

Mediaset España Comunicación, S.A.

Independent Limited
Assurance Report
Annual Corporate
Governance Report for 2019

26 February 2020

*Translation of a report originally issued in
Spanish based on our work performed in
accordance with the regulations in force in Spain.
In the event of a discrepancy, the Spanish-
language version prevails.*

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INDEPENDENT LIMITED ASSURANCE REPORT ON THE ANNUAL CORPORATE GOVERNANCE REPORT

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 sections A, B, C, D, E, G and H of the Annual Corporate Governance Report of Mediaset España Comunicación, S.A. for the year ended 31 December 2019, prepared in accordance with the provisions of Article 540 of the Spanish Limited Liability Companies Law, Ministerial Order ECC/461/2013, of 20 March, which determine, inter alia, the minimum content and structure of the Annual Corporate Governance Report, and Circular 5/2013, of 12 June, of the Spanish National Securities Market Commission (CNMV), which establishes annual corporate governance report models for, among others, listed companies, amended by CNMV Circular 7/2015, of 22 December, and by CNMV Circular 2/2018, of 12 June.

In relation to the content of section G of the Annual Corporate Governance Report, for the recommendations of the unified code that have not been implemented by the Company, the directors of Mediaset España Comunicación, S.A. offered the explanations that they considered appropriate. Due to its nature, in these cases, our work consisted solely of checking that the assertions included in the report do not contradict the evidence obtained from the application of the procedures conducted.

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 Corporate Governance Report. This responsibility includes the design, implementation and maintenance of such internal control as is determined to be necessary to enable the Annual Corporate Governance Report 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 Corporate Governance Report 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.

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Specifically, our work included the following procedures:

- Perusal and understanding of the information prepared by the Company and included in the Annual Corporate Governance Report and evaluation of whether this information addresses all the contents required by Article 540 of the Spanish Limited Liability Companies Law, Ministerial Order ECC/461/2013, of 20 March, and CNMV Circular 5/2013, of 12 June, amended by CNMV Circular 7/2015, of 22 December, and by CNMV Circular 2/2018, of 12 June.
- Perusal of the legal documentation, the minutes of the Annual General Shareholders Meeting and Board of Directors meetings, the separate and consolidated financial statements for 2019, and the various internal and external communications relating to the suitability of the information included in the Annual Corporate Governance Report.
- 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 Annual Corporate Governance Report.
- Verification, by means of sample-based review tests, of quantitative information included in the Annual Corporate Governance Report 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 2019 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 Annual Corporate Governance Report.

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 sections A, B, C, D, E, G and H of the accompanying Annual Corporate Governance Report of Mediaset España Comunicación, S.A. for the year ended 31 December 2019 contain material errors or have not been prepared, in all material respects, in accordance with the provisions of Article 540 of the Spanish Limited Liability Companies Law, Ministerial Order ECC/461/2013, of 20 March, and CNMV Circular 5/2013, of 12 June, amended by CNMV Circular 7/2015, of 22 December, and by CNMV Circular 2/2018, of 12 June.

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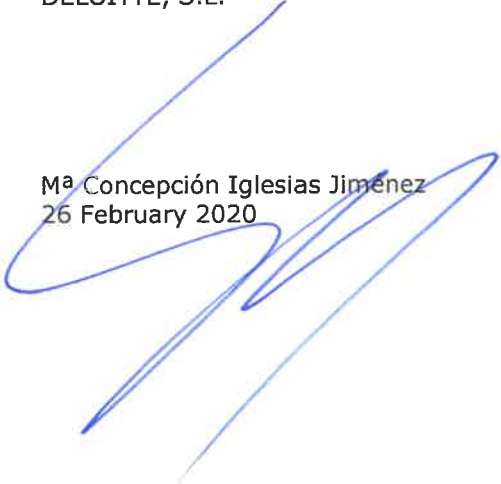
Other Matter

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.

As detailed in the "Scope of the Engagement" section of this report, the review of the content of section F of the accompanying Annual Corporate Governance Report, which contains the description of the System of Internal Control over Financial Reporting (ICFR) of Mediaset España Comunicación, S.A., is beyond the scope of this report.

DELOITTE, S.L.

M^a Concepción Iglesias Jiménez
26 February 2020



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ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

COMPANY IDENTIFICATION

Year ended: [31/12/2019]

C.I.F.: [A-79075438]

Company Name:

[**MEDIASET ESPAÑA COMUNICACIÓN, S.A.**]

Registered address:

[**CARRETERA DE FUENCARRAL A ALCOBENDAS 4 – MADRID**]

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A. SHAREHOLDER STRUCTURE

A.1 Fill in the following table on the company's share capital

Date of last modification	Share capital (euros)	Number of shares	Number of voting rights
22/05/2018	163,717,608.00	327,435,216	327,435,216

Indicate if there are different classes of shares with different rights attaching to them:

[] Yes
[v] No

A.2 Give the breakdown of those – other than directors – who directly or indirectly owned major shareholdings at the close of the business year:

Shareholder's name or company name	% voting rights attributed to the actions		% voting rights through of financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
SILVIO BERLUSCONI	0.00	50.21	0.00	0.00	50.21
SIMON DAVIS	0.00	2.10	0.00	0.00	2.10
MELQART OPPORTUNITIES MASTER FUND LTD	0.00	0.00	1.00	1.00	1.00
SAND GROVE OPPORTUNITIES MASTER FUND LTD	0.00	1.92	0.00	0.00	0.00

Detail of indirect participation:

Name or corporate name of indirect shareholder	Through: name or corporate name of direct shareholder	% of voting rights per share	% of voting rights held from financial instruments	% of total voting rights
SILVIO BERLUSCONI	MEDIASET SPA	50.21	0.00	50.21

Indicate the most significant movements in the shareholding structure during the year:

Most significant movements

On October 16, 2019 Simon Davies communicated the acquisition of 2.105% of the voting rights of the company.

On September 20, 2019 Melqart Opportunities Master Fund Ltd communicated the acquisition of 1.004% of the voting rights of the company. On October 16, 2019 Sand Grove Opportunities Master Fund Ltd communicated the acquisition of 1.924% of the voting rights of the company.

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A.3 Fill in the following tables on the members of the company's Board of Directors who hold voting rights on company shares:

Name or company name of the director	% of voting rights attributed to the shares		% of voting rights held from financial instruments		% of total voting rights	% of voting that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. JAVIER DIEZ DE POLANCO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. ALEJANDRO ECHEVARRÍA BUSQUET	0.01	0.00	0.01	0.00	0.02	0.00	0.00
MR. BORJA PRADO EULATE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. MARIO RODRÍGUEZ VALDERAS	0.00	0.00	0.00	0.00	0.01	0.00	0.00
MR. PAOLO VASILE	0.01	0.00	0.00	0.00	0.05	0.00	0.00
MR. MASSIMO MUSOLINO	0.00	0.00	0.00	0.00	0.01	0.00	0.00

% of total voting rights in the Board of Directors	0.09
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Detail indirect participation:

Name or company name of the director	Name or company name of the direct holder	% of voting rights assigned to shares	% of voting rights held from financial instruments	% of total voting rights	% of voting that can be transmitted through financial instruments
No data available					

Mr. Alejandro Echevarría Busquet holds 0.029% of total voting rights, of which 0.018% corresponds to the voting rights attached to the shares and 0.011% of the voting rights through financial instruments.

Mr. Paolo Vasile holds 0.050% of total voting rights, of which 0.014% corresponds to the voting rights attached to the shares and 0.036% of the voting rights through financial instruments.

Mr Massimo Musolino holds 0.013% of total voting rights, of which 0.008% corresponds to the voting rights attached to the shares and 0.005% of the voting rights through financial instruments.

Mr. Mario Rodríguez Valderas holds 0.011% of total voting rights, of which 0.006% corresponds to the voting rights attached to the shares and 0.005% of the voting rights through financial instruments.

Mr. Javier Diez de Polanco holds 0.001% of the voting rights attributed to the shares.

Mr. Borja Prado Eulate indirectly holds 0.002% of voting rights attributed to the shares.

A.4 Indicate, if applicable, the relationships of a family, commercial, contractual or corporate nature that exist among the holders of significant shareholdings, insofar as they are known

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by the company, unless they are scarcely relevant or derive from ordinary business or commercial traffic, except those reported in section A.6:

Name or company name of related	Type of relation	Brief description
No data available		

A.5 Mention any commercial, contractual or corporate links between major shareholders and the company and/or their group, other than those which are immaterial or are part of their ordinary business or trade:

Name or company name of related	Type of relation	Brief description
No data available		

A6. Describe the relationship, unless they are insignificant for both parties, which exist between the significant shareholders or shareholders represented on the Board and the board members, or their representatives, in the case of corporate directors.

Explain, as applicable, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or that were linked to significant shareholders and/or companies in its group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and position of the Board members, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives in companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name or social denomination of the director or related representative	Name or social denomination of the related shareholder	Social denomination of the Company of the significant shareholder	Position description
MS. GINA NIERI	MEDIASET SPA	MEDIASET SPA	Member of Board Directors
MR. NICCOLÓ QUERCI	MEDIASET SPA	MEDIASET SPA	Member of Board Directors
MR. FEDELE CONFALONIERI	MEDIASET SPA	MEDIASET SPA	President of Board Directors
MR. MARCO GIORDANI	MEDIASET SPA	MEDIASET SPA	Member of Board Directors

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A.7 State whether the Company has been informed of any Shareholders' Agreements affecting it pursuant to Sections 530 and 531 of the Companies Act (LSC). If yes, describe these Shareholders' Agreements briefly as well as the shareholders related there under:

- Yes
 No

Indicate whether the company is aware of any concerted actions among its shareholders. If so, briefly describe them:

- Yes
 No

Mention any of the above pacts, agreements or concerted actions that have been altered or cancelled during the year:

A.8 Mention any natural or legal person who controls or may control the company pursuant to Section 5 of the Securities Market Act. If such a person exists, identify them:

- Yes
 No

Name or company name
SILVIO BERLUSCONI

A.9 Fill in the following tables regarding treasury stock of the company:

At year-end:

Number of directly held shares	Number of indirectly held shares (*)	% of total share capital
14,269,073		4.36

(*) Held through:

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Name or company name of the direct holder	Number of directly held shares
No data available	

A.10 Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting to issue, buy back and/or transfer treasury stock.

The General Shareholders' Meeting held on April 13, 2016, under item 8 on the agenda, authorised acquisition and transfer transactions during the five years following said resolution.

The resolution was approved with a total of 267,670,006 votes representing 98.7984%, of share capital in favor, 3,238,686 votes representing 1.1954% of share capital against, 15,555 abstentions representing 0.0057% of share capital and 1,245 blank votes representing 0.0005% of share capital.

The content of the resolution adopted is as follows:

1. To authorise the Board of Directors of Mediaset España Comunicación, S.A. in accordance with the provisions of Section 146 and following of the Companies Act currently in force, to proceed, to the extent they consider this appropriate under the circumstances, to buy back shares of the company by any means, subject to the following limits and requirements:
 - a) The shares may be acquired by purchase or any other form of transfer for good and valuable consideration.
 - b) The nominal value of the company shares acquired, and the shares already owned, shall not exceed 10% of the share capital, or the legally established maximum amount.
 - c) Shares acquired shall be free of all encumbrances or charges, totally paid up and not subject to any other obligation.
 - d) The minimum purchase price of the shares shall not be less than their nominal value, and the maximum price shall not exceed one hundred and twenty per cent (120%) of their listed value on the purchase date.
 - e) Effective period of the authorisation: Five (5) years starting from the date of the present agreement.
 - f) These transactions shall furthermore be carried out in compliance with the relevant rules contained on the matter in the Company's Internal Code of Conduct.
2. Void the authorisation agreed regarding this matter at the General Shareholders' Meeting held on April 15, 2015 in the unused amount.
3. Authorise the Board of Directors to:
 - (i) allocate, totally or partially, the own shares acquired to the execution of remuneration programs that have as their object or suppose the delivery of shares or option rights over shares, or are based in any way on the evolution of the stock price of the action, in accordance with the provisions of article 146.1. a) of the Companies Act; and/or
 - (ii) sell them; and/or
 - (iii) redeem them with a decrease in share capital.

The Board of Directors is delegated with the broadest powers with regards to redeeming shares acquired within the scope of this agreement, as well as the related capital decrease, to delegate all the powers necessary to any of its members and the CEO and the Board secretary to carry out the capital decrease in one or several occasions, within a maximum period of five years commencing when this agreement is approved, including but not limited to:

- a) the power to establish the exact amount of the decrease, which may never be higher than the nominal value of shares acquired with the scope of this agreement;
- b) determine the specific amount of treasury shares to be redeemed;
- c) establish the decrease date/dates;
- d) execute the capital decrease as considered appropriate, establishing applicable regulations on creditors' right of opposition as set forth in Article 335 c) of Companies Act, and carry out the necessary steps to meet applicable legislation in this regard;
- e) amend Article 5 of the Articles of Association to reflect the new share capital figure as well as number of Company shares;
- f) publish corresponding announcements;

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- g) appear before the Notary of choice to issue the corresponding capital decrease, granting notary instruments, including any deeds to correct, complement, or clarify them to obtain the capital decrease inscription at the Commercial Registry, and where applicable, request partial inscription.
- h) send all pertinent announcements regarding the capital decrease to competent regulatory authorities, including notification to the CNMV to file the necessary paperwork and present any required documentation with competent authorities so that once the Company shares have been redeemed, and the capital decrease deed filed with the Commercial Registry, resulting in the exclusion from trading of the shares on the Madrid, Barcelona, Bilbao, and Valencia stock exchanges through the Spanish Stock Market Interconnection System (Continuous Market). Cancel the corresponding accounting registers, and take any steps necessary to ensure full effectiveness of the capital decrease agreement in the eyes of any Spanish or foreign public/private bodies, including the declaration, complement, or correction of defects or omissions which might block or impede the full effectiveness of the capital decrease agreement.

A.11 Estimated floating capital:

	%
Estimated floating capital	42.38

A.12 State whether there are any restrictions (articles of association, legislative or of any other nature) on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and any regimes for the prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

- Yes
- No

A.13 State if at the General Shareholders' Meeting it was agreed that neutralization measures would be taken up on a takeover bid under Law 6/2007.

- Yes
- No

If applicable, explain the measures approved and the terms under which the restrictions shall not apply:

A.14 Indicate whether the company has issued securities not traded in a regulated market of the European Union.

- Yes
- No

If so, identify the various classes of shares and, for each class of shares, the rights and obligations they confer.

B. GENERAL SHAREHOLDERS' MEETING

B.1 State and, if applicable, detail whether there are any differences from the regulations on the minimum provided for by the LSC regarding the quorum necessary to hold the General Shareholders' Meeting.

Yes
 No

	% of quorum different from that established in Section 193 of the LSC for general cases	% of quorum different from that established in Section 194 of the LSC for special cases under Section 194 of the LSC
Quorum required on 1st call	50.00	0.00
Quorum required on 2nd call	0.00	0.00

Description of differences

According to Mediaset's Articles of Association, the General Meeting shall be validly convened with the attendance, either personally or by proxy, of at least fifty per cent of share capital subscribed and with voting rights, rather than the twenty-five per cent required in the LSC.

The percentages required in second call in the Articles of Association are the same as in the LSC.

The quorum required on the first and second call for the General Shareholders' Meeting to validly agree on the issuance of obligations, a capital increase or reduction, transformation, merger or spin off of the Company and, in general, any modification to the Articles of Association (Section 194 of the Companies Act).

B.2 State and, if applicable, detail whether there exist differences from the provisions set forth in the LSC for the adoption of company's agreements:

Yes
 No

B.3 Indicate the rules governing amendments to the company's Articles of Association. In particular, indicate the majorities required to amend the Articles of Association and, if applicable, the rules for protecting shareholders' rights when changing the Articles of Association.

To make any amendments in the Articles of Association deemed to be called and validly constituted, attendance on first call shall be necessary of shareholders, whether present or represented, possessing at least fifty percent (50%) of the subscribed capital with voting rights. During second call, any percentage of subscribed capital will be considered valid.

Should the shareholders be called to a general meeting to discuss modifications of the Articles of Association, during first call, at least fifty (50%) percent of attendance will be necessary of shareholders of subscribed capital with voting rights. On second call, attendance of twenty-five (25%) percent of such capital shall be sufficient.

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In addition, when proposals have been submitted to amend the Articles of Association, shareholders receive a report explaining the proposed amendments drawn up by the Board of Directors. No proposals to amend by the Articles of Association have been made to date that would be detrimental to any class of shares. In the event such proposals are made, the measures set out in the law to protect shareholders' rights would apply.

B.4 Provide the following figures on attendance to the General Shareholders' Meetings held during the year covered by this report and the two previous years:

Date of the General Shareholders' Meeting	Attendance figures				
	Attended Personally (%)	Attended by Proxy (%)	% remote voting		Total
			Electronic means	Other	
27/04/2017	49.85	29.11	0.00	1.18	80.14
Of which floating capital	0.05	29.11	0.00	1.18	30.34
18/04/2018	0.04	76.86	0.00	0.09	76.99
Of which floating capital	0.04	26.67	0.00	0.09	26.80
10/04/2019	0.04	70.78	0.00	0.40	71.22
Of which floating capital	0.04	19.15	0.00	0.40	19.59
04/09/2019	0.07	74.98	0.30	0.70	76.05
Of which floating capital	0.07	23.35	0.30	0.70	24.42

B.5 State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason:

Yes
 No

B.6 Indicate whether there is any restriction in the Articles of Association establishing a minimum number of shares necessary to attend the General Shareholders' Meeting or to vote remotely:

Yes
 No

B.7 State whether it has been established that certain decisions other than those established by law involving an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions, must be subject to the approval of the General Shareholders' Meeting:

Yes
 No

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B.8 Indicate the address and mode of accessing corporate governance content on your company's website as well as other information on General Meetings which must be made available to shareholders on the website.

