

## **Annual report on the independence of the external auditors of Mediaset España Comunicación, SA and its Group, as well as the provision of additional services to the audit.**

Paragraph 4 (f) of Article 529 quaterdecies of the Companies Act states that the Audit and Compliance Committee shall annually prepare and issue, prior to the issuance of the audit report, a report in which it expresses an opinion on the independence of the auditors. Furthermore, Article 5 of the Regulations of the aforementioned Committee states that: *“This report shall include, in all cases, the valuation of the provision of additional services referred to in the following point g), considered individually and collectively, distinct from the statutory audit and in connection with the rules of independence or the regulations governing the audit”*.

In application of the above, the Audit and Compliance Committee has formulated this report in which it analyses the independence of the current auditor for Mediaset España and its Group “DELOITTE, S.L.” (hereinafter “**Deloitte**”), habiendo analizado y valorado los aspectos que se indican a continuación:

**I.- Appointment of the auditor:** Following a favourable report from the Audit and Compliance Committee, the General Meeting of Shareholders of the Company held on April 27th 2017, appointed Deloitte as auditors of Mediaset España and its Subsidiaries for the years 2017, 2018 and 2019, replacing "ERNST & YOUNG, S.L.", which had completed the maximum period established by law.

The selection process of Deloitte was carried out in accordance with the provisions of Law 22/2015, of 20 July, on Auditing, which, in Article 40, establishes the rules on the hiring, rotation and appointment of auditors; and in accordance with the provisions of Regulation (EU) No 537/2014 of the European Parliament, of 16 April 2014.

**II.- Rotation of the signatory auditor of the annual accounts:** As indicated above, and in compliance with the provisions of article 19 of the Audit Law, 2017 was the first year in which Deloitte audited the annual accounts of Mediaset España and its Group, and 2019 is the third year of its first mandate.

**III.- Independence:** Prior to the formulation of this report, Deloitte sent a letter to the Audit and Compliance Committee, which confirms that it has complied with the independence requirements that are applicable in accordance with the provisions in the Consolidated Accounts Audit Law and its implementing regulations.

During 2019 el auditor de cuentas no ha informado a la Comisión de Auditoría y Cumplimiento de ninguna cuestión que pudiera poner en riesgo su independencia.

In addition, Deloitte has ensured that, pursuant to its internal procedures, it has not identified circumstances that, individually or collectively, could pose a significant threat to their independence and therefore could assume causes of incompatibility.

**IV.- Fees:** In order to assess the independence of Deloitte, the Audit and Compliance Committee has been monitoring the fees paid for all services rendered for 2019. In this regard, Deloitte has provided the company with the fees billed to Mediaset España and its Group during the period between January 1st and December 31<sup>st</sup>, 2019 including audit services and various other services in order to allow the Audit and Compliance Committee to assess them.

- a) The fees incurred with DELOITTE,S.L. during the 2019 financial year totalled 369 thousand euros, of which those corresponding to the audit of the individual and consolidated annual accounts of Mediaset España Comunicación, S.A. amounted to 128 thousand euros, 112 thousand euros to the audits of the annual accounts of 10 of the Group's wholly-owned subsidiaries and 65 thousand euros for the limited review of the Group's Interim Financial Statements at 30 June 2019.
- b) Fees incurred by Mediaset España during 2019 for services other than auditing amounted to 64 thousand euros, representing **17.3%** of the total amount invoiced by the auditing firm, as follows:

- ISAE 3000 – Annual Corporate Governance Report:	2,000 €
- ISAE 3000 - Directors' Remuneration Report:	2,500 €
- ICFR Report – Section F Annual Corp.Gov. Report:	7,000 €
- Agreed Procedures Report- 5% Cinema Revenues 2019:	4,000 €
- Informe Ampliación de Capital por compensación de créditos de Telecinco Cinema	7,000€
- Services in relation to the Audiovisual Directive	14,500€
- ISAE 3000 – Non Financial Information Report:	27,400 €

With regard to the Report on 5% CINE, it refers to the certification requested from the auditors on the revenues that make up the basis for calculating the obligation to finance European and Spanish audiovisual works (ex art. 5.3 of Law 7/2010, of 31 March, General Audiovisual Communication).

- c) Finally, it should be noted that, in relation to the 2019 financial year, the majority shareholder of the Company, MEDIASET, S.p.A., has entrusted Deloitte Italia with the Limited Review of the half-yearly consolidated financial statements for the 2019 financial year, for an amount of €124,000, as well as the Review of the Non-Financial Information Report, for an amount of €49,500, and other services amounting to 105,000€.

**V.- Conclusion:** Based on the above and once the relevant assessment has been made, the Audit and Compliance Committee considered that the independence of the current auditor of Mediaset España and its Group of Companies is guaranteed.

Madrid, 26<sup>th</sup> February 2020.