

REPORT JUSTIFYING THE AMENDMENT OF THE BOARD OF DIRECTORS' REGULATIONS

1. INTRODUCTION AND PURPOSE OF THE REPORT

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

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

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

2. JUSTIFICATION FOR THE AMENDMENT.

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

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

- Section (v) is amended for the purpose of renaming the *Director Selection Policy* to "Director Selection and Diversity Policy", integrating into a single policy what was previously envisaged in two separate policies. Furthermore, it is thus adapted to the new wording of Recommendation 14 of the CBG of June 2020, also in line with the provisions of article 540.4.c)6° of the Spanish Companies Act, as provided by Law 11/2018 and Technical Guide 1/2019 of the CNMV on appointments and remuneration committees.
- A new section (vi) is added, concerning "approval of the policy on communication, contacts and engagement with shareholders, institutional investors and proxy advisors, including the policy on communication of economic-financial, non-financial and corporate information", in accordance with the new wording of Recommendation 4 of the CGG..

- In section (xx), sub-section (f) is amended by renaming the Corporate Social Responsibility Policy to “*Corporate Social Responsibility and Sustainability Policy*”.
- b) In **article 13, “Resignation and removal of Directors”**, section 3.e) is amended to adapt it to the new wording of Recommendation 22 of the CGG, to read as follows:

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

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

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

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

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

- In section 3 (Powers) paragraph c) is amended to extend the Commission's monitoring to "*non-financial*" risks; and paragraph g) is amended to extend the Commission's monitoring to "*non-financial*" information. This is in accordance with the new wording of Recommendation 42.1.a) of the CGG.
- Section 5 indicates that “*the Audit and Compliance Committee shall be deemed to be validly constituted when at least one half plus one majority of its members are present or represented by proxy; its resolutions shall be*

approved when voted for by an absolute majority of those present”, in accordance with the provisions of the current Regulations of the Committee and articles 25.1 and 26.1 of these Regulations.

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

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

f) In **article 38, “Website”**:

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

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

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

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

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