All information concerning corporate governance, or General Shareholders' Meetings held or scheduled, is accessible to all shareholders on the Company's website through the following URL: <http://www.telecinco.es/inversores/es/>.

C. STRUCTURE OF THE COMPANY GOVERNING BODIES

C.1 Board of Directors

C.1.1 List the maximum and minimum number of directors included in the Articles of Association and the number set by the General Shareholders Meeting:

Maximum number of directors	19
Minimum number of directors	11
Number of board members set by the General Shareholder's Meeting	13

C.1.2 Fill in the following table on Board members:

Name or company name of the director	Proxy	Board member category	Position on the Board	Date of first appointment	Date of last appointment	Method of appointment
MS. GINA NIERI		Proprietary	DIRECTOR	18/04/2018	18/04/2018	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. NICCOLÓ QUERCI		Proprietary	DIRECTOR	18/04/2018	18/04/2018	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. JAVIER DIEZ DE POLANCO		Independent	DIRECTOR	18/04/2018	18/04/2018	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MS. CRISTINA GARMENDIA MENDIZÁBAL		Independent	DIRECTOR	18/04/2018	18/04/2018	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. ALEJANDRO ECHEVARRÍA BUSQUET		Other external	CHAIRMAN	15/05/1996	18/04/2018	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MS. HELENA REVOREDO DELVECCHIO		Independent	DIRECTOR	01/04/2009	18/04/2018	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MS. CONSUELO CRESPO BOFILL		Independent	DIRECTOR	18/04/2018	18/04/2018	AGREEMENT GENERAL SHAREHOLDERS' MEETING

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MR. BORJA PRADO EULATE		Proprietary	DIRECTOR	18/04/2018	18/04/2018	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. MARIO RODRÍGUEZ VALDERAS		Executive	SECRETARY BOARD MEMBER	09/04/2008	18/04/2018	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. FEDELE CONFALONIERI		Proprietary	VICE-PRESIDENT	21/12/2000	18/04/2018	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. MARCO GIORDANI		Proprietary	DIRECTOR	07/05/2003	18/04/2018	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. PAOLO VASILE		Executive	CHIEF EXECUTIVE OFFICER	29/03/1999	18/04/2018	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. MASSIMO MUSOLINO		Executive	DIRECTOR	09/04/2008	18/04/2018	AGREEMENT GENERAL SHAREHOLDERS' MEETING

Total number of directors	13
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State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name or company name of the director	Board member category	Date of last appointment	Discharge date	Specialized commission of which he was member	Indicate if the discharge was produced before the end of the mandate
No data available					

C.1.3 Fill in the following tables on the members of the Board and the different category in which they serve:

EXECUTIVE DIRECTORS		
Name or company name of the director	Position within the organisation	Profile
MR. MARIO RODRIGUEZ VALDERAS	Secretary and Managing Director	Mr. MARIO RODRÍGUEZ VALDERAS holds a Law and Business degree from ICADE, and a Master's degree in Legal Management from the Instituto Libre de Derecho y Economía. He began his professional career at the Professor Santiago Muñoz Machado (1991-1998) law firm, where he specialised in media law. In 1998 he joined Telecinco, forming part of the team that created the Legal and the Internal Audit Departments of the company. In 2000 he was

		<p>appointed Secretary of the Board and in 2003 Secretary General and as such represents Mediaset España in the main forums within the audio-visual sector. He is also in charge of the Corporate Governance and Responsibility of the company. In December 2010, Mario Rodriguez was appointed Corporate General Director. Mr. Rodriguez Valderas has legally represented Mediaset España Comunicación against the Administration as well as other regulatory bodies and contributed to the preparation of the different laws that govern the audio-visual sector in Spain. He is also a member of the Advisory Telecommunications board, professor of the Instituto de Empresa in audio-visual law, Board member of the ACT (Association of commercial television in Europe) Vice-Chairman in UTECA (Free to air Commercial Television Organisation).</p>
MR. PAOLO VASILE	Chief Executive Officer	<p>MR PAOLO VASILE began his long career in cinema and later on in television in his home country, Italy. Until he joined Telecinco in September 1998, he was the head of the Mediaset Production Center in Rome and Mediaset's Deputy Director General. Since 1999, he has been the CEO of Telecinco, now Mediaset España. Paolo Vasile is the sole managing director of the group for content management and advertising exploitation since 2014. In this period of almost 20 years at Mediaset España, he has led the team that has carried out the most important development of Telecinco, now Mediaset España, to being one of the most profitable companies in Europe and the leading audio-visual group in our country, which is, as of today, made up of the TV channels: Telecinco, Cuatro, Factoria de Ficción, Divinity, Energy, Be Mad and Boing and their respective websites; the online content platform Mitele, the native video channel Mtmad, the film subsidiary Telecinco Cinema, the audio-visual news agency Atlas and the advertising company Publiespaña, among other investee companies. Among the most outstanding achievements of his professional trajectory, is the development of a management model that is unique amongst the audio-visual companies in Spain, characterized by having the highest percentage of in-house production of all the operators in Spain, as a result of working with external and participated production companies. A model that has converted its content into a brand recognized by the viewer, to whom Mediaset España offers all possible consumption options through the new media provided by new technologies.</p>
MR. MASSIMO MUSOLINO		<p>MR MASSIMO MUSOLINO holds a BA in Economics and Banking from Siena University and</p>

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	General and Transaction Manager	<p>an MBA from the Business School University of Turin. Massimo is currently the Managing Director of Mediaset España Comunicación S.A, in 1986, he joined Sirius Group S.p.A. in Milan as Controller. In 1988, he joined Fininvest S.p.A. in the Planning and Control Division working in the TV sector. In March 1994, he moved to Spain as Head of Management Control of Gestevisión Telecinco S.A. In 1996 he was appointed Director of Operations and Control. He held this position until his appointment as Deputy General Manager of Telecinco in 1998. In January 2000 he returned to Italy to RTI, a company that manages all the TV channels of the Mediaset Group, as the Deputy General Manager. In early 2002 he returned to Spain, where he was appointed as Telecinco's Managing Director of Operations, the position that he currently holds.</p> <p>In July 2007 he was appointed CEO of Mediacinco Cartera S.L. as well as Director in EDAM (Holding which is controlled by Endemol BV) until May 2012. In December 2010 he was appointed Vice-President and Director of Canal + Spain until July 8, 2014. Since April 9, 2008 he is a Board Member of Mediaset España Comunicación S.A.</p>
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Total number of executive directors	3
Total % of the Board	23.08%

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of the director	Name of the individual or company who is a major shareholder and is represented by or has proposed the appointment of the external director	Profile
MS. GINA NIERI	MEDIASET SPA	<p>Holds a degree in Political Sciences from Pisa University and is specialized in Mass Communication and Journalism at Luiss University, Rome. She has been working in commercial television since 1977, firstly as Secretary General of FIEL, the first "free" broadcasters' association. She then joined FRT – the Federation of Radio and Television Operators – as Director remaining until 1990, when she joined the FININVEST GROUP as Manager for Relations with Trade Associations. Currently at MEDIASET S.p.A., she holds the position of Director of Institutional and Legal Affairs and Strategic Analysis. Since June 2007 she has been Deputy Chairman of R.T.I. S.p.A., and a board member since 1999. In April 2015 she was</p>

		<p>appointed as a member of Mediaset España Comunicación S.A.'s Board of Directors, a position she held since 1998 and is a member of the Executive Committee. She sits on the Board of Directors of Class CNBC S.p.A and Publitalia' 80 S.p.A. From 2000 to 2005 she was member of the Board of Directors of ALBACOM S.p.A representing Mediaset S.p.A.. She is a member of CONFINDUSTRIA RADIO TELEVISIONI's General Council and Advisory Board, as well as part of the Presidential Committee of the Master in Marketing, Digital Communication and Sales Management of Publitalia S.p.A.. Since 2019, she has held the position of Vice-President of CERRE (Regulation centre in Europe). She has participated and participates in working groups at the European Commission, on matters concerning protection of minors, also on the internet, pluralism of the media, and management of the radio spectrum. On 27 December 2012 she was awarded the title "Commendatore dell'Ordine al Merito della Repubblica Italiana" (Commander of the Order of Merit of the Italian Republic).</p>
MR. NICCOLÒ QUERCI	MEDIASET SPA	<p>Holds a Law degree from Siena University in 1986 and a Master's in Business Communication in 1988. Since 2007 he has been HR and Organisation Manager in the Mediaset Group and Vice-Chairman of Publitalia '80 S.p.A.; since late 2014, he has been Acquisition Manager. From 2006 to 2010 he was Chairman of Media Shopping S.p.A.. Since 2003 he has been R.T.I S.p.A.'s Managing Director of Human Resources, General Services and Security. Since 2001 he has been Vice-Chairman of R.T.I. S.p.A.; from 1999 to 2006 he was Director of artistic resources, productions, entertainment and sport and, until 2008, he was Manager for diversified and new business activities of the Group. From 1992 to 1999 he was Assistant and Secretarial Officer of Silvio Berlusconi, holding various organisational positions over the years. From 1989 to 1992 he was Key Account Manager, assistant to the Chairman and Chief Executive Officer of Publitalia '80, and from 1987 to 1988, Account Executive at P.T. Needham. He is also a board member of Mediaset S.p.A.</p>
MR. BORJA PRADO EULATE	MEDIASET SPA	<p>He studied Law at the Universidad Autónoma de Madrid. He furthered his professional training in the United States in International Relations and Foreign Trade at the University of New York and at the firm Philip Brothers. Here is a summary of his professional career:</p> <ul style="list-style-type: none"> -Chairman of Endesa (2009-2019) – Chairman of -Chairman of Fundación Endesa (2015-2019)

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		<p>- Chairman of Global Coverage of Mediobanca (2015-2018) - Chairman of Mediobanca for Iberia and Latinoamérica (2007-2014) – Vice-Chairman of Enersis (2013-2015)- Board member of Endesa and Endesa Chile (2007-2009) – Vice-Chairman of Lazard Asesores Financieros, S.A. (1999-2007)- Board member of Rothschild España (1995-1999)- Vice-Chairman of UBS in Spain (1989-1994)- Chairman of Almagro Asesoramiento e Inversiones (1987-2016) Fomento de Comercio Exterior (Focoex) (1980-1988). He currently holds the following positions:</p> <p>- Co-founder and Managing Partner of Peninsula Capital -Partner of Key Capital Partneres-Chairman of Grupo Español de la Comisión Trilateral –Board Member of Mediaset España Comunicación.</p>
MR. FEDELE CONFALONIERI	MEDIASET SPA	<p>Holds a Law degree from Milan University, he is a member of the Advisory Board of Confindustria and Assolombarda. He is a Board Member of the Italian daily newspaper "Il Giornale", Chairman of Mediaset S.p.A. and of the Veneranda Fabbrica del Duomo in Milan, member of the General Council of Confindustria Radio Televisioni.</p>
MR. MARCO GIORDANI	MEDIASET SPA	<p>Holds an Economics and Business degree from Bocconi University, Milan. Since 2000 he has been Chief Financial Officer of the Mediaset Group. Since June 2008, he is a board member of Mediaset SPA and a member of the Executive Committee. He is Chairman of Monradio S.R.L., Radio Mediaset S.p.A. and Virgin Radio Italy S.p.A., Shopping S.p.A He is also Chief Executive Officer of R.T.I., and board member of Mediaset España Comunicación SA. Publitalia '80 S.p.A. and Medusa Film S.p.A. From 1998 to 2000 he was Head of the Investment Control department with IFIL S.p.A.; he was later appointed director and member of the Executive Committee of LA RINASCENTE S.p.A., as well as director of S.I.B. (Società Italiana Bricolage). In 1991 he became Finance Manager of the RINASCENTE Group and Chief Financial Officer in 1997.</p>

Total number of external proprietary directors	5
Total % of the Board	38.46

INDEPENDENT EXTERNAL DIRECTORS	
Name or company name of the director	Profile
MR. JAVIER DIEZ DE POLANCO	<p>Holds a law degree from Universidad Complutense of Madrid, Master in Legal Advice and Business Management (Instituto de Empresas BS), he is currently a director and Chairman of the Audit and Compliance Committee of Iberdrola México, board member of Willis Towers Watson Iberia, Timón, SL and Tropical Hoteles, SL.</p>
MS. CRISTINA GARMENDIA MENDIZÁBAL	<p>Holds a PhD in Biology, in Genetic speciality. She studied her PhD in Molecular Biology in the Doctor Margarita Salas laboratory, in the National Centre of Molecular Biology Severo Ochoa. She completed her education with an MBA from the IESE Business School of Navarra University. The following is a summary of her professional career: - Everis: Independent Director. Since 2016-June 2019 - Chairman of the Appointments and Remuneration Committee. Since 2013-2016 - Chairman of the Audit and Control Committee and since 2007-2008 - Chairman of the Appointments and Remuneration Committee (2007-2008 / 2012-2019) - Corporación Financiera Alba: Independent director, Chairman of the Appointments and Remuneration Committee and member of the Investment Monitoring Committee. (2013-2019) - Grupo Pelayo, Mutua de Seguros y Reaseguros: Independent Director, member of the Executive Committee and Chairman of the Investment Committee, from 2013 to 2016 she was Chairman of the Audit and Compliance Committee (2012-2019) - Expedeon (formerly Sygnis AG): Chairman of the Board. (Proprietary) (2012-2019) - Naturgy (formerly Gas Natural SDG): independent director and member of the Appointments and Remuneration Committee and member of the Audit Committee. (2015-2018) - Science & Innovation Link Office (SILO): Director. (Proprietary) (2012-2018) - Genetrix, S.L.: Joint Administrator. Since 2012-2017 - President and since 2001-2008 - President. (2017-2018) - Minister of Science and Innovation. IX Spanish Legislature. (2008-2011) - Association of Biotechnology Companies (ASEBIO). President (2005-2008) - Spanish Confederation of Business Organizations (CEOE). Member of the Board of Directors (2006-2008) - Amasua Group - Executive Vice President and Chief Financial Officer. (1990-2001) - Assistant Professor. Universidad Autónoma de Madrid. (1989-1990) Currently holds the following positions: - Caixabank: Independent Director and member of the Innovation, Technology and Digital Transformation Committee. - Mediaset España Comunicación, S.A.: Independent director and member of the Appointments Committee. - Compañía de Distribución Integral Logista Holdings, S.A.: Independent Director and member of the Audit and Control Committee (April 2015-April 2019 - Chairman of the Audit and Control Committee). - Satlantis Microsats, S.L.: Chairman of the Board. (Proprietary) - Ysios Capital Partners, SGECR : Director. (Proprietary) - Unicef Spanish Committee: Member of the Advisory Council - Fundación Cotec: Chairman of the Board of Trustees. - Fundación España Constitucional: Member of the Board of Trustees. - SEPI Foundation: Member of the Board of Trustees.</p>

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<p>MS. HELENA REVOREDO DELVECCHIO</p>	<p>Born in Rosario, Argentina, she has a degree in Business Administration from the Catholic University of Buenos Aires and PADE at IESE. Board Member of Prosegur Compañía de Seguridad, S.A since 1997 and Chairwoman since 2004, Chairwoman of the Prosegur Foundation since 1997, and also Chairwoman of Euroforum since 2004. She currently serves on the following Boards of Directors: Board member in Romercapital SICAV, S.A., Agrocinegética San Huberto S.L. and Euroforum Escorial S.A. She's also a member of the "Escuela Superior de Música Reina Sofía Patronage" and the "Príncipe de Asturias" Foundation. She also collaborates with the Royal Association of Friends of the National Museum Center of Art Reina Sofía; the Friends of Prado Museum Foundation and the Royal Theatre of Madrid, where she is also Chairwoman of the International Board since 2015.</p> <p>Her professional performance has been recognized with the Juan Lladó Award - the most prestigious award given in Spain in cultural patronage and research, as well as the Gold Medal of the senior management Forum and the Ramón Borredá Trophy, as well as the Montblanc Prize for culture.</p>
<p>MS. CONSUELO CRESPO BOFILL</p>	<p>Degree in Biological Sciences from Barcelona University, Master's in International Cooperation, Peace and Development within the United Nations framework Basque Country University. Her professional career is reflected in the positions she has held in various companies and institutions: - Chairwoman of UNICEF Basque Country 1993-2005. – Chairwoman of UNICEF Spain 2005-2014 - Member of the Governing Council of the University of Deusto 2001-2017 - Speaker in the Master's Degree in International Cooperation at the University of Barcelona, Basque Country, and Complutense of Madrid, 2000-2016 - Independent Director of ACCIONA S.A. and member of its Sustainability Committee 2008-2014. Independent director of the TUBACEX Group and member of its Appointments and Remuneration Committee 2009-2018. Board Member of Deusto Business School since 2014 and Member of its Permanent Committee since 2018. - Member of different awards juries for Social Corporate Responsibility 2003-16. Jury Member of the Principe de Asturias Awards for International Cooperation 2007-2010.- Patron of Oxfam Intermon since March 2014. Patron of Boscana Foundation since October 2015. Founder and Vice Chairwoman of the Circulo de Orellana Association since 2015. Patron of TUBACEX Foundation since 2016 -Member of the Advisory Board of the Princess of Girona Foundation since June 2017. From 2010 to 2014, she was among the TOP 100 women leaders in Spain and among the top 100 managers in the MERCO report on corporate reputation.</p>

<p>Total number of independent directors</p>	<p>4</p>
<p>Total % of the Board</p>	<p>30.77</p>

List any independent directors who receive from the company or group any amount or payment other than standard director remuneration or who maintain or have maintained during the period in question a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior manager of an entity which maintains or has maintained the said relationship.

