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AUDIT AND COMPLIANCE COMMITTEE

ANNUAL REPORT

2020

I.- Creation:

The Audit and Compliance Committee was created by agreement of the Board of Directors of Mediaset España Comunicación S.A. (Then Gestevisión Mediaset España, S.A.) in its meeting held on the 20th May 2004 and came into force after Gestevisión Mediaset España, S.A began listing on the stock market, on the 24th June 2004. On 22nd June 2020 it ceased to form part of the IBEX 35.

II.- Composition:

The Audit and Compliance Committee currently has the following members:

- Mr. Javier Díez de Polanco (Chairman – independent).
- Mr. Fedele Confalonieri (external proprietary).
- Mrs. Consuelo Crespo Bofill (independent).
- Mr. Marco Giordani (external proprietary).
- Mrs. Cristina Garmendia (independent)

From a qualitative point of view, the composition of the Committee is as follows:

External Directors	5 = 100%
Independent Directors	3 = 60%

In addition, following the provisions of both the Articles of Association and the Board of Directors Regulations and in accordance with corporate governance standards, the chairman, since the date that Mediaset España Comunicación, SA, began listing, is occupied by an Independent Director.

Since its beginning, the changes in the Audit and Compliance Committee have been gradually aimed at reinforcing its independence with respect to the internal management bodies of the Company, so that not only any Internal Counsel has become part of the Board of Directors, but the presence of