence of shareholders or their proxies.

Based on the experience in the use of these measures during the state of emergency, within the framework of the Reform Bill to amend the Spanish Companies Act to transpose into Spanish law EU Directive 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC with regard to the promotion of long-term shareholder engagement, currently in the parliamentary process, has incorporated an authorisation so that, as a general rule and no longer linked to the exceptional circumstances referred to, general meetings may be held exclusively by telematic means, without prejudice to guaranteeing the full exercise of rights by shareholders or their proxies. In this regard, the parliamentary committee Report, approved on 2 March by the Economic Affairs and Digital Transformation Committee of the Congress of Deputies, has incorporated an amendment for the inclusion of a new article 182 bis in the Spanish Companies Act containing this provision. This possibility is already provided for in other legal systems and will also be incorporated into Spanish law.

In this regard, without prejudice to the fact that the Board of Directors considers the physical attendance of shareholders or their proxies at general meetings to be the ordinary channel for exercising their rights, together with the possibility of exercising these rights by remote means of communication prior to the date scheduled for the meeting, the proposed inclusion in the Articles of Association of the possibility of holding general meetings attended by shareholders and their proxies exclusively by telematic means may be very useful in certain situations that make it advisable to facilitate the holding of the meetings. And all this without prejudice to the rights of the shareholders, which may be exercised by them or their proxies in terms equivalent to those corresponding to the case where the general meeting is held with the physical attendance of the shareholders or their proxies.

In any event, the proposal submitted for approval by the Ordinary General Shareholders' Meeting provides that the convening of general meetings to be held exclusively by telematic means shall only be applicable when the regulations contemplating such possibility enter into force and the conditions or requirements set forth in such regulations are met. In turn, if the incorporation of this possibility into the Articles of Association were to require a resolution approved by a reinforced majority (as envisaged in the current version of the new Article 182 bis of the Spanish Companies Act contained in the parliamentary committee Report of the Congress of Deputies, which requires approval by shareholders representing at least two thirds of the share capital present or represented in person or by proxy), and the resolution to

amend the Articles of Association proposed to the General Meeting of Mediaset España is not approved by the majority required by the applicable regulations, the Board of Directors of the Company will submit this amendment to the shareholders for ratification by the required majority at the next General Meeting, always prior to its implementation.

On the basis of the foregoing, it is proposed to the Ordinary General Meeting of the Company to introduce two new articles in the Articles of Association of Mediaset España with the following wording:

**« Article 33 bis. Attendance at the General Shareholders' Meeting by telematic means.**

- 1. The notice convening the General Meeting may provide, in addition to the physical attendance of shareholders and their proxies and the exercise of shareholders' rights by remote means of communication prior to the date scheduled for the meeting, for the telematic attendance of shareholders and their proxies by remote and simultaneous connection to the meeting by electronic means of communication, provided that the identity of the person attending and the security of the electronic communications can be properly guaranteed.*
- 2. The telematic attendance of shareholders and their proxies shall be governed by the provisions of the General Shareholders' Meeting Regulations and, where appropriate, by the rules of implementation approved by the Board of Directors regarding procedural aspects, which shall include, among other aspects, the identification requirements for registration and accreditation of attendees, the minimum time the registration process must be completed in advance, and the manner and time in which shareholders attending the General Shareholders' Meeting by telematic means may exercise their rights during the General Shareholders' Meeting.»*

**«Artículo 33 tris. Junta General exclusivamente telemática.**

- 1. La Junta General podrá también ser convocada para su celebración de forma exclusivamente telemática y, por tanto, sin asistencia física de los accionistas, de sus representantes y, en su caso, de los miembros del Consejo de Administración, cuando así lo permita la normativa aplicable.*
- 2. La celebración de la Junta General de forma exclusivamente telemática se ajustará a las previsiones legales y estatutarias así como al desarrollo de las mismas contenidas en el Reglamento de la Junta General de Accionistas y, en todo caso, estará supeditada a que la identidad y legitimación de los accionistas y de sus representantes se halle debidamente garantizada y a que todos los asistentes puedan participar efectivamente en la reunión mediante los medios de comunicación a distancia admitidos en el anuncio de convocatoria, tanto para ejercitar en tiempo real los*



*derechos de intervención, información, propuesta y voto que les correspondan, como para seguir las intervenciones de los demás asistentes por los medios indicados, teniendo en cuenta el estado de la técnica y las circunstancias de la Sociedad, todo ello de conformidad con la normativa que resulte de aplicación.»*

## ANNEX VI

### **REPORT JUSTIFYING THE PROPOSED RESOLUTION TO MODIFY THE REGULATIONS OF THE GENERAL SHAREHOLDERS' MEETING OF «MEDIASET ESPAÑA COMUNICACIÓN», S.A., TO PROVIDE FOR THE HOLDING OF GENERAL MEETINGS WITH THE ATTENDANCE OF SHAREHOLDERS BY TELEMATIC MEANS**

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#### **1. PURPOSE OF THE REPORT.**

This report was prepared by the Board of Directors of "Mediaset España Comunicación, S.A." ("Mediaset España" or the "Company") in compliance with the provisions of article 512 of the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July ("Ley de Sociedades de Capital" (Spanish Companies Act)), which requires that the proposal for approval and, therefore, amendment of the General Shareholders' Meeting Regulations be submitted for approval at the General Shareholders' Meeting of the Company, convened for 14 April 2021, under item *Sixteen* of its agenda.