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If applicable, include a statement from the board detailing the reasons why the said director may carry on their duties as an independent director.

Name or company name of the director	Description of relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS

Other external directors will be identified and will explain why they cannot be considered as proprietary directors or independent directors and their links, whether with the company and its senior management or with its shareholders.

Name or company name of the director	Motives	Company, manager or Shareholder with whom maintains the link	Profile
MR ALEJANDRO ECHEVARRÍA BUSQUET	Holds this category because he held his position as independent director for a period of 12 years, after which he joined the group of other external directors.	MEDIASET ESPAÑA COMUNICACIÓN, S.A.	Born in Bilbao 1942, he holds a degree in Business Administration from the Technical College of San Sebastián (Deusto University). As Chairman of Mediaset España's (formerly Gestevisión Telecinco) Board of Directors, a position he has held since May 1996, he is the head of the company and this professional stage also coincides with the most important development in the history of the company: for being a pioneer in implementing digital technology in television (drafting the Telecinco News 1998), for being courageous when facing the changes and evolution of content in line with the audience preferences, for having been effective when commercially managing through its subsidiary Publiespaña, for having carried out the most successful launch of a company on the stock in the sector. A combination of factors that have led to Telecinco being the most watched channel in Spain in the last five years and one of the most profitable networks across Europe. Before making his brilliant entry into the field of mass media, he held various management positions in automotive and appliance companies and it was from 1980 when he was appointed CEO of the El Correo Español - El Pueblo Vasco, a daily newspaper in which he undertook a major technological renovation and publishing plan, first becoming Grupo Correo (afterwards known as Grupo Correo-Prensa Española) and currently Grupo Vocento, one of the three leading multimedia groups in Spain with interests in national press (ABC) regional, radio, Internet and audio-visual production. He is currently a board member of El Diario Vasco, El Diario Montañés and Diario El Correo newspapers and companies such as Endesa, and CVNE. He was also president of the

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			<p>Union of Commercial Television Partners (UTECA) until March 2011 a position he resumed in May 2016 to December 2018. He is patron of the Ayuda against Drug Addiction Foundation and Patron of honour of the Novia Salcedo Foundation. He is also the Vice Chairman of CONR (Socially Responsible Public Procurement Forum). He was previously a Board Member of the Broadcast Justification Office (OJD), Chairman of SAPISA (Independent Press Auxiliary Services), Colpisa Agency and the Association of Newspaper Editors of Spain (AEDE). He had also been Chairman of the Associate Editors for Independent Television S.A. (TEVISA) and he was a Board member of Antena 3 Television (1989-1994). He was also a Board member at the University of Deusto. His professional work has been recognized with several awards, among which are the Best Basque Businessman (1998), Best Business Management (Future magazine 1998), Company Value Award in Mass Media (Organizing Committee of Company Values, 2000), winner of Jaime de Cordelles (ESADE, 2001), Miguel Moya (APM 2009) and Ilustre de Bilbao (Bilbao City Council 2009), the Aster Communication award in 2013 and Ramon Rubial for his Professional Career in 2014.</p>
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Total number of other external directors	1
Total % of the board	7.69

Mention any changes that have taken place in the category of individual directors during the period:

Name or company name of the director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table on the number of female directors over the past four years and their category:

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	Number of female directors				% of total directors of each type			
	Year 2019	Year 2018	Year 2017	Year 2016	Year 2019	Year 2018	Year 2017	Year 2016
Executive					0.00	0.00	0.00	0.00
Proprietary	1	1			20.00	20.00	0.00	0.00
Independent	3	3	3	1	75.00	75.00	75.00	25.00
Other external					0.00	0.00	0.00	0.00
Total	4	4	3	1	30.77	30.77	23.01	7.69

C1.5 State whether the company has diversity policies in relation to the company's Board of Directors on such questions as age, gender, disability and training and professional experience. Small and medium-sized companies, in accordance with the definition set out in the Accounts Audit Law, will have to report at least, on the gender diversity policy that they have implemented.

Yes

No

Partial Policies

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the Appointments and Remuneration Committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including the results achieved

Among its objectives, Mediaset España has established the active promotion of diversity within the Company, its Group and its governing bodies, mainly in the Board of Directors and its delegated Committees.

Diversity is understood in its broadest sense, encompassing, in an exemplary and non-exhaustive manner, aspects such as age, gender, disability and professional training and experience.

The Company's commitment to diversity extends to the employees and collaborators as well as to the members of the Board of Directors, trying to promote equality and diversity in all areas of the company.

Both the rules of governance and the internal procedures of Mediaset España and its Group, transversely guarantee the principle of diversity, thus guaranteeing its most effective promotion and compliance.

Mediaset España's diversity and inclusion policy is based on the following:

PRINCIPLES OF ACTION

Compliance with current legislation on diversity and inclusion and adoption of the best corporate governance guidelines and practices in this area, both nationally and internationally.

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Promoting measures to ensure equal opportunities and prevent any discrimination in the selection process of both members of the Board of Directors, its committees, as well as the workforce of the Company and its Group.

Promotion of corporate strategies that allow for the training of female talent, promoting the development of activities aimed at achieving them.

Periodic review of the activities carried out, so as to identify the potential weaknesses and points of improvement, in order to prevent, mitigate and correct their impact.

Using the Mediaset España Group's audio-visual resources to raise awareness and sensitize the audience on the importance of respect and compliance with diversity.

The commitment to respect and promote diversity and inclusion is extended to the chain of suppliers

As a result of the aforementioned diversity policy, female presence on the Board of Directors has reached 30%.

C1.6 Explain the measures taken, if applicable, by the Appointments Committee to ensure that the selection processes are not subject to implicit bias that would make it difficult to select female directors, and to ensure the company makes a conscious effort to search for female candidates who have the required profile and to achieve a balanced presence of women and men:

Explain the measures

The Appointments and Remuneration Committee monitors the implementation of the diversity policy when board members are appointed. In this regard, a list of women who meet all the requirements to be appointed as members of the Board of Directors of the Company has been provided.

When, despite the measures taken, there are few or no female directors, explain the reasons:

Explain the reasons

At the end of the year, the number of female directors represents 30% of the total number of directors.

C.1.7 Explain the conclusions reached by the appointments committee on the verification of compliance with this board member appointment process. Specifically, indicate how these policies will assist in reaching the 2020 goal that at least 30% of Board members be female.

Following the appointments approved by the General Meeting held in 2018, following the recommendations of the Appointments and Remuneration Committee, the number of female directors represents 30% of the total number of members of the Board of Directors.

C.1.8 Explain, if applicable, the reasons why proprietary directors have been appointed upon the request of shareholders who hold less than 3% of the share capital:

Name or company name of the director	Justification
No data	

Provide details of any rejections of formal requests for board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If so, explain why these requests have not been entertained:

Yes

No

C.1.9 Indicate, in the event that they exist, the powers and faculties delegated by the board of directors to board members or board committees:

Name or company name of the director	Brief description
PAOLO VASILE	Joint CEO: he has been delegated all the powers delegable according to the law and the Articles of Association.

C.1.10 Identify, where appropriate, the members of the board that assume positions of administrators, representatives of administrators or directors in other companies that are part of the group of the listed company.

Name or company name of the director	Corporate name of the group entity	Position	Do they have executive functions?
MR MARIO RODRÍGUEZ VALDERAS	Publiespaña, SAU	Secretary to the Board of Directors	NO
MR MARIO RODRÍGUEZ VALDERAS	Grupo Editorial Tele5, SAU	Secretary to the Board of Directors	NO
MR MARIO RODRÍGUEZ VALDERAS	Advertisement 4 Adventure, SLU	Secretary to the Board of Directors	NO
MR MARIO RODRÍGUEZ VALDERAS	Producción y Distribución de Contenidos Audiovisuales Mediterráneo, SLU	Secretary to the Board of Directors	NO
MR MARIO RODRÍGUEZ VALDERAS	Mediacinco Cartera, SLU	Secretary to the Board of Directors	NO
MR PAOLO VASILE	Producción y Distribución de Contenidos Audiovisuales Mediterráneo, SLU	Chairman and Board Member	YES
MR PAOLO VASILE	Publiespaña, SAU	CEO	YES

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MR PAOLO VASILE	Grupo Editorial Tele, SAU	Chairman	NO
MR PAOLO VASILE	Telecinco Cinema, SAU	Chairman	NO
MR PAOLO VASILE	Conecta 5 Telecinco, SAU	Chairman	NO
MR MASSIMO MUSOLINO	Publiespaña, SAU	Board Member	NO
MR MASSIMO MUSOLINO	Grupo Editorial Tele5, SAU	CEO	YES
MR MASSIMO MUSOLINO	Telecinco Cinema, SAU	CEO	YES
MR MASSIMO MUSOLINO	Conecta 5 Telecinco, SAU	Board Member	NO
MR MASSIMO MUSOLINO	Advertisement 4 Adventure, SLU	Chairman	NO
MR MASSIMO MUSOLINO	Mediacinco Cartera, SLU	Chairman and CEO	YES
MR MASSIMO MUSOLINO	Producción y Distribución de Contenidos Audiovisuales Mediterráneo, SLU	Board Member	NO
MR MARIO RODRÍGUEZ VALDERAS	Grupo Audiovisual Mediaset España Comunicación, SAU	Secretary of the Board of Directors	NO
MR MASSIMO MUSOLINO	Grupo Audiovisual Mediaset España Comunicación, SAU	Board Member	NO
MR PAOLO VASILE	Grupo Audiovisual Mediaset España Comunicación, SAU	Chairman and CEO	NO

C1.11 Detail, where appropriate, any directors or representatives of companies who are directors of the company of who the company is aware of being members of the Boards of Directors or representatives of companies who are directors of non-Group companies listed on official Spanish stock markets:

Name or company name of the director	Corporate name of the listed entity	Position
MS CRISTINA GARMENDIA MENDIZÁBAL	Compañía de Distribución Integral Logista Holdings, SA	BOARD MEMBER
Mr ALEJANDRO ECHEVARRÍA BUSQUET	Endesa, SA	BOARD MEMBER
MS HELENA REVOREDO DELVECCHIO	Prosegur Compañía de Seguridad, SA	CHAIRMAN
MS CRISTINA GARMENDIA MENDIZÁBAL	Caixa Bank, SA	BOARD MEMBER

C.1.12 State and explain whether the company has established rules on the maximum number of Boards of Directors in which its directors may participate, identifying where appropriate, where it is regulated:

YES

NO

Explanation of rules and identification of the document where it is regulated
--

In compliance with the recommendations of the Spanish National Securities Commission (Comisión del Mercado de Valores) included in the Unified Good Governance Code, the Board of Directors of Mediaset España has certain rules regarding the number of directorships its board members can hold to ensure that they dedicate the appropriate amount of time and effort to discharge their duties effectively.

In this respect, the Board of Directors has different rules according to the type and characteristics of each category of director. The rules are more restrictive for executive and proprietary directors. The number of directorships they can hold is lower than that of other classes of directors, as is the number of directorships they can hold in other Mediaset Group companies.

Limits to the number of directorships independent directors can hold varies depending on whether they are proprietary, executive or other independent directors.

Directors undertake to apprise Mediaset España of any appointment or change in information previously notified to the Company as soon as possible.

C.1.13 List the amounts of the concepts related to the total remuneration paid to the following Board of Directors in the year:

Board remuneration accrued during the year (thousands of euros)	6,065
Amount of accumulated pension plan rights for directors (thousands of euros)	
Amount of accumulated pension plan rights for former directors (thousands of euros)	

C.1.14 Mention any senior managers who are not also executive directors and the total remuneration they have earned during the year:

Name or Company Name	POSITION(S)
MR SALVADOR FIGUEROS HERNÁNDEZ	Marketing Manager
MR ANGEL JUAN PABLO LÓPEZ	Commercial Manager
MR JAIME GUERRA GONZÁLEZ	Production Division Manager
MR LÁZARO GARCÍA HERRERO	Commercial Manager
MR I FONARDO BALTANÁS RAMÍREZ	Production Division Manager

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MR JUAN PEDRO VALENTÍN PADÍN	News Division Manager
MS PATRICIA MARCO JORGE	Antena Division Manager
MS MIRTA DRAGOEVICH FRAERMAN	Communication and External Relations Division Manager
MS CRISTINA PANIZZA MIEZA	Sale Service Operations Manager
MR PEDRO MARÍA PIQUERAS GÓMEZ	Telecinco's News Division Manager
MR ALVARO AUGUSTIN REGAÑÓN	Telecinco Cinema's General Manager
MR FRANCISCO JAVIER URÍA IGLESIAS	Economy and Financial Division Manager
MR JOSÉ LUIS VILLALEGRE	Commercial Manager
MR MANUEL VILLANUEVA DE CASTRO	General Content Manager
MR FRANCISCO ALÚM LÓPEZ	Publiespaña's General Manager
MR ÁNGEL SANTAMARÍA BARRIO	Internal Audit Manager
MR FIGENIO FERNÁNDEZ ARANDA	Technology Division Manager
MR GHISLAIN BARROIS	Cinema, Sales, Right Acquisition and Distribution Division Manager
MR GIUSEPPE SILVESTRONI	Production Division Manager
Total remuneration of Senior Executives (in thousands of euros)	
	8.379

C.1.15 State whether there has been any modification to the Regulations of the Board of Directors during the year:

YES

NO

Describe the modifications

It should be noted that during 2019 certain articles of the Board of Directors' Regulations were amended in order to introduce some technical improvements as well as to adapt the wording of certain articles to the legal and case-law changes. In this regard:

- The amendment of Article 6 "Powers of the Board of Directors" is intended to adapt the wording to the requirements of Article 253 of Royal Law Decree 1/2010, of 2 July, which approves the text of the Companies Act, as amended by Law 11/2018, of 28 December, on the publication of non-financial information.
- The amendment of article 21 "Audit and Compliance Committee" introduces technical measures to improve the wording of the external auditor's control and supervision powers.
- Finally, the amendment of article 28 "Director's remuneration" responds to the need to adapt its wording to the criteria established in the Supreme Court Ruling 98/2018 of 26 February, so that it includes all the remuneration items for which directors may be remunerated, both for belonging to the Board of Directors and its Committees and for the performance of delegated or executive functions; establishing, within the powers of the Shareholders' General Meeting, that of setting the maximum annual

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amount of the remuneration corresponding to all the Directors, both for their belonging to the Board of Directors and its Committees, and for the performance of delegated or executive functions. For this reason, it was considered appropriate to propose a new wording for the entire article.

C.1.16 Indicate the procedures for appointing, re-electing and removing directors. List the competent bodies, procedures and criteria used for each of these procedures.

In the procedures for selecting, appointing, re-electing, evaluating and removing directors established in the Articles of Association, the Regulations of the Board of Directors and the Rules of the Appointments and Remuneration Committee, the competent bodies are: the General Shareholders' Meeting, the Board of Directors, and the Appointments and Remuneration Committee.

Appointment and re-election:

- A director need not be a shareholder of Mediaset España.
- Directors, including independent directors, are appointed for a maximum term of 12 years.
- The Chairman of the Audit Committee and of the Appointments and Remuneration Committee may hold office for a maximum of four (4) years.
- The number of board members is determined at the General Shareholders' Meeting and currently stands at 13.
- The following may not be appointed directors: (i) companies, either foreign or domestic, in the audiovisual sector competing with the Company and their administrators or senior managers, except where such companies are part of the same group to which Mediaset España belongs, (ii) any person falling under any other incompatibility or prohibition regulated under general provisions.
- The appointment and termination of the Secretary and Vice-secretary must be preceded by the corresponding report from the Appointments and Remuneration Committee and must comply with the definitions contained in the Articles of Association and the Regulations of the Board of Directors.
- The Appointments and Remuneration Committee is required to ensure that the selection procedures for filling new vacancies do not result in an obstacle for the selection of female directors.

The procedure for the appointment, selection, re-election and removal of Mediaset España's directors is initiated in the Appointments and Remuneration Committee. Article 5 of the Regulations establishes the obligation by the Appointments and Remuneration Committee to:

- Protect the integrity of the selection process for directors and senior executives, defining the profile (knowledge, experience and skills) of the candidates and in particular, making proposals to the Board with regard to the appointment and removal of Directors, either by co-optation, at the proposal of the Board to the General Shareholders' Meeting, and proposing to the Board which members should belong to each of the Committees. In the case of independent directors, the appointment shall be made upon proposal by the Committee.
- Advise the Board of Directors on the succession of the Chairman and Chief Executives of the company, formulating the suggestions it deems pertinent.
- Inform the Board of Directors of the appointment and termination of Mediaset España's senior managers.
- Inform the Board of Directors of matters of gender diversity, assuring that new selection procedures initiated upon the event of new vacancies do not hinder the selection of female directors. The Committee shall furthermore motivate the company to search for and include in the list of candidates women who meet the professional profile sought.
- Advise the Board of Directors on the removal and propose the appointment of the Secretary and, if applicable, the Vice Secretary.

Once the report is prepared, the Appointments and Remuneration Committee submits its proposals to the Board of Directors. As such, proposed appointments of directors submitted to the General Shareholders' Meeting by the Board of Directors and decisions adopted by the Board with regard to appointment, by virtue of its powers of co-optation, shall be preceded by the corresponding report from the Appointments and Remuneration Committee. In the event the Board decides not to follow the recommendations of the Appointments and Remuneration Committee, it shall state its reasons for this decision, leaving them recorded in the minutes.

In this regard, the Board of Directors and the Appointments and Remuneration Committee, to the extent of its powers, shall ensure that candidates proposed to the General Shareholders' Meeting are individuals of recognized solvency, competence and experience, especially in the case of independent directors. In any event, a description of the professional experience of the candidates is required, emphasizing the circumstances that justify their appointment as independent.

The Board of Directors shall assure that external or non-executive directors represent a majority over executive directors, and further that the Board includes a reasonable number of independent directors. The Board shall likewise assure that the majority group of

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external directors includes independent directors and proprietary directors. The final decision to appoint and remove directors rests with the General Shareholders' Meeting, ensuring appointment by the proportional system described in the Corporate Enterprise Act, at the proposal of the Board of Directors and subject to a report and advice from the Appointments and Remuneration Committee. Mediaset's Articles of Association do not envisage qualified majorities.

Termination of directors:

In addition to cases set by law, directors shall tender their resignation to the Board of Directors in the cases listed in section C.1.19 below of this report.

In this case, the competent bodies and procedures are similar: removal begins with the Appointments and Remuneration Committee, then the Board of Directors steps in and finally the matter is taken to the General Shareholders' Meeting.

C.1.17 Explain to what extent the annual Board evaluation has prompted significant changes in its internal organization and the procedures applicable to its activities:

Describe the modifications

The Board of Directors' self-assessment procedures, Audit and Compliance Committee, and Remuneration Committees were carried out in 2019, as in previous years. As mentioned in previous years, the self-assessment procedure was devised by the Remuneration and Appointments Committee, based on the preparation of a questionnaire responded to by the Board members.

The annual evaluation process of the Board of Directors has not led to significant changes due to the improvement process that has been carried out for several years.

Describe the evaluation process and the areas evaluated by the board of directors assisted, where applicable, by an external consultant, regarding the operation and composition of the board and its committees and any other area or aspect that has been subject to evaluation.

Description of the evaluation process and areas evaluated

The annual evaluation of the Board of Directors and the Company's Committees is added to the one that has been carried out on Mediaset España's CEO, thus complying with the legal regulations and with the recommendations of corporate governance. All the directors participated in the evaluation.

The Appointments and Remuneration Committee supervised the preparation of a yearly self-evaluation form for the Board of Directors and its Committees.

This was proposed by the Board of Directors for approval, and subsequently, was shared with each and every board member for completion during a period granted for that purpose.

After completion, the form was sent to the Secretary to the Board of Directors who, based on the evaluations reflected in each of the forms, prepared a final report which anonymously revealed the Board member evaluations as well as comments on any issues they had deemed convenient.

In order to define the points that were to be evaluated, a selection was made of the main aspects related to the functioning of the Board of Directors, to which a valuation system has been applied. In this regard, and in relation to the Board of Directors, up to a total of 12 different points related to its operation have been evaluated.

The scheme followed for Committee evaluations is similar to that for Board meetings: key points were defined and rated with regard to how meetings are carried out and function, as well as roles performed.

As regards the evaluation of the Company's CEO, as in previous years, the Appointments and Remuneration Committee was responsible for evaluating its performance.

C1.18 Breakdown, those years in which the evaluation has been assisted by an external consultant, the business relationships that the consultant or any company of its group maintains with the company or any company of its group.

No external consultant participated in the evaluation carried out in 2019.

C.1.19 Mention the circumstances in which directors are required to resign.

Directors shall tender their resignation to the Board of Directors and the Board shall accept their resignation if deemed appropriate in the following situations:

- (a) When they reach 85 years of age. Their removal as director and resignation from their position shall occur during the first meeting of the Board of Directors held after the General Shareholders' Meeting which approves the financial records for the financial year in which the director reaches said age.
- (b) When they have been removed from the executive positions associated with his appointment as director.
- (c) When they are affected by any of the applicable conflicts of interest or prohibitions.
- (d) When the Appointments and Remuneration Committee issues a serious warning for infringing their obligations as directors.
- (e) When their continuation on the Board may directly, indirectly, or through persons associated with them jeopardize the loyal and diligent exercise of their duties and might exert a negative effect on Mediaset España's credit and reputation.
- (f) Where the shareholder represented by them wholly sells or reduces its shareholding in Mediaset España below the relevant threshold; in this case, the number of resignations shall be proportional to the reduction in the shareholding.

Should a natural person representing a legal person as Board member incur in any of the situations set forth in Section 3, he/she will be removed from the position.

The Board of Directors may propose the termination of any independent director before expiration of the term of office established under the Articles of Association only where there exists reasonable cause; reasonable cause shall be deemed to exist where a director fails to comply with the duties inherent to its position or falls under any of the grounds contemplated in the Regulations which prevent it from being appointed independent director.

C.1.20 Is there any type of decision for which a special majority is required, other than those foreseen by law?

YES

NO

If applicable, describe the differences.

C.1.21 State whether there are any special requirements to be met to be appointed chairman, other than those for director of the Board of Directors.

YES

NO

C.1.22 Indicate whether the Articles of Association or the Board regulations set any age limit for directors:

YES

NO

	Age limit
Chairman	85
CEO	85
Board members	85

It is noted that in the cases discussed, the Directors must offer their resignation to the Board of Directors, it being for the latter to consider the convenience of formalising the resignation.

C.1.23 Mention whether the Articles of Association or the regulations of the Board or other more stringent requirements in addition to those provided by law, provide for any limit on the term in office of independent directors that is different to the legal limit

YES

NO

C.1.24 Indicate whether the Articles of Association or Board regulations stipulate specific rules on appointing a proxy to the Board in favour of other board members, the procedures thereof and, in particular, the maximum number of proxy appointments a director may hold, as well as any limits established with regard to categories which may be delegated beyond legally-imposed limitations. If so, give brief details.

Article 25 of the Board of Directors' Regulations establishes that its members must make every attempt to attend its meetings. Those who cannot do so personally must endeavor to ensure representation by another board member. Representation must be granted in writing and specifically for each session, including the respective instructions, and be communicated to the President or Secretary by any method possible ensuring its reception; a board member may simultaneously represent several others at once. In any event, non-executive Directors may only be represented by another non-executive Director.

C.1.25 Mention the number of meetings held during the year by the board of directors. Also indicate, if relevant, the times that the Board has met without the presence of the Chairman. Attendance will also include proxies appointed with specific instructions.

Number of Board meetings	12
Number of Board meetings from which the Chairman has been absent	0

Indicate the number of meetings held by the coordinating director with the rest of the directors, without the assistance or representation of any executive director.

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Number of meetings	0
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Mention the number of meetings held during the year by the various Board committees:

Number of Audit and Compliance Committee meetings	5
Number of Appointments and Remuneration Committee meetings	3
Number of Executive Committee meetings	3

C.1.26 Indicate the number of board meetings held during the year and the data regarding directors attendance.

Number of meetings with face-to-face attendance of at least 80% of the directors	11
% of attendances of the total votes cast during the year	94.90
Number of meetings with face-to-face attendance, or representations made with specific instructions, of all the directors	9
% of votes cast with attendance and representations made with specific instructions, on the total votes during the year	98.10

C.1.27 Indicate whether the consolidated and separate financial statements submitted to the Board for formulation are previously certified:

YES

NO

Identify, where applicable, the person(s) who certified the company's separate and consolidated financial statements prior to their authorisation for issue by the Board:

C.1.28 Explain the mechanisms, if any, established by the board of directors to prevent the individual and consolidated financial statements it prepares from being presented to the General Shareholders' Meeting with a qualified Audit Report.

Mediaset España has a number of mechanisms in place to avoid presenting a qualified audit report on the separate and consolidated financial statements that affect all levels of the Company. The Economic and Finance Division is responsible for preparing Mediaset's and the Mediaset Group's separate and consolidated annual accounts and financial statements, disclosures and individual information.

The next control mechanism entails preparatory meetings with Mediaset's external auditor to report on the status of review work if there has been an incident, if information is required, etc. These meetings are attended by the independent directors on the Audit and Compliance Committee, the Chief Operating Officer, the Finance Director, the Consolidation Director, the Corporate General Manager and the Managing Director of Internal Audit.

Finally, the Audit and Compliance Committee reviews and oversees all the information to ensure compliance with legal obligations and the correct application of Spanish and International Financial Reporting Standards in order to anticipate any discrepancy with the statutory auditor.

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In line with this procedure, the Audit and Compliance Committee held five meetings in 2019, one each quarter for the preparation of the annual, quarterly and semi-annual financial statements.

Noteworthy, is that Mediaset España's separate and consolidated financial statements have been prepared and approved without any qualifications since they were first audited in 1996.

C.1.29 Does the Secretary of the Board have the status of director?

YES

NO

If the Secretary is not a Board member, complete the following table:

C.1.30 Describe specific procedures implemented by the Company to protect the independence of the external auditors, and, if any, mechanisms to preserve the independence financial analysts, investment bankers and rating agencies, including how the legal provisions have been implemented in practice.

The independence of Mediaset and its Group's auditor is guaranteed by means of the control and follow-up conducted by the Audit and Compliance Committee and ultimately by the Board of Directors.

The regulations of the Audit and Compliance Committee establish the following functions for this committee:

- Proposing to the Board of Directors the auditor's appointment, hiring conditions, duration of professional activities and termination or non-renewal of its appointment.
- The Committee is also the communications channel between the auditor and Mediaset. If necessary, it shall be in charge of receiving information on issues which may endanger its independence, though this has not occurred to date.
- Authorise the contracts between the auditor and Mediaset España that are unrelated to the audit activity of the accounts and do not propose the appointment of any audit firm when (i) it is found to be in any case of incompatibility in accordance with the legislation on auditing or (ii) the fees Mediaset España foresees to satisfy the auditor are greater than five (5) percent of its total income during the last year.

Before issuing its report, the statutory auditor of Mediaset España and its Group issues a statement of independence relative to the company and/or related parties, along with a report on any additional services of any kind it provides. This statement of independence is signed by all members of the audit team involved in the process and is presented to the Audit and Compliance Committee.

Mechanisms to preserve the independence of financial analysts, investment banks and rating agencies.

Mediaset's relations with financial analysts, investment banks and rating agencies is centralized in the Investor Relations Department, which ensures that information disclosed to the markets is transparent and unbiased.

To do so, a number of communication channels have been established to guarantee that information on the Company is disseminated promptly and without discrimination. This includes publication on the website of quarterly earnings and any events affecting the Company's performance; personalised service by the Investor Relations Department; availability to contact the Company by phone or e-mail; on-site presentations (road shows) or via internet.

After any earnings release the Company's senior managers give a presentation, which can followed by shareholders, institutional investors and analysts in real-time through a conference call and/or webcast. Conference calls are recorded and available on the Company's website in the investor relations section for a period of three months following the event.

All information about Mediaset España is available to anyone on the Company's website (<http://www.telecinco.es/inversores/es/>) in Spanish and English.

C.1.31 State whether, during the year, the Company has changed its external auditor. If yes, identify the outgoing and incoming auditor:

YES

NO

In the event that there were disagreements with the outgoing auditor, explain the content thereof:

YES

NO

C.1.32 State whether the audit firm performs non-audit work for the Company and/or its Group and, if so, mention the fees paid for such work in absolute figures and as a percentage of the total fees charged to the Company and/or its Group:

YES

NO

	Company	Group	Total
Cost of non-audit work (in thousands of euros)	57	7	64
Cost of non-audit work / Cost of audit work (in %)	29.53	6.25	20.98

C.1.33 State whether the audit report on the financial statements for the previous year shows reservations or qualifications. If yes, state the reasons provided to the shareholders in the AGM by the Chairman of the Audit Committee explaining the contents and scope of these reservations or qualifications.

YES

NO

C.1.34 Indicate the number of consecutive years during which the current audit firm has been auditing the individual an/or consolidated financial statements of the company. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	3	3

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	Individual	Consolidated
Number of years audited by current audit firm/Number of years the company's financial statements have been audited (%)	13.04	13.04

C.1.35 State whether there is any procedure for directors to receive the information they need to prepare for meetings of the Board and its committees in good time:

YES

NO

Detail of the procedure

Prior to year end, the Secretary must send all the Board members a calendar of meetings featuring the Agendas for the Board of Directors' meetings and other Committee meetings to be held during the following year. From this point onward, Board members commence the procedures described in Article 29 of Board of Directors' Regulations. In addition, the Secretary sends the agenda with the items to be dealt with to the directors by e-mail.

The procedure, now guaranteed by the direct oversight of the Chairman, begins with the meeting notice itself: Article 24 establishes that the notice will always include the agenda for the meeting with the relevant information attached, duly prepared and summarized. The notice and relevant information will be sent at least five (5) days prior to the date of the meeting. In discharging his duties, the Chairman shall coordinate with the Secretary the preparation and dispatch of the agenda to all directors.

Article 29 further amplifies the directors' right to receive not just information referring to the agenda of the meeting of the board, but any aspect relating to Mediaset España, including examining its books, records, documents and other background to Company operations. The possibility of inspecting the facilities, as well as communicating with the Company's management at any time is also included.

The mechanisms to exercise the said powers shall be channelled through the Chairman, the chief executive officer or the Secretary of the Board of Directors, who shall satisfy the requests by directly providing the information, offering the appropriate interlocutors at the organizational level or arbitrating the measures, so that the desired examination and inspection can be performed in situ.

The procedures intended to guarantee that the directors receive information on a timely manner are clearly established in the Regulations. Additionally, the directors' general obligations include that of being aware of Mediaset's performance and adequately prepare the Board of Directors' meetings and the meetings of the committees in which they participate.

C.1.36 State and, if applicable, detail whether the Company has established rules forcing its directors to inform of and, if applicable, resign upon, events which may adversely affect the Company's credit and reputation:

YES

NO

Explanation of the rules

Articles 32 and 35 of the Board of Directors' Regulations require members to inform the Company of any criminal charges brought against them, and to provide status updates.

Also, situations in which board members must step down include those in which their continuation on the Board may directly, indirectly or through persons associated with them jeopardise the loyal and diligent exercise of their duties and might exert a negative effect on Mediaset España's credit and reputation.

C.1.37 State whether any member of the Board of Directors has advised the Company of legal action or the commencement of oral proceedings against him/her for any of the crimes mentioned in Section 213 of the LSC.

YES

NO

C.1.38 List the significant agreements entered into by the company which come into force, are amended or terminate in the event of a change of control of the company due to a takeover bid, and their effects.

There are currently no agreements regarding a change of control of Mediaset due to a takeover bid.

C.1.39 Identify individually, when referring to directors, and in aggregate in the rest of cases and indicate, in detail, the agreements between the company and its management and management positions or employees that provide compensation, guarantee clauses or shielding, when they resign or are unfairly dismissed or if the contractual relationship comes to an end due to a public offer of acquisition or other type of operations.

Number of beneficiaries	10
Type of beneficiaries	Description of the resolution
1.- Executive Director	1.- Executive Director Indemnity Regime: a) Voluntary redundancy: accrual per year: Fixed salary + bonus /13.5, the total remuneration is the sum of the number of years worked. b) Termination by fair or unfair dismissal: legal remuneration + remuneration in point a). In the event of any change in the Company's current ownership / control (direct or indirect), and in cases of unfair dismissal, collective or objective dismissal, termination of the Director General's contract for the causes foreseen in articles 39, 40, 41, and 50 of the Workers' Statute, two annuities equivalent to their gross remuneration.

State if, beyond the cases stipulated by regulations, these contracts have been communicated to and/or approved by management bodies of the company or the

Group. If so, specify the procedures, events and nature of the bodies responsible for their approval or for communication:

	Board of Directors	AGM
Body authorising clauses		

	Yes	No
Is the General Shareholders' Meeting informed of such clauses?		√

The indemnity clauses of the executive directors are subject to the approval of the General Shareholders' Meeting as they are included in the remuneration policy and in the Directors' Remuneration Report.

Contracts of executive directors are approved by the Board of Directors.

C.2. Board committees

C.2.1 Provide details of all the Committees of the Board of Directors and the proportion of executive, proprietary, independent, and other external directors integrating the:

AUDIT AND COMPLIANCE COMMITTEE		
Name	Position	Type
MR JAVIER DIEZ DE POLANCO	CHAIRMAN	Independent
MS HELENA REVOREDO DELVECCHIO	MEMBER	Independent
MS CONSUELO CRESPO BOFILL	MEMBER	Independent
MR FEDELE CONFALONIERI	MEMBER	Proprietary
MR MARCO GIORDANI	MEMBER	Proprietary
% of executive directors	0.00	
% of proprietary directors	40.00	
% of independent directors	60.00	
% of other external directors	0.00	

Explain the functions, including, if applicable, any additional functions to those legally established, attributed to this committee and describe the rules and procedures it follows for its organisation and functioning. For each one of these functions, indicate their most important actions throughout the year and how, in practice, they have exercised each of the functions attributed thereto by law, by the Articles of Association or by other corporate resolutions.

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The Audit and Compliance Committee: It meets at least once a quarter and one of its meetings is aimed at evaluating the efficiency and compliance with the rules and procedures governing Mediaset España and preparing the information to be approved by the board of directors. Its powers cover different supervisory areas for the company:

(i) Regarding the Auditor: The statutory auditor is the body in charge of proposing an audit firm, and must ensure independence, mediate as a communication channel with the governing body should discrepancies arise, verify that prevailing audit regulations are met, authorize audit contracts beyond the scope of audit activity, while also verifying that the CNMV is communicated regarding changes in auditors.

(ii) Regarding financial information: It also ensures that annual and periodical financial information complies with legal requirements, to encompass financial statements, periodical public information which must be communicated to authorities and markets.

(iii) With regard to Internal Control and relationships with the Internal Audit Department: as the organ responsible for the proper functioning of the Department it must propose the selection and naming of its Head, ensure that the Audit Department carries out its functions with total independence, approve the Annual Internal Audit Plan, as well as any other plan that is necessary for organizational needs; this also involves overseeing that the different departments comply with the different Internal Audit Department recommendations. It must inform the Board of Directors regarding areas of potential risk for Mediaset España or its Group, as well as supervise compliance with the related actions or administrative and tax authorities arising from administrative, supervisory, and control authorities.

(iv) in relation to the risk control and management policy: it is the body in charge of supervising and controlling said policy. A description of the risk management systems of Mediaset and its Group is described in section E.- of this Report

The activities carried out by the Audit and Compliance Committee during the year 2018 are grouped into five categories: (i) Economic-financial information, (ii) External Audit, (iii) Internal Audit - Annual Plan, (iv) Corporate Governance Standards, (v) Risk Control and (vi) Others.

For more information about the functions and activities carried out by the Audit and Compliance Committee, consult the Regulation at the following link: <http://www.telecinco.es/inversores/es>.

Identify the board members of the audit and compliance committee appointed taking account his/her knowledge and experience regarding accounting, auditing, or both matters, and also indicate the date of appointment as Chairman of the Committee.

Name of Board Member with experience	MR JAVIER DIEZ DE POLANCO / MS HELENA REVOREDO DELVECCHIO / MS CONSUELO CRESPO BOFILL / MR FEDELE CONFALONIERI / MR MARCO GIORDANI
Date of appointment as Chairman	20/12/2017

APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Position	Type
MR NICCOLÓ QUERCI	MEMBER	Proprietary
MS CRISTINA GARMENDIA MENDIZÁBAL	MEMBER	Independent
MS CONSUELO CRESPO BOFILL	CHAIRMAN	Independent
MR FEDELE CONFALONIERI	MEMBER	Proprietary
% of executive directors	0.00	
% of proprietary directors	50.00	
% of independent directors	50.00	

% of other external directors	0.00
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Explain the functions including, if applicable, any additional functions to those legally established attributed to this committee and describe the rules and procedures it follows for its organisation and functioning. For each one of these functions, indicate their most important actions throughout the year and how, in practice, they have exercised each of the functions attributed thereto by law, by the Articles of Association or by other corporate resolutions.

The functions of the Appointments and Remuneration Committee are outlined generally in the Company's Articles of Association and in the Board of Directors' Regulations.

However, the Appointments and Remuneration Committee Regulations define the Committee's general and specific duties, which are not limited in nature:

- Protect the integrity of the process for selecting Board members and company's top executives, defining the candidate profile (skills, experience, and expertise), and more specifically, make proposals to the Board of Directors regarding the appointment and removal of members, indicating which members should belong to each of the Committees. The Committee should consider several potential candidates for the role, proposed by any of its members.
- Advise on the degree of dedication members should devote to performing these duties.
- Provide assistance regarding the number of Committees to which Board members may belong. The members of the Board of Directors must compile a Committee report prior to their inclusion on the Boards of third-party companies.
- Collect information on the remaining professional obligations of Board members.
- Assist the Board of Directors during the succession of the Chairman and the Company's top executives, making opportune suggestions.
- Make proposals to the Board of Directors regarding independent directors to be appointed by co-option or, if applicable, for submission to decision by the General Meeting of Shareholders, and proposals for reelection or removal of those directors by the General Meeting;
- Report to the Board of Directors of other members to be appointed by co-option or, if applicable, for submission to decision by the General Meeting of Shareholders, and proposals for reelection or removal of those directors during the General Meeting.
- Inform the Board on the appointment and removal of top Company management, and propose basic contractual conditions.
- Report to the Board on any issues related to gender diversity, ensuring that during the filling of new vacancies, the selection of female candidates is not hindered. The Committee must also support the Company in the search for and inclusion of female candidates on the list.
- Establish a gender-representation target for the Board of Directors, and prepare suggestions on how to reach it;
- Provide assistance to the Board during the appointment and removal of the Secretary.
- Ensure Board member compliance with the obligations and duties set forth in Regulations and Articles of Association.
- Periodically review the remuneration scheme applied to Board members and company's top executives, including share-based compensation schemes and their application, and ensure that individual remuneration is proportionate to the amounts paid to other company's top executives and directors.

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- Ensure the transparency of remuneration and inclusion in the notes to the annual financial statements on Directors' remuneration and the annual Corporate Governance Report of information regarding Board member remuneration and, to that end, submit such information as may be appropriate to the Board.
- Assist the Board of Directors in evaluating the Board's Chairman and the company's top executives when establishing remuneration paid to Board members and top executives, making related proposals on the manner, procedures, and their annual retribution. Where applicable, include incentives such as share option plan, periodically reviewing remuneration plans to ensure that they are in line with the Company's results.
- Prepare and verify the Board of Directors Remuneration Policies Report, which must be approved by the Board of Directors and presented to the shareholders at the General Meeting.
- Advise the Board of Directors with regard to each member's status when they are appointed or renewed to the post and conduct a yearly review when preparing the annual Corporate Governance Report.

For more information about the functions and activities carried out by the Audit and Compliance Committee, consult the Regulation at the following link: <http://www.mediaset.es/inversores/es>.

EXECUTIVE COMMITTEE		
NAME	POSITION	Category
MR JAVIER DIEZ DE POLANCO	MEMBER	Independent
MR ALEJANDRO ECHEVARRÍA BUSQUET	CHAIRMAN	Other External
MR BORJA PRADO EULATE	MEMBER	Proprietary
MR FEDELE CONFALONIERI	MEMBER	Proprietary
MR MARCO GIORDANI	MEMBER	Proprietary
MR PAOLO VASILE	MEMBER	Executive

% of executive directors	16.67
% of proprietary directors	50.00
% of independent directors	16.67
% of other external directors	16.67

Explain the functions attributed to this committee and describe the procedures and rules of organisation and operation thereof. For each of these functions, indicate its most important actions during the year and how it has exercised in practice each of the functions attributed to it either in the law or in the statutes or other social agreements.

For reasons of space, this section will be limited to providing a brief description of how these Committees are organised; for further information regarding powers, composition and functioning of the Committees, please visit the website: <http://www.mediaset.es/inversores/es/>

The composition of the Executive Committee is described in this section; it has all the powers inherent in the Board, apart from all legal and statutory powers which may be devolved to it. All agreements adopted are communicated to the Board of Directors.

In 2018, The Committee held two meetings, attended by all its members, dealing with matters related to the Company's functioning, with an update presented at each session.

C.2.2 Complete the following table on the number of female directors on the various board committees at the end of the last four years:

	Number of female directors							
	Year 2019		Year 2018		Year 2017		Year 2016	
	Number	%	Number	%	Number	%	Number	%
Audit and Compliance Committee	2	40.00	2	40.00	0	0.00	0	0.00
Nomination and Remuneration Committee	2	50.00	2	50.00	0	0.00	0	0.00
Executive Committee	0	0.00	0	0.00	0	0.00	0	0.00

C.2.3 State whether the Committees of the Board of Directors have any regulations, where these may be consulted, and any changes made in the regulations during the year. Also state whether any annual reports have been voluntarily drawn up on the activities of the individual committees.

The Audit and Compliance Committee and the Appointments and Remuneration Committee are governed by the Regulations of the Board of Directors and their respective rules. Both regulations are available on our website <http://www.telecinco.es/inversores/es/gobierno-corporativo.html>.

As in previous years, a report has been prepared on the activities carried out in the year 2019 by the Audit and Compliance Committee and by the Appointments and Remuneration Committee.

D RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1 Explain, if applicable, the procedures and competent bodies for approving related-party or intragroup transactions.

The approval of transactions related to shareholders, board members, or senior executives is granted by the Board of Directors.

The Audit and Compliance Committee must issue a report on related-party transactions, including at least the type of transaction, the amount, the parties involved and the impact on the Company. This report must include recommended actions and be submitted to the Board of Directors for its approval.

In addition, each month the Economic and Finance Division verifies that all related-party transactions are classified correctly and measured in accordance with applicable regulations. For the annual closing of accounts, all related-party transactions carried out during the year are identified, detailed and quantified. This information is disclosed in the notes to the annual financial statements.

Finally, transactions included in this report relate to the normal course of the Company's business and are carried out on an arm's length basis. The related information is also included in the annual financial report for 2019.

D.2 List any relevant transactions, by virtue of their amount or importance, between the company or its group of companies and the company's significant shareholders:

Name of the individual or company who is a major shareholder	Name of the company or Group member company	Nature of the relationship	Type of transaction	Type of transaction Amount (thousands of euros)
MEDIASET SPA	Mediaset Spa	Contractual	Others	47
MEDIASET SPA	Mediaset Spa	Commercial	Receipt of services	50
MEDIASET SPA	Reti Televisive Italiane SPA	Commercial	Others	1,251
MEDIASET SPA	Reti Televisive Italiane S.P.A.	Commercial	Provision of services	2,235
MEDIASET SPA	Publieurope Internacional Ltd.	Commercial	Receipt of services	2,086
MEDIASET SPA	Publieurope Internacional Ltd.	Commercial	Provision of services	337
MEDIASET SPA	Boing SPA	Contractual	Receipt of services	30
MEDIASET SPA	Banco Mediolanum, SA	Commercial	Provision of services	561
MEDIASET SPA	Medusa Films SPA	Contractual	Provision of services	12
MEDIASET SPA	Reti Televisive Italiane SPA	Commercial	Receipt of services	5

D.3 List any relevant transactions, by virtue of their amount or importance, between the company or its group of companies and the company's managers or directors:

Director or executive's name or company name	Name or corporate name of significant shareholder	Relationship	Nature of the relationship	Amount (thousands of euros)
No Data				N.A.

D.4 List any relevant transactions undertaken by the company with other companies in its group that are not eliminated in the process of drawing up the consolidated financial statements and whose subject matter and terms set them apart from the company's ordinary trading activities.

In any case, list any intragroup transactions carried out with entities in countries or territories considered to be tax havens:

Corporate name of the group entity	Brief description of the transaction	Amount (thousand euros)
No data		N.A.

D.5 Detail the significant operations carried out between the company or entities of its group and with other related parties, which have not been informed in the previous sections:

Name of the related party	Brief description of the transaction	Amount (thousand euros)
Alea Media, SA	Provision of services	60
Alea Media, SA	Purchase of goods	32
Producciones Mandarina, SL	Purchase of goods	3,530
La Fábrica de la Tele, SL	Purchase of goods	27,201
Bulldog Tv Spain, SL	Purchase of goods	24,564
Alma Productora Audiovisual, SL	Purchase of goods	3,919
Unicorn Content, SL	Purchase of goods	18,713
Pagoeta Media, SL	Provision of services	2
Alea Media, S.A.	Others	84
Alea Media, S.A.	Purchase of goods	10
Alea Media, SA	Purchase of fixed assets	10,602

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Producciones Mandarina, SL	Provision of services	53
Producciones Mandarina, SL	Purchase of goods	169
Producciones Mandarina, SL	Purchase of fixed assets	3,325
La Fábrica de la Tele, SL	Provision of services	44
La Fábrica de la Tele, SL	Purchase of goods	936
Aunia Publicidad Interactiva, SL	Provision of services	30
Bulldog Tv Spain, S.L.	Provision of services	1
Bulldog Tv Spain, S.L.	Purchase of goods	579
Melodía Producciones, S.L.	Others	41
Melodía Producciones, S.L.	Receipt of services	38
Unicorn Content, S.L.	Provision of services	8
Unicorn Content, S.L.	Purchase of goods	16
Alma Productora Audiovisual, S.L.	Provision of services	8

D.6 Describe the arrangements in force for discovering, determining and settling possible conflicts of interest between the company and/or the Group and their directors, senior managers or major shareholders.

The Mediaset España Group has several mechanisms in place to detect and resolve potential conflicts of interest between the Company and its directors in order to prevent conduct that could hurt the Company or its shareholders.

According to the Regulations of the Board of Directors, related-party transactions between the Mediaset España Group and its directors must be authorized by the Board of Directors. The consideration of when a personal interest exists extends to situations that affect a related person, understood as the following:

- a) A spouse or any person with which he or she has a similar personal relationship.
- b) The parents, children and siblings of the director or of his or her spouse.
- c) The spouses of the parents, children and siblings of the director.
- d) The companies in which the director, personally or through an intermediary, has control as defined by the law.

Where the director is a legal person, the definition of related party also includes the following:

- a) Partners that have control over the legal person as defined by the law.
- b) The de facto or de jure directors, the liquidators and the legal representatives with general powers of attorney of the legal director.
- c) The companies that belong to the same group and their partners.
- d) The individuals who are classified as related parties of the representative of the legal director

according to the previous paragraph.

Directors in a situation of conflict of interest must inform the Company immediately shall refrain from attending and participating in deliberations affecting businesses in which they have a personal interest, as explained above. Such situations must be approved by the Board of Directors, based on a report by the Audit and Compliance Committee. Similarly, directors, on their own behalf or through related persons, may not perform any professional or commercial transaction with the Company.

Also related to the control mechanisms, directors must submit their resignation to the Board of Directors when their permanence may threaten the interests of Mediaset España or adversely affect its credibility and reputation. Directors must also refrain from attending and participating in deliberations affecting businesses in which they have a personal interest.

No director disclosed a situation that could pose a conflict of interest in 2019. Any conflict of interest is disclosed in the Annual Corporate Governance Report.

Regarding mechanisms to detect potential conflicts of interest between the Mediaset España Group and its shareholders, as indicated in the section on related-party transactions, any transaction between the Company and its significant shareholders should be authorized by the Board of Directors, except in those situations described in D.1. above.

The Code of Ethics and the Internal Code of Conduct set out the procedures for detecting and controlling potential conflicts of interest between the Company and its directors. Situations that could possibly give rise to conflicts of interest include:

- Entering into a contract on behalf of Mediaset España with a supplier owned or managed by a friend or family member.
- Working as a consultant of a Company supplier or customer.
- Conducting business on one's own account that is similar to the business of Mediaset España.
- Having a personal or financial interest in a business with the Company.
- Obtaining personal advantage or financial gain —beyond ordinary remuneration— through an agreement or commercial relationship with a third party involving Mediaset España.

At the Mediaset España Group, the Regulatory Compliance Management oversees this type of situation. This department is composed of the Corporate General Manager, the Chief Operating Officer and the Internal Audit Director. In 2013, acceptance by the directors considered affected persons of compliance with the Internal Code of Conduct was updated. Also, during 2017, the Internal Audit Department held specific interviews with Company directors to identify possible risks of conflicts of interest.

No situations of conflict of interest involving director were identified in 2019 that had not been previously disclosed.

D.7 Is more than one company in the Group listed in Spain?

Yes

No

E RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Describe the risk control and management system in place at the company, including those of a tax nature.

Mediaset Group's Internal Control System and Risk Management System has a hierarchical risk management structure, and functions through a series of bodies which simultaneously use different systems, policies, and procedures to identify, diagnose, and prevent each of the risks which might affect the company. The System's objectives include helping the Group meet its goals and objectives, while minimising its associated risks (whether they are operational, financial, tax- or compliance-related, etc.). Based on this hierarchy, the main control bodies are:

1. Board of Directors
2. Executive Committee
3. The Audit and Compliance Committee
4. Unit of compliance and crime prevention
5. Risk Committee
6. The Money Laundering Prevention Committee (gaming business line)
7. Internal Audit Management

Mediaset Group's overall risk management policy is the key instrument in assisting the Group to:

- a) Identify the risks which might stand in the way of reaching strategic goals.
- b) Protect the balance sheet, income statement and cash flow generation.
- c) Safeguard the interests of the Group's stakeholders (shareholders, customers, suppliers, etc.);
- d) Oversee the efficiency and effectiveness of operations; and
- e) Comply with applicable laws, regulations and contract

These policies involve the preparation of a Risk Map, based on the Enterprise Risk Management (ERM) framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO II), which has the following scope:

- Identification of the main strategic, corporate governance, business, credit, market, financial, tax, regulatory and compliance, reputational and, where appropriate, environmental risks.
- Analysis and assessment of each risk identified in terms of the probability of occurrence and the potential impact on the Group's financial statements and the achievement of its strategic objectives.
- Designation of specific officers for each risk identified.
- Implementation of procedures, processes and action policies, and development of IT tools to mitigate risks and generate opportunities for improvement.
- Regular monitoring of risk control for an accepted risk level.
- Ongoing monitoring through financial information control systems of the correct assessment and control of potential and effective risks identified.
- Communication to the various governing, management and reporting bodies of its responsibilities with full transparency.
- Control of the RMS through the Internal Audit Management.

Likewise, within the Mediaset España risk map, among others, the following are considered:

1. The tax risk map: This analyses those risks which, due to their corporate, transactional, operational and

compliance, financial, accounting, organisational and/or reputational nature, may have relevant tax implications for the Group.

2. The criminal risk map: Depending on the crimes defined in the law, a map of possible risks is drawn up according to the nature of the Group's business activity.

3. Map of non-financial risks.

E.2 Identify the bodies responsible for preparing and implementing the Risk Management and Control System, including tax:

The Board of Directors is responsible for approval and follow-up, based on the Audit and Compliance Committee Report, of the risk management and control policy including those which are tax-related, as well as the supervision of internal information and control systems.

The Audit and Compliance Committee is the body in charge of overseeing and controlling Mediaset España's risk policy so that potential risks are identified, managed and communicated appropriately. It is responsible for ensuring that the policy:

- a) Determines the types of risk for Mediaset España; e.g. strategic, operational, compliance and reporting, technological, financial, legal or other, including contingent liabilities and other economic and financial risks.
- b) Establishes an acceptable risk tolerance level for Mediaset España.
- c) Provides mechanisms, when risks arise, to determine the precise measures required to mitigate the impact of the risks identified.
- d) Establishes the communication and internal control measures to control and manage any risk.

Where related-party transactions are attributed to another committee, the Audit and Compliance Committee is responsible for proposing the related policy and communicating the transactions to the Board of Directors. The policy regarding related-party transactions must be disclosed in the Annual Corporate Governance Report.

Risk Committee comprised of the Group's senior executives, who are in charge of preparing and validating the Risk Map and its presentation to the Audit and Compliance Committee. This body carries out the executive functions of managing daily operational risks, while also communicating them to the rest of the organisation in collaboration with the Internal Audit Management. Internal Audit management analyses, oversees, and assesses these risks, and coordinates the action plans to mitigate them. It also liaises with each Department in charge of each risk for implementation of the monitoring system.