#### **2. JUSTIFICATION FOR THE AMENDMENT.**

This proposal is made in coordination with the proposal to introduce new articles 33 bis and 33 tris in Mediaset's Articles of Association to allow, on the one hand, the holding of meetings with telematic attendance of its shareholders and their proxies as provided for in article 521 of the Spanish Companies Act and, on the other hand, when so permitted by the applicable regulations, the calling of general meetings to be held with the attendance of shareholders exclusively by telematic means, i.e. without physical attendance of the shareholders and their proxies..

To this end, it is proposed to include a new article 33 in the General Shareholders' Meeting Regulations ("Attendance of shareholders and their proxies by telematic means by remote connection in real time"), which sets forth the minimum requirements to which the telematic attendance of shareholders and their proxies is subject, both in the case of a general meeting with physical and telematic presence of shareholders and proxies, and in the case of an exclusively telematic meeting.

In turn, in order to provide systematic coverage for this new provision, it is also proposed to create a new Title V of the Regulations, under the heading "*Attendance at General Meetings by telematic means*"

On the basis of the foregoing, it is proposed to the Ordinary General Meeting of the Company to introduce a new Title V of the Regulations, entitled "*Attendance at General Meetings by*

*telematic means"*, comprising the new article 33 entitled "*Attendance at General Meetings by telematic means"*

## «TITLE V

### *Attendance at General Shareholders' Meetings by telematic means*

#### ***Article 33. Attendance of shareholders and their proxies by telematic means by remote connection in real time***

1. *Without prejudice to the possibility for shareholders and their proxies to physically attend the General Meeting and to exercise their rights by remote electronic means of communication prior to the date scheduled for the General Meeting under the terms provided for in these Regulations, when the notice of the General Meeting so provides in accordance with Article 33 bis of the Articles of Association, shareholders and their proxies may also attend the General Meeting via telematic means through a remote and simultaneous connection to the meeting using electronic means of communication. In any case, the means of connection used must be able to guarantee the identity of the attendees connecting remotely, the correct exercise of their rights, interactivity in real time and, in general, the proper conduct of the meeting.*
2. *Attendance at the General Meeting by remote connection in real time shall be subject to the following rules, which shall be further developed and completed by the Board of Directors and published on the Company's website:*
  - (a) *The notice convening the meeting shall state how far in advance of the start of the meeting a shareholder or proxy holder wishing to attend the meeting must have registered in order to be considered present or represented at the meeting, as well as the means and procedure by which such registration must be carried out.*
  - (b) *Shareholders or proxies wishing to attend the General Meeting by telematic means must identify themselves using an electronic signature or any other similar form of identification that adequately verifies their identification, in accordance with the terms established by the Board of Directors.*
  - (c) *During the General Meeting, the rights of information, intervention, to make proposals and vote may be exercised by shareholders attending the meeting by telematic means using remote electronic means of communication in accordance with the procedure determined by the Board of Directors.*
  - (d) *The Board of Directors shall determine the time and manner in which any interventions and proposed resolutions to be made, in accordance with the law, shall be submitted to the Company by those attending by telematic means, in order*

*to guarantee the exercise of rights by those attending by remote connection and, in turn, the orderly conduct of the General Shareholders' Meeting.*

- (e) Unless any of the circumstances for refusal provided by law, the Articles of Association or these Regulations apply, requests for information or clarification made during the General Shareholders' Meeting by those attending via telematic means shall be answered during the Meeting and, if it is not possible to satisfy the shareholder's right at that time, the information requested shall be provided in writing to the shareholder concerned within seven (7) days following the end of the General Shareholders' Meeting.*
- 3. The provisions set forth in the preceding sections, insofar as they are compatible with the legal requirements, shall also apply in those cases in which, pursuant to the provisions of article 33 tris of the Articles of Association and the applicable regulations, the notice convening the meeting provides for the General Meeting to be held exclusively by telematic means and, therefore, without the physical attendance of the shareholders and their proxies nor, as the case may be, the members of the Board of Directors. In any event, the notice convening the meeting shall provide information on the rules applicable in this respect.*
- 4. In any case, the Company shall not be liable for any damages that may be caused to the shareholder or proxy as a result of the occasional unavailability of its website, as well as breakdowns, overloads, line failures, connection failures or any other eventuality of the same or a similar nature, beyond the Company's control, without prejudice to the adoption of the measures required by each situation, including the possible temporary suspension or extension of the Meeting if necessary to ensure the full exercise of shareholders' or their proxies' rights.»*