The Economic-Financial Department draws up the map of fiscal risks, which is reviewed with the external fiscal advisor and supervised by the Internal Audit Management.

E.3 Indicate the main risks, including tax risks and, to the extent that they are significant, those arising from corruption (the latter being understood to be within the scope of Royal Decree Law 18/2017), which may affect the achievement of business:

The main risks of the Mediaset Group that could affect the achievement of the objectives set by the Board of Directors are as follows:

1. Regulatory Framework: 2019 has been a more stable year in terms of regulatory changes in the audio-visual sector. It is worth noting the disciplinary proceedings initiated by the National Securities Market Commission for 38.9 million euros, as well as the imposition of a series of restrictions on the marketing of advertising that is explained in section E.5 below. However, it is considered that this risk is not likely to materialise.

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2. Political and macroeconomic environment: The television business is directly related to economic growth and therefore, this is an external factor that has a direct impact on the business.
3. Competitors in the audio-visual market: There is still a lot of competition in the audio-visual sector with the existence of various sources supplying content. This means that the TV is at risk of losing coverage. In addition, the new content platforms are not subject to the same obligations and limits as television channels. These new platforms cause a change in the content consumption habits that impact television consumption.
4. Reputational: Mediaset España owns many brands, both corporate and products associated with its programs. That is why the risk of its image being exposed to damage is a risk that we maintain continuous control over. The Communication Management is in charge of ensuring this control by continuously monitoring any news or activity that could cause a crisis that impacts our image. Likewise, it coordinates with all the Directorates including the Multiplatform Directorate to monitor any developments in the social networks. At the same time as a situation of possible conflict arises, the Communication Department informs and advises the CEO to take the necessary measures to that end.
5. Financial: As with last year, the possible appreciation of the dollar against the euro is a financial risk due to the purchase of audio-visual rights abroad.
6. Tax: Mediaset España maintains a conservative tax policy, it has a continuous system for monitoring the tax impacts on its operations and the Economic-Financial Directorate and the various departments meet with the Company's external advisor on a weekly basis to deal with various types of tax queries.
7. Technological transformation: The constant and increasingly rapid technological evolution impacts on the way television is consumed. The inadequacy of both infrastructure and systems, applications and platforms to these developments, can have a negative impact on business sustainability. Mediaset España monitors the evolution and effect that technological transformation can have on television and carries out the appropriate investments for the development of adapted technologies and infrastructures.
8. Cyber-attacks and piracy: Mediaset España has defined the Group's Cybersecurity Risk Map and the corresponding controls and mitigation measures. It has also established periodic reviews, of both users and system vulnerabilities, contracted internal and external audits, and has the appropriate procedures for incidents. The Group has a service to mitigate attacks through Denial of Service (DOS).

With regard to piracy, Mediaset España has established solid contracts with front-line providers to host the digital archive. At the same time, it has defined procedures to control the content flow towards the different platforms and technical audits are carried out to review its correct application. Furthermore, it has an external content monitoring service on YouTube, through which all the content owned by Mediaset is tracked and eliminated from this channel. With regard to films, the company has contracted a monitoring system with which it fights against illegitimate access to the contents produced, during the period in which the film is broadcast in movie theaters.

9. Litigation and contentious-administrative proceedings: as a result of its activity, Mediaset España is subject to the possible risks of lawsuits initiated by external agents or contentious-administrative proceedings. Through its Administrators and advisors, it assesses the risk for all litigation and contentious-administrative proceedings and, it provides adequate provisions in those cases where the risk is likely, and its economic effects are quantifiable.

10. Mediaset España's business activity may be affected, like any other, as a result of risks associated with corruption. However, given the activity performed the likeliness of the risk materializing is low. Mediaset España has strong controls that mitigate this risk through procedures and reviews carried out by the Compliance and Prevention Unit. In 2019 Mediaset has obtained the certification of its compliance model under the UNE 19601 by AENOR.

E.4 Identify whether the company has risk tolerance levels, including tax risk:

The Risk Management System identifies risk tolerance levels for each risk identified and included in the company's risk map. Those which are tax-related are included. Also, risks are classified as "Within the

accepted tolerance level” or “Exceeds the accepted tolerance level” depending on the probability of occurrence and the impact on the Group's strategic objectives. In classifying risks, the Mediaset Group takes into consideration the expectations of investors, regulators, customers, suppliers and employees. Both top management as well as the directors of the key business areas (advertising sales, programming content, technology and systems, and finance) participate in identifying the risks affecting them. The Internal Audit Director channels all information and evaluates risks, sharing it while also periodically monitoring KRIs with each risk unit.

The Mediaset Group combines qualitative and quantitative measures to ensure comprehensive and balanced risk management. The level of risk tolerance is periodically reviewed, although Mediaset España has always been characterized by its conservative approach, focusing on controlling costs, optimizing profitability, and meeting its obligations with regulatory bodies. The above review takes place in conjunction with Mediaset España's risk management team.

E.5 Identify any risks, including those which are tax-related, which have occurred during the year.

Regulatory:

Disciplinary proceedings initiated by the CNMC against Mediaset-Atresmedia for possible infringement of Article 1 of the Law on the Defence of Competition and Article 101 of the Treaty on the Functioning of the European Union.

On 21 February 2018, Mediaset España was notified by the Spanish National Commission for Markets and Competition (CNMC) of the initiation of a disciplinary procedure (S/DC/617/17) for alleged infringement of Article 1 of the Law on the Defence of Competition (LDC) and Article 101 of the Treaty on the Functioning of the European Union (TFEU), on the grounds that certain conditions for contracting television advertising established by Mediaset España and Atresmedia could unjustifiably restrict the functioning of the market. On 4 January 2019, the CNMC notified Mediaset España of the Statement of Facts in the above-mentioned file, based on a series of premises and certain allegations were made that lacked any factual and legal basis; as was made clear in the The Company's Statement of Claims dated February 6, 2019.

On February 7, 2019, the Competition Directorate (DC) of the CNMC, in accordance with the provisions of Article 39 of the Regulations on the Defense of Competition, agreed to commence the proceedings aimed at the conventional termination of the aforementioned disciplinary file.

On April 29, 2019, the DC agreed to reject the proposals for commitments submitted by Mediaset España (and Atresmedia), putting an end to the conventional termination procedure. This agreement was the subject of an appeal for reversal, which was rejected by Resolution dated 23 May 2019. On 29 May 2019, Mediaset España filed an administrative appeal against this decision, which is currently being processed.

Without waiting for the resolution of that process, the CNMC continued with the disciplinary proceedings, which were concluded by Resolution dated 12 November 2019, in which Mediaset España, as well as Atresmedia, were found to be responsible for an alleged infringement of Article 1 of the LDC and Article 101 of the TFEU by the application of contract conditions for television advertising which, allegedly, could restrict unjustifiably the functioning of the market, consequently imposing sanctions on both companies which, in the case of Mediaset España, amounted to 38,979 thousand euros, as well as the cessation of the allegedly infringing conduct.

However, the aforementioned disciplinary decision is unfounded and lacks any evidence, since, fundamentally, Mediaset España has never coordinated its commercial advertising policy with Atresmedia, nor do either of the two companies hold a dominant position in the television advertising market that they could abuse.

It is considered that the relevant market to be taken into account for the latter purposes cannot continue to be the television advertising market, but rather the audiovisual advertising market, which is undoubtedly much broader and comprises not only television operators, but all audiovisual operators, including, therefore, those operating in the digital environment (Internet, OTT's, etc.).

In addition, the decision has other shortcomings, including: a poor consideration of the market structure, an erroneous legal basis, a total absence of proof of the effects allegedly generated and an error in the qualification of the conduct, as well as numerous basic defects in the investigation carried out by the investigating body of the competition authority.

On 13 January 2020, within the period legally established for this purpose, Mediaset España filed an administrative appeal against the aforementioned Resolution and requested the immediate suspension of its effects, both in relation to the order to cease the sanctioned conduct and the payment of the penalty imposed; all of which is currently being processed, without any resolutions being adopted nor on the interim measures and the merits of the case.

The serious defects highlighted, together with the solid factual, legal and economic grounds provided, which are supported by reports by independent experts, should lead to the adoption of the requested precautionary measure and, in any case, give confidence that the resolution appealed against is annulled in court, and therefore the Consolidated Statement of Financial Position does not include any provision in relation to this contingency, as the Directors and their advisors estimate that the risk of this contingency eventually materialising is unlikely.

- a) Risks inherent in the audio-visual business due to market fragmentation with the large number of FTA channels, or due to the weak performance of advertising investment in 2019 compared to 2018, have been very well controlled as result of the company's high reaction capacity in relation to cost containment.
- b) Reputational risk: At the end of 2019, one of Telecinco's prime time programmes was affected by a campaign aimed at discrediting it. Mediaset activated all of its response protocols from the moment this type of action became known
- c) The incidents of digital security breaches that have occurred in 2019 are not worth mentioning.
- d) The lawsuits and disputes that have taken place in 2019 have not been material.
- e) No tax risks have materialised during 2019

E.6 Explain the response and monitoring plans for the main risks the company is exposed to, including those which are tax-related as well as the procedures followed by the company to ensure that the board of directors responds to the new challenges that arise.

Mediaset's Board of Directors has the support of the Audit and Compliance Committee to respond to the challenges the company faces. The Chief Executive Officer and the Risk Committee are responsible for evaluating strategic and business threats. The procedure under which this is regulated is the Mediaset Group's Risk Management Policy. At least 4 times a year, prior to each Audit Committee being held, the Risk Committee meets to evaluate and monitor the risk map and the key risk indicators. The findings are passed on to the Audit Committee and, failing that, to the Board of Directors.

Mediaset Group regularly monitors possible threats which might activate or elevate the potential damage of the aforementioned risks. There is a communication channel between the risk owners and the Internal Audit Department and the Risk Committee, whereby preventive and/or reactive response controls are activated whenever an indicator is identified that raises an activity's risk level.

F INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) AND RISK MANAGEMENT SYSTEM

Describe the mechanisms which comprise the internal control over financial reporting (ICFR) risk control and management system at the company.

F.1 The Company's control environment

Specify at least the following with a description of their main characteristics:

F.1.1. The bodies and/or functions responsible for: (i) the existence and regular updating of a suitable, effective ICFR; (ii) its implementation; and (iii) its monitoring.

Based on a prior Audit and Compliance Committee report, the approval, follow-up, and monitoring the control and management of risk, including tax risks, as well as supervision and control of internal information systems, are the responsibility of Mediaset España's Board of Directors, as indicated in Article 6, section 4, subsection xxiii of its Regulations.

The Economic and Finance Division is in charge of implementing ICFR through Management, Management Control and Consolidation and Reporting Departments. Each of these areas receives information from the Business, Human Resources and Legal Advisory Departments, or any other department that could provide information with a material impact on financial information.

In addition, the Audit and Compliance Committee's responsibilities include the following:

"Article 5.3: Regarding the internal control over financial reporting (ICFR) system:

To ensure the reliability of the financial information, the Audit and Compliance Committee has the following responsibilities:

1. Monitor the preparation and integrity of the financial information, review the current design of Mediaset's ICFR and compliance with regulations.
2. Approve the internal audit plan for evaluation of the ICFR and receive regular information on the findings of its work and plans to correct any control weaknesses detected.
3. Review, analyze and comment on the financial statements and other relevant financial information with senior executives and internal and external auditors to assure that the information is reliable, understandable and material, and that the same accounting policies as the preceding reporting period have been applied.
4. Supervise the process carried out by senior executives to make critical judgements, evaluations and estimates, and evaluate their impact on the financial statements, as well as on adjustments proposed by the external auditor, and be aware of and, as appropriate, mediate, in any disagreements between them.
5. Ensure the ICFR evaluation process of Mediaset is robust enough to achieve its objectives and validate the conclusions of reports submitted to it by those carrying out evaluation tasks.
6. Oversee Mediaset's continuous monitoring of control activities, to obtain reasonable assurance regarding the implementation and functioning of the ICFR.
7. Ensure that information disclosed to the market about ICFR is clear and understandable and contains sufficient, accurate and appropriate detail.

Finally, the Audit and Compliance Committee delegates the responsibility of overseeing the ICFR to the Internal Audit Department.

F.1.2. The existence or otherwise of the following components, especially in connection with the financial reporting process:

- The departments and/or mechanisms in charge of: (i) designing and reviewing the organizational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii)

deploying procedures so this structure is communicated effectively throughout the Company.

The Board of Directors of Mediaset España sets the high-level organisational structure. From this level, the Chief Executive Officers, together with the Human Resources Department, deploy the procedures at all levels.

Each General Management designs an organisational structure, including job descriptions and lines of responsibility, which is overseen and validated by the Human Resources Department.

The Management and General Operations Management is mainly responsible for the preparation of financial information through the Economic and Finance Division. The Economic and Finance Division comprises the following:

- Administration Department (of Mediaset and Publiespaña).
- Management Control Department
- Consolidation and Reporting Department
- Treasury management

In this sense, there is a “Personnel’s Functions and Responsibilities Manual” of the of the Economic-Financial Directorate.

Mediaset has an internal communication policy. According to this policy, the Management and Operations General Office, through the Human Resources and Services Department, is in charge of disclosing, through notifications on the intranet, any organisational change in the Group and/or the hiring of new managers. This information is provided to all Mediaset Group employees, who are also informed via email when any new announcements are published.

- Code of conduct, approval body, degree of dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.

The processes of complying with the rules and regulations affecting the company are included in the “Mediaset España Ethics Code” and the “Internal Code of Conduct of Mediaset España Comunicación, S.A. and its Group of Companies Regarding Stock Market Activities” and apply to all departments that have access to privileged information.

Mediaset España considers the homogenous and symmetric transmission of information regarding its activity and economic results, which must be complete, truthful, transparent and responsible permanently expressing a true image of the company, as a fundamental principle of the relationship it has with its shareholders, investors, analysts and the financial market in general.

All Mediaset España information must be registered and presented in a precise, diligent and respect current regulations, in order to ensure that all the Company’s assets, activities and responsibilities are correctly accounted.

Mediaset España has an Internal Control System on Financial Reporting (ICFR) adapted to the requirements of the National Securities Market Commission (CNMV).

The Crime Prevention and Compliance Unit is the unit that analyses infringements and proposes corrective actions and sanctions related to the Group’s Code of Ethics.

All the professionals employed by the Group and those joining it in the future have accepted and will expressly agree to abide by the Code of Ethics. There are also procedures led by the Human Resources Department by virtue of which they are informed of the Code of Ethics and its obligatory compliance.

The Code of Ethics is published on Mediaset España’s corporate intranet and on the main corporate website so that it is accessible to any employee or third party.

On 24 July 2019, Mediaset España's Board of Directors approved the new Regulatory Compliance Policy. This policy is part of the Group's Crime Prevention Model. Its fundamental objectives are to demand compliance with criminal legislation at Mediaset España, to prohibit the commission of criminal acts or behaviour contrary to the principles, values and rules set out in the Group's Code of Ethics and to establish the defined organisational and management procedures that constitute the surveillance and control measures aimed at preventing and avoiding any criminal action

- 'Whistle-blowing' channel, for the reporting to the audit committee of any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organization, stating whether reports made through this channel are confidential.

The Mediaset Group has a reporting procedure for any employee, manager, director or stakeholder of Mediaset España who reasonably suspects any behaviour contrary to the principles and values of the Code of Ethics or business ethics and good faith. This includes financial and/or accounting malpractices or practices that do not comply with IFRS or the Spanish General Accounting Plan, inappropriate or inadequate use of accounting and financial information, alteration or misuse of management, accounting and/or financial systems, falsification or concealment of accounting and financial information, fraud, offering and/or taking bribes, non-compliance with laws and regulations, and conflicts of interest.

These are reported via the secretary of the Compliance and Prevention Unit, which guarantees full protection of privacy and confidentiality of the information reported and the persons involved. It acts as a filter for the accuracy and credibility of each procedure, assessing the appropriateness of reporting to the Compliance and Prevention Unit, and where applicable the Audit and Compliance Committee, which makes the final assessment.

In 2019 the complaints channel was updated and renamed the Ethical Mailbox, admitting not only the processing of possible complaints, but also suggestions and improvements that employees and third parties could encourage. In 2019, the pop-up was activated, and every six months it reminded all employees and collaborators working at Mediaset's facilities that the ethical mailbox is available. This pop-up was shown to a total of 2,332 users (internal and external) working in the Mediaset España.

During 2019, no complaints were received through the Whistleblowing Channel.

- Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR, which address, at least, accounting rules, auditing, internal control and risk management.

All personnel involved in preparing and reviewing financial information or evaluating ICFR receive training each year on accounting rules, control and risk management, auditing and tax developments. As indicated previously, the training plan covers the Economic and Finance Division and the Internal Audit Department.

During 2019, 23 people received a total of 180 hours of training regarding updates on internal control, accounting and taxation.

F.2 Risk assessment in financial reporting

Report at least:

F.2.1. Which are the main characteristics of the risk identification process, including risks of error or fraud, regarding:

- **Whether the process exists and is documented.**

The Mediaset Group has a system for controlling and identifying risks of errors in financial information. This system is documented, and a backup copy is stored in the Internal Audit Division's systems.

It is based on the Mediaset Group's Comprehensive Risk Management System (RMS). The RMS is based on the Enterprise Risk Management (ERM) framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO II). The first step in the approach is to identify the Company's strategic objectives and risks. Once these are defined, the second step is to identify operational, compliance and reporting risks. Each risk is assessed in accordance with the probability of occurrence and the potential impact on the achievement of strategic objectives.

The system begins with identification of the companies in the Mediaset Group's consolidation scope and the Group's business lines. It then identifies and documents both recurring and non-recurring processes that could have an impact or affect each company's financial statements; i.e. the balance sheet, income statement, state of cash flows or disclosures. Next, the risks related to the processes and the controls to mitigate them are reviewed.

There are specific controls for each process, which are subject to traceability tests. The results of these tests provide the potential errors in financial information related to the valuation of a transaction, its cut-off, registration or integrity. The results are prioritised by materiality.

The controls in place for each risk include preventing and detecting errors and fraud. The Company has policies and procedures, as well as a protocol, in its reporting systems designed to minimize this type of risk. These include:

1. Acquisition and Sales Committee procedure;
2. Acquisition of products and services procedure;
3. Contract signing procedure;
4. Power of attorney management procedure;
5. Corporate security policy and related procedures; and
6. Customer management procedure
7. Supplier Alignment Protocol

- **Whether the process covers all financial reporting objectives, (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), and whether it is updated and, if so, how often.**

As indicated in the preceding section, the system covers processes that could lead to a risk regarding existence, occurrence, completeness and valuation, presentation and disclosure, cut - off and recognition of transactions with a material impact on financial information. The processes are performed at least every six months.

- **The existence of a specific process to define the scope of consolidation, with reference to the possible existence of complex corporate structures, special purpose vehicles or holding companies.**

In accordance with the terms of Article 5.2.c, the Audit and Compliance Committee is responsible for supervising the appropriate definition of the Group's scope of consolidation. To this end, any change, modification, addition or removal from the Mediaset España Group's corporate structure is controlled by the General Secretary of the Board and the Corporate General Manager. The Corporate Manager, pursuant to authorisation by the Board of Directors, reports any transfers or acquisitions of shareholdings and provides the related supporting documentation to the divisions that could be affected. The General Management and Operations Management, through the Economic and Finance Division, is in charge of identifying and advising on the impact of these changes to the Group's consolidation scope. At the end of each reporting period, the Group's existing corporate structure is obtained and validated by Legal and Economic and Finance Division's.

Moreover, where the direct stakes held by the Company are also consolidated groups, there is an internal process whereby any movements therein (e.g. purchases, sales, liquidations, mergers, transfers) are reported to the Economic and Finance Division immediately, as follows:

- a. For interests where the Company has operating control, through monthly reporting processes established for this purpose and by communication from the representative of the Company to the companies' governing bodies.
 - b. For companies in which the Company does not have control, the Company's representatives on these companies' governing bodies are in charge of reporting to the Finance Management.
- Whether the process takes in to account other types of risk (operational, technological, financial, legal, tax, reputational, environmental, and so on) insofar as they may affect the financial statements.

The process for identifying risks of errors in financial information takes into account the following types of risk operational, technological, financial, legal, reputational and environmental to the extent that these could affect the different Corporate Managements. The Internal Audit Management notifies the various Corporate Departments of the risks identified and the recommended action plan.

- Which of the company's governing bodies is responsible for overseeing the process.

The General Operations Management is in charge of overseeing the process through the Economic and Finance Division and the General Corporate Manager.

F.3 Control activities

Indicate the existence of at least the following, and specify their main characteristics:

F.3.1. Procedures for reviewing and authorising the financial information and description of ICFR to be disclosed to the markets, stating who is responsible and the documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including financial closing procedures and for the separate review of judgements, estimates, evaluations and projections.

With each financial closing, the Economic and Finance Division reviews the transactions that impact the financial information through its Administration, Management Control and Consolidation and Reporting Departments. The procedure for the financial closing entails an initial review by the Management Control, and Administration Departments of all the individual companies. The process includes a list of review tasks, above all for each line of information generated internally by the Department or of information from other Group departments that could have an impact on, or be reflected in, the financial information. Secondly, the Consolidation and Reporting Management oversee the information validated by the two other departments and conducts its own review process. This comprises a series of automatic tests of the information systems to ensure the completeness of the data used for consolidation. Once these tests are completed, the procedure for the monthly financial closing takes place.

The separate review of judgements, estimates, evaluations and projections is carried out in accordance with the same review model of the reliability of the financial information.

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.

The Consolidation and Reporting Management reports each monthly financial closing to the Managing Director of the Economic and Finance Division and the General Manager of Operations, which is reviewed and approved before being presented to the Chief Executive Officer and the Audit and/or Executive Committee.

The Chief Executive Officer, the General Manager of Operations and the Finance Director ensure both the completeness of the financial information and compliance with the internal control system guaranteeing the integrity, before the Board of Directors.

The Audit and Compliance Committee, with the support of the Audit Management, oversees this process and reports its findings to the Board of Directors. Once the consolidated financial statements are approved, they may be submitted for publication to the National Securities Market Commission (CNMV) by the General Secretary of the Board.

In addition, the Audit and Compliance Committee carries out a review of the financial information each quarter. This process consists of verifying that the quarterly information is prepared using the same criteria as the information prepared in the semi-annual reports (at June 30 and December 31 of each year). The external auditors reveal items found, relevant matters, and recommendations during these two semi-annual Audit and Compliance Committee sessions. They also draw up an external audit report to this effect.

F.3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.

The Mediaset Group takes extreme precautions regarding security applied to the management tools used in the financial information preparation process and regarding modification controls, when applicable. There is a strict access policy covering who has access to applications in production, so that any modifications, additions, or disposals must be authorized by the person in charge of the application and the Internal Audit Department. Mediaset has a Corporate Security Policy, which was approved in 2008 and is updated annually. This Policy covers the acquisition of software and hardware, service levels and security of the systems guaranteeing the performance and continuity of operations.

There is a documented inventory of all systems involved in the preparation of financial information. Specific preventive and, as a last resort, detective controls are in place for these systems. The Technology Division is responsible for the development and maintenance of all systems, as well as the implementation of established control procedures.

The segregation of duties is established in all applications to prevent conflicts in normal and critical operations. This precludes a single person from being responsible for several functions that could give rise to conflicts of interests resulting in errors or misappropriations. In addition, this was established by correctly defining/assigning user profiles. A specific procedure exists which oversees this aspect, including the continuous revision of user-assigned profiles.

F.3.3. Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

There is an Acquisitions Committee and an Acquisition of Products and Services Procedure regulating outsourced services and services performed by independent experts. This ensures that the chosen provider is independent of the Company, is competent, operates under market conditions, and is up to date with tax obligations.

Each area in charge reviews the outsourced activities.

There is a Protocol for the Approval of Suppliers through which the characteristics, obligations and criteria necessary to be able to present offers of services and products to Mediaset Group are described, as well as to be able to be selected and carry out operations with our Group.

F.4 Information and communication

Indicate the existence of at least the following, and specify their main characteristics:

F.4.1. A specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and settling doubts or disputes over their interpretation, maintaining regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the company's operating units.

The Consolidation, Reporting and Investees Management defines the accounting policies, keeps them up to date and settles doubts or disputes that could arise over the interpretation of the accounting policies approved by the Group. It reports to the Economic and Finance Division, which is part of the General Management and Operations. The Reporting Management is in charge of maintaining and updating the Mediaset España Group's Manual of Accounting Policies and ensuring that it is communicated appropriately. The Accounting Manual is updated regularly, the latest version dated June 30, 2019 and includes the application of IFRS 9, IFRS 15 and IFRS 16.

F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the company or group and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.

The Company's financial information is captured and prepared through software tools that ensure complete security and control. From the time the information is captured (manually or through an interface), it is treated by software programs that are standard in the marketplace: SAP, Microstrategy, Axional and Meta 4. These programs are inter-connected. They treat, store and report information, minimizing the risk of errors in and manipulation of the economic and financial information.

SAP collects all information with an economic and financial impact on the company's accounts. Mediaset España draws up the accounts of all companies over which it has control. This speeds up and controls the necessary processes for the Group's consolidation.

Microstrategy is the reporting and consolidation tool that captures and prepares financial information for appropriate reporting to the pertinent internal and external bodies. The organisational structure of the information to be received and reported has been previously standardised in terms of format and application of criteria, ensuring the integrity of the information and facilitating its analysis.

All these systems include maintenance and yearly updates. The Technology Director ensures that everything runs in a perfect and reliable manner.

F.5 Monitoring of the system

Indicate the existence of at least the following components, describing their main characteristics:

F.5.1. The ICFR monitoring activities undertaken by the audit committee and an internal audit function whose competencies include supporting the audit committee in its role of monitoring the internal control system, including ICFR. Describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the company has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

As indicated in section F.1.1, the responsibilities of the Audit and Compliance Committee can be summarized as follows:

1. Overseeing the preparation and integrity of the financial information
2. Approving the internal audit plan for assessment of the ICFR.
3. Reviewing, analysing and commenting on the financial statements and other relevant information with the parties involved in its preparation and approval
4. Supervising the process of making judgements, evaluations and estimates and mediating any conflicts.
5. Ensuring that the ICFR evaluation process of the Mediaset Group has been designed to achieve the process objectives.
6. Overseeing continuous monitoring of ICFR.
7. Ensuring that the ICFR information disclosed is clear and understandable.

The Audit and Compliance Committee carries out these activities with the support of the Audit Department. The Audit Department answers to the General Corporate Management and its main responsibilities include analysing, evaluating and supervising the Group's internal control and risk management systems, identifying weaknesses, making recommendations and supervising the execution of the proposed action plan in each case.

The Audit Department performs an in-depth review of the controls of all process that could have a material impact on the Group's financial statements twice a year with the mid-year and annual financial closing. As a result of these reviews, the Internal Audit Department prepares reports covering the process identified, the related risks and the controls tested. These reports highlight any weakness encountered and make comparisons with reviews of previous periods to monitor trends. As indicated previously, any weakness encountered in a process is reported immediately to the management affected so it can be corrected. At the last audited closure as of December 31, 2019, 194 controls associated with 26 company processes were reviewed.

F.5.2. A discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the company's senior management and its audit committee or board of directors. State also whether the company has an action plan to correct or mitigate the weaknesses found.

The Economic and Finance Division and the Internal Audit Department hold regular meetings with the external auditors to discuss material weakness in internal control. The Audit and Compliance Committee meets with the external auditors twice a year, at the closing of the Group's mid-year and annual financial statements. At these meetings, the external auditors, within the scope of their engagement, report whether

there are any incidents or internal control weakness. The Economic and Finance Division and the Internal Audit Management attend these meetings and review all aspects regarding potential weaknesses in the internal control systems that could affect the financial information published by the Group Mediaset. Furthermore, the external auditors attend a third meeting, generally the last Audit and Compliance Committee meeting of the year. At this meeting, they report on the main issues of the current year's audit and the planning thereof.

Any weakness encountered is subjected to immediate monitoring by the Audit and Compliance Committee, with the help of the Internal Audit Department.

F.6 Other relevant information

Not applicable.

F.7 External auditor report

State whether:

F.7.1. The ICFR information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

The ICFR information has been subject to review by the auditor of the annual accounts, the company Deloitte, SL.

G DEGREE OF ADHERENCE TO THE RECOMMENDATIONS ON CORPORATE GOVERNANCE

State the company's degree of adherence to the recommendations on good governance for Listed Companies included in the Code.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behavior. General explanations are not acceptable.

1. The Articles of Association of listed companies should not place an upper limit on the votes that can be cast by a single shareholder or impose other obstacles to the takeover of the company by means of share purchases on the market.

Complies [X]

Explain []

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:

- a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies.
- b) The mechanisms in place to resolve possible conflicts of interest that may arise.

Complies [] Partially complies [] Explain [] Not applicable [X]

3. During the ordinary shareholders meeting, complementary to the distribution of the annual corporate governance report, the Chairman of the Board offered a detailed verbal explanation of the more relevant aspects of the Company's corporate governance, and specifically:

- a) Changes taking place since the previous general shareholders meeting.
- b) Specific reasons explaining why the Company does not follow any of the Corporate Governance Code and applicable alternative regulations in this regard, if they exist.

Complies [X] Partially complies [] Explain []

4. The Company defines and promotes guidelines for communicating and contacting shareholders, institutional investors, and voting advisors which are fully respectful of regulations against market abuse, indicating how to treat shareholders in the same position in a similar manner.

And that the Company publishes these policies on its website, including information on its implementation, identifying participants and parties responsible for carrying it out.

Complies [X] Partially complies [] Explain []

5. At general shareholders meeting, the Board will not propose the delegation of powers to issue shares or convertible bonds excluding preferential subscription rights at an amount higher than 20% of share capital at the moment of delegation.

When the Board of Directors does approve the issue of shares or convertible bonds excluding preferential subscription rights, the Company must immediately publish this information on its website regarding those referred to in mercantile legislation.

Complies [X] Partially complies [] Explain []

6. Listed companies which prepare the following obligatory or voluntary reports publish them on their websites sufficiently in advance of holding their general shareholders meeting, although publishing is not mandatory:

- a. Report on auditor independence
- b. Reports on the functioning of the Audit and Appointments and Remuneration Committees.
- c. Audit Committee report on related parties
- d. Corporate social responsibility policy report

Complies Partially complies Explain

7. The Company airs its general shareholders meetings live on its website.

Complies Explain

8. The Audit Committee should seek to present the annual financial statements to the Board of Directors without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

Complies Partially complies Explain

9. The Company publishes the accepted requirements and procedures to prove share ownership, the right to attend general shareholders meetings, and the right to delegate voting rights on its website.

These requirements and procedures favour attendance and the exercise of shareholder rights, and are applied in a non-discriminatory manner.

Complies Partially complies Explain

10. When an authorised shareholder has exercised the right to complete the Agenda or to present new proposals prior to the meeting, the Company:

- a. Immediately shares the complementary points and new proposals.
- b. Publishes an attendance card model, voting delegation form, or absentee ballot with the specific modifications to ensure voting on the new Agenda

items and alternative proposals, in accordance with the same terms as the proposals made by the Board of Directors.

- c. Presents these items or alternatives proposals for voting, applying the same voting rules used by the Board, specifically including presumptions or deductions on the intention of the vote.
- d. Subsequent to the general shareholders meeting, it communicates the voting breakdown on the above complementary or alternative proposals.

Complies [] Partially complies [] Explain [] Not applicable [X]

11. Should the Company plan to pay fees for attendance to the general shareholders meeting, it must previously establish a basic and stable policy on fees.

Complies [] Partially complies [] Explain [] Not applicable [X]

12. The Board of Directors must perform its functions based on a sole purpose and independent criteria, treating all shareholders in the same manner guided by the Company's interest, which is understood as achieving a profitable and sustainable long-term business, while maximising its economic value.

In the Company's best interest, apart from the laws and regulations based on good faith, ethical behaviour, and the respect for commonly-accepted good practices, endeavors to combine the Company's interest with the legitimate interests of its employees, suppliers, clients, and other potentially-affected interest groups, with a constant focus on the impact of its activities overall and on the environment.

Complies [X] Partially complies [] Explain []

13. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

Complies [X] Explain []

14. The Board of directors approves a process for selecting its members which:
- a. Is specific and verifiable.
 - b. Ensures that appointment or reelection proposals are based on a prior analysis of the Board of Directors' needs.
 - c. Fosters a diversity of knowledge, experiences, and gender.

The result of prior studies of the Board's needs is outlined in a supporting appointments committee report which is published when the general shareholders meeting is called and submitted for ratification, the appointment, reelection of each of its members.

These policies will assist in reaching the 2020 goal: at least 30% of Board members are women.

The Appointments Committee will annually verify compliance with the above policies and will inform accordingly in the Annual Corporate Governance Report.

Complies Partially complies Explain

As a result of implementing the diversity and selection of director's policies the company's Board of Directors fulfilled the objective that at least 30% of the total of its members should be women.

15. Proprietary and independent directors should occupy an ample majority of board places, while the number of executive directors should be the minimal practical bearing in mind the complexity of the corporate group and the shareholding of executive directors in the company's capital.

Complies Partially complies Explain

16. The percentage of proprietary directors in relation to the total number of non-executive directors should not exceed the proportion between the capital represented on the board by these and the remainder of the company's capital.

These criteria might be relaxed:

- a. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.
- b. In companies with a plurality of shareholders represented on the board but not otherwise related.

Complies Explain

17. The number of independent directors should represent at least half of all board members.

However, when the company is not large cap, or although it is, has on or several shareholders working together and controlling over 30% of its share capital, it shall ensure that independent Directors make up at least one third of the total Board members.

Complies Explain

18. Companies should post the following director particulars on their websites, and keep them permanently updated:

- a) Professional profile and background;
- b) Other directorships they hold, whether or not they are listed companies, and other activities for which they are paid, of whatever nature.
- c) An indication of the director's category, specifying, in the case of proprietary directors, the shareholder they represent or have links with.
- d) The date of their first and subsequent appointments as a company director, and
- e) Shares held in the company and options on the same.

Complies Partially complies Explain

19. In the year's Annual Corporate Governance Report, after verification by the Nomination Committee discloses the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies Partially complies Explain Not applicable

20. Proprietary directors should resign where the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly

Complies Partially complies Explain Not applicable

21. That Board of Directors should not propose the separation of independent directors before the expiry of their tenure as mandated by the Articles of Association, except where just cause is found by the board of directors, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director moves to hold new positions or take on new obligations making it impossible to devote a sufficient amount of time to carry

out a Board member's function, and thereby not complying with the duties inherent to the post under applicable legislation.

The separation of independent directors may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 16.

Complies Explain

22. Companies should establish rules obliging directors to inform the board of directors of any circumstances that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the crimes stated in the Company's Articles of Association, the Board should examine the matter and, in view of the particular circumstances and potential harm to the Company's name and reputation, decide whether or not he or she should be called on to resign. The Board gives a reasoned account of all this in the Annual Corporate Governance Report.

Complies Partially complies Explain

23. All directors should clearly express their opposition when they consider that any proposal submitted to the Board of Directors may be contrary to the corporate interest. In particular, independent and other directors not affected by the potential conflict of interest should do the same when decisions are taken that could be detrimental to shareholders not represented on the board.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

This recommendation also covers the Secretary of the Board even in the case that this individual is not a director.

Complies Partially complies Explain Not applicable

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state the reasons in a letter to be sent to all

members of the board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

Complies [] Partially complies [] Explain [] Not applicable [X]

25. The Appointments Committee will ensure that non-executive directors have sufficient available time to carry out their functions.

Board regulations state that the maximum number of directorships their Board members can hold.

Complies [X] Partially complies [] Explain []

26. The Board should meet with the necessary frequency to properly perform its functions, at least eight times a year, in accordance with a calendar and agenda set at the beginning of the year, to which each director may propose the addition of other items.

Complies [X] Partially complies [] Explain []

27. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

Complies [X] Partially complies [] Explain []

28. When directors or the Secretary express concerns about a proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the Board meeting, the person expressing them can request that they be recorded in the minute book.

Complies [] Partially complies [] Explain [] Not applicable [X]

29. The company should establish adequate channels for directors to obtain the advice they need to carry out their duties, including, if circumstances so require, external advice at the company's expense.

Complies [X] Partially complies [] Explain []

30. Independent of the expertise required by the Board members to carry out their functions, companies also offer them refresher programs when the situation calls for them.

Complies Partially complies Explain

31. Meeting Agendas must clearly indicate which items require a decision or resolution so that directors may previously study and collect the precise information necessary to do so.

When, exceptionally and due to reasons of urgency, the Chairman chooses to submit decisions or resolutions not included in the Agenda for approval, it will be necessary to obtain prior express authorisation from a majority of directors present, and reflect this in the Board minutes.

Complies Partially complies Explain

32. Members must be periodically informed of significant movements in the shareholder structure and the opinion of significant shareholders, investors, and rating agencies of the Company and the Group.

Complies Partially complies Explain

33. The Chairman is responsible for the efficient functioning of the Board of directors, and therefore, apart from exercising the functions attributed by law and the Articles of Association, it must prepare and submit to the Board of directors a program including dates and items to discuss, organise and coordinate the periodic evaluation of the Board, as well as the Company's CEO, where necessary, being responsible for managing the Board and its effectiveness, ensure that sufficient time is devoted to discussing strategic functions, and agree on and review programs designed to update each member's knowledge when necessary.

Complies Partially complies Explain

34. In cases in which there is a coordinating director, the Articles of Association or regulations of the Board of directors attributes the following powers apart from those granted by law: preside over the Board of directors in the absence of the chairman and vice chairmen, where applicable, reflect the concerns of the non-executive directors, keep in contact with the investors and shareholders to ascertain their points of view prior to reaching an opinion in this regard, specifically with regard to the Company's corporate governance, and coordinate the Chairman's succession plan.

Complies [] Partially complies [] Explain [] Not applicable [X]

35. The Secretary of the Board must be especially vigilant so that his/her actions and decisions take into account the recommendations on good governance reflected in this Good Governance Code applicable to the Company.

Complies [X] Explain []

36. That the plenary board of directors should annually evaluate and adopt an action plan to correct any deficiencies regarding:

- a. The quality and efficiency of the Board's functioning.
- b. The functioning and composition of its Committees.
- c. The diversity in the composition and powers of the Board of directors.
 - d. The performance of the Chairman of the Board and the Company's chief executive officer.
- e. Each director's performance and contribution, paying special attention to the parties responsible for each committee.

The evaluation of the different committees will be based on the report they share with the Board of directors, with the latter submitted to the Appointments Committee.

The Board of directors will be assisted to carry out the evaluation by an external consultant every three years, whose independence will be verified by the Appointments Committee.

Any of the business relationships held by the consultant or any of its Group companies must be detailed in the annual Corporate Governance Report.

The process and the areas evaluated will be described in the annual Good Governance Report.

Complies [X] Partially complies [] Explain []

37. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself. The Secretary of the Board should also act as secretary to the Executive Committee.

Complies [] Partially complies [X] Explain [] Not applicable []

The composition of the Executive Committee follows the same structure as that of the Board of Directors, insofar as all categories of directors are also represented on this committee. However, the percentages are different:

Board of directors:

Executive Directors: 23.08%

Proprietary Directors: 38.46%

Independent Directors: 30.77%

External Directors: 7.69%

Executive committee:

Executive Directors: 16.66%

Proprietary Directors: 50%

Independent Directors: 16.66%

External Directors: 16.66%

The Chairman of the Board of Directors and the Executive Committee is an External Director.

38. The Board should be kept fully informed of the business carried out and decisions made by the Executive Committee. To this end, all board members should receive a copy of the Committee's minutes.

Complies Partially complies Explain Not applicable

39. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters; the majority of the members must be independent directors.

Complies Partially complies Explain

40. A unit must be created to take on the internal audit function under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems, which will report to the Non-Executive Director or the Head of the Audit Committee.

Complies Partially complies Explain

41. The head of internal audit should present an annual work program to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activity report at the end of each year.

Complies [X] Partially complies [] Explain [] Not applicable []

42. Apart from those included in legislation, the Audit Committee's role should be:

1. With respect to internal control and reporting systems:

a) Monitor the preparation and the integrity of the financial information prepared on the Company and, where appropriate, the Group, checking for compliance with legal provisions, the accurate demarcation of the scope of consolidation, and the correct application of accounting principles.

b) Monitor the independence of the unit assuming the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; approve its orientation and work plans, ensuring that its activity is chiefly focused on risks which are relevant to the Company, receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

c) Establish and supervise a mechanism whereby staff can report, confidentially and, where possible and considered appropriate, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.

2. With respect to the company's external auditors:

a) In the event of resignation of the external auditor, reviewing the underlying reasons.

b) Ensure that the fees paid to the external audit firm for work performed does not in any way compromise its quality or independence.

c) See that the Company communicates any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d) Ensure that the external auditor holds annual meetings with the Board of directors to report on work performed, the accounting situation, and company risks.

e) Ensure that the Company and the external auditor comply with current regulations on the provision of non-audit services, the limits on the

concentration of the auditor's business and, in general, other requirements designed to safeguard the auditors' independence.

Complies Partially complies Explain

43. The Audit Committee can meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies Partially complies Explain

44. The Audit Committee must be informed on structural and corporate modifications planned by the Company, so that it may prepare an analysis and report to be presented to the Board of Directors on its economic circumstance and its accounting impact, and specifically on the proposed exchange ratio.

Complies Partially complies Explain Not applicable

45. Control and risk management policy should specify at least:

- a) The different types of risk, both financial and non-financial, (operational, technological, financial, legal, reputational...) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;
- b) The determination of the risk level the company sees as acceptable;
- c) Measures in place to mitigate the impact of risk events should they occur;
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Complies Partially complies Explain

46. There is an internal risk control and management function which, under the direct supervision of the Audit Committee, or a special commission set up by the Board, exercised by an internal unit or department of the Company which will be granted the following functions:

- a. Ensure the correct functioning of its risk control and management systems, and in particular, to correctly identify, manage, and quantify all the important risks affecting the Company.

- b. Participate actively in the preparation of risk management strategy, as well as the processes for making important decisions regarding its handling.
- c. Oversee the risk control and management systems sufficiently within the framework of the policies defined by the Board of Directors.

Complies Partially complies Explain

47. The members of the Appointments and Remuneration Committee (or each committee, if separated) must be designated based on their knowledge, experience, and skills, which should be appropriate to the role they are expected to fulfill; the majority of the members must be independent directors.

Complies Partially complies Explain

The Appointments and Remuneration Committee is composed of four members, two of whom are independent and two are proprietary, none of them has executive status and is chaired by an independent director. All of them have been appointed in view of their knowledge, skills and experience. In the absence of a majority of independent directors, the Recommendation is therefore partially complied with by the Company.

The current composition of the Appointments and Remuneration Committee is established so that there is a reasonable balance between the Proprietary Directors and the independent Directors, based on the ownership structure of the Company, so that the relationship between one and another class of Directors reflects the relationship between stable capital and floating capital.

48. Large cap companies must have separate Appointment and Remuneration Committees.

Complies Partially complies Not applicable

49. The Remuneration Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive directors.

Any board member may suggest directorship candidates to the Appointments Committee for its consideration.

Complies Partially complies Explain

50. The Remuneration Committee must exercise its functions observing independence and apart from those which are attributed by law, these include the following:

- a) Propose the Board of directors the standard terms for senior manager contracts.
- b) Ensure that compliance with the remuneration policy set by the Company is met.
- c) Periodically review the remuneration scheme applied to members and directors, including share-based compensation schemes and their application, and ensure that individual remuneration is proportionate to the amounts paid to other Company members and directors.
- d) Ensure that conflicts of interest do not have a negative effect on the independence of external consulting provided to the Committee.
- e) Verify that the information contained on the remuneration paid to top executives and directors in the different corporate documents is correct, including the annual report on remuneration paid to directors.

Complies Partially complies Explain

51. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies Partially complies Explain

The Appointments and Remunerations Committee consults with the Chairman, the Company's chief executive and the plenary Board of Directors regarding matters related to executive directors and sensitive issues applicable to top management.

Regarding top management, excepting these mentioned issues, are managed by the Appointments and Remuneration committee.

52. The regulations governing the functioning of the supervision and control committees are defined in the Board of Directors Regulations, and are consistent with those applicable to those which are obligatory by law based on the above recommendations, including:

- a) They are exclusively comprised of non-executive directors, the majority of which are independent directors.
- b) Committees should be chaired by an independent director.
- c) The Board of Directors should appoint the members of such committees with regard to the knowledge, aptitudes and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first plenary board following each meeting;

d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.

e) Meetings must be reflected in minutes to be made available to the Board members.

Complies [] Partially complies [] Explain [] Not applicable [X]

53. The supervision of and compliance with the corporate governance, internal codes of conduct, and social corporate responsibility regulations is attributed to one or divided between several Board committees which may be: the Audit, Appointments, Social corporate responsibility (where applicable), or a specialized Board committee, to exercise its rights to self-organisation, and decide to create those which have the following minimum duties for the above purposes:

a) The supervision of the compliance with the Company's internal codes of conduct and codes of good governance.

b) The supervision of the communication strategy and the relationships with shareholders, and small- and medium-sized investors.

c) The periodic evaluations of the appropriateness of the Company's corporate governance are designed to promote the Company's interest and should consider the legitimate interests of other interest groups, where appropriate.

d) The Company's corporate responsibility policies are reviewed to ensure that they are focused on creating value.

e) The monitoring of social responsibility strategies and practices and their degree of compliance.

f) The supervision and evaluation of processes related to the different interest groups.

g) The evaluation of all the Company's non-financial risks - including operating, technological, legal, social, environmental, political, and reputational.

- h) The coordination of the process aimed at reporting information which is not financial, and that which covers diversity, in accordance with applicable legislation and international standards of reference.

Complies Partially complies Explain

54. The corporate social responsibility policies will cover the principles and commitments the Company assumes voluntarily with regard to different interest groups, to identify the following, at the very least:

- a) The purposes of corporate social responsibility policies and the development of supporting measures.
- b) The corporate strategy related to sustainability, the environment, and social matters.
- c) Specific practices regarding the following: shareholders, employees, customers, suppliers, social environmental affairs, diversity, tax matters, respect for human rights, and the prevention of illegal conduct.
- d) Monitoring Methods or systems which analyze the outcome from applying the above specific practices, associated risks, and their management.
- e) Supervisory mechanisms for non-financial risk, ethics, and business conduct.
- f) Communication channels, participation, and dialog with interest groups.
- g) Responsible communication practices which hinder the manipulation of information while protecting integrity and honor.

Complies Partially complies Explain

55. The Company uses a separate document (or its Management report) to report on matters related to corporate social responsibility, using certain internationally-accepted methodologies.

Complies Partially complies Explain

56. External directors' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

Complies Explain

57. Remuneration comprising the delivery of shares in the Company, share options or other share-based instruments, payments linked to the Company's performance or membership of pension schemes should be confined to executive directors.

Compensation by way of delivery of shares is possible when it is conditioned on the non-executive directors holding the shares until they cease to be directors. The above is not applicable to shares a Board member needs to sell, where applicable, to pay the costs related to their acquisition.

Complies [] Partially complies [X] Explain []

The Company considers that it partially complies with the recommendation, since the variable remunerations linked to the performance of the company and personal performance are not limited to executive directors.

In view of the special dedication required by the position of Chairman of the Board of Directors, who has the status of "other external", Mr. Echevarría receives a variable additional remuneration linked to the performance of the company and his personal performance.

58. In the case of variable remuneration, the related policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the Company's sector or other circumstances of this kind.

Specifically, variable components of remuneration should:

- a) Be linked to predetermined and measurable performance criteria, and that the criteria contemplate the risk assumed for obtaining a result.
- b) They should promote the sustainability of the Company in the long term, including non-financial criteria, create long-term value, as well as compliance with the company's internal rules and procedures and its policies for risk control and management.
- c) They are configured based on a balance between the compliance with short-, medium-, and long-term goals which make it possible to provide continual performance based compensation over a sufficient period of time to be able to appreciate their contribution to sustainable value creation, so that the items which measure performance are not only focused on specific, occasional, or extraordinary events.

Complies [] Partially complies [X] Explain [] Not applicable []

The company considers that it partially complies with the criteria considered in the variable remuneration are solely economic content related mainly to the generation of value and profitability for the shareholder. The Company does not consider it necessary to include other parameters for the calculation of the variable components of the remuneration.

59. Payment of a relevant portion of variable remuneration components is deferred for a sufficient minimum amount of time to determine that the previously- established performance criteria have been met.

Complies Partially complies Explain Not applicable

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Complies Partially complies Explain Not applicable

61. A relevant percentage of executive directors' variable remuneration is linked to the delivery of shares or financial instruments referenced to their value.

Complies Partially complies Explain Not applicable

62. Once the shares or options or rights corresponding to the remuneration schemes have been distributed, the directors may not transfer the ownership of a number of shares equivalent to twice their fixed annual remuneration, nor may they exercise the options or shares until at least three years have passed since they were granted.

The above is not applicable to shares a Board member needs to sell, where applicable, to pay the costs related to their acquisition.

Complies Partially complies Explain Not applicable

The Company partially complies with this recommendation, as its three-year medium-term incentives plan for its Board members, approved during the 2019 general shareholders meeting, establishes that assigned shares must be delivered after the general meeting during which the financial statements are approved during the Plan's third year, as long as the director is still linked to the Group companies. This means that the allocation of shares in the last two years of the Plan does not comply with the three-year deadline set out in this Recommendation.

63. Contractual arrangements include a clause allowing the Company to claim repayment of the variable components of compensation when the payment is not in accordance with performance conditions, or when the compensation has been paid based on information where the inaccuracy of which is later manifestly demonstrated.

Complies Partially complies Explain Not applicable

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The contractual agreements with the executive directors of the Company do not include a clause that allows the company to claim reimbursement of the variable components of the remuneration when the payment has not been adjusted to the performance conditions or when they have been paid according to data whose inaccuracy is accredited later.

The Company does not consider it necessary to include the aforementioned clause because the internal procedure for verifying compliance with variable components by the Board of Directors and by the Appointments and Remuneration Committee prevents them from being paid based on inaccurate data.

64. Contract termination payments must not surpass the established amount equivalent to two years' total annual remuneration and may not be paid until the Company is able to determine that the director has met with all the previously established performance criteria.

Complies Partially complies Explain Not applicable

H OTHER INFORMATION OF INTEREST.

1. If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this report and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or group, explain briefly.
2. You may include in this section any other information, clarification or observation related to the above sections of this report, insofar as they are relevant and not repetitive.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different to that required by this report.

3. The company may also indicate whether it has voluntarily adhered to other international, sectoral or other codes of ethical principles or good practice. Where appropriate, the code in question and the date of adherence shall be identified. In particular, it shall mention whether it has adhered to the Code of Good Tax Practices of July 20, 2010:

The regulation and composition of our Board of Directors, its Committees, regulations applicable to governing bodies, shareholders' rights, etc. have been included in the sections of this Report and you can find more information on our website: <http://www.telecinco.es>.

This report has been verified by Deloitte, SL

SECTION C.1.14

In section C.1.14, the remuneration of the senior management of Mediaset España and the Group's main companies was included. The remuneration received by Mediaset España executives in 2019, including the director of Internal Audit, is included below:

Director general content - Villanueva de Castro, Manuel
Director of Technologies Division - Fernández Aranda, Eugenio
Director of the Economic and Financial Division - Uria Iglesias, Javier
Director of the Antena Division - Marco Jorge, Patricia
Director of Content Production Division - Baltanás, Leonardo
Director of Content Production Division - Jaime Guerra González
Director of Film and Acquisition Rights Division - Barrois, Ghislain
Director of Communication and External Relations Division - Drago, Mirta
Director of the News Division - Valentín Padín, Juan Pedro

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Director of Informational Division Telecinco - Piqueras Gómez, Pedro

Internal Audit Director - Santamaría Barrio, Angel

Director of Special Productions Division - Silvestroni, Giuseppe

Total: 5,740,551 euros

Note that the number of share rights granted to Mediaset España's top management amounts to 52,256 thousand euros and 76,377 the number of share rights granted to the top management of the Mediaset España Group.

Recommendation 17: For the calculation of the percentage of independent directors out of the total number of directors, the current external director has not been taken into account. He has been qualified as an independent director for 12 consecutive years and is now considered an external director since he has complied with the maximum legal period established by the Spanish Companies Act, without having held a proprietary or executive position at any time.

The Annual Corporate Governance Report was approved by the Company's Board of Directors at its meeting of 26/02/2020.

List whether any directors voted against or abstained from voting on the approval of this Report.

Yes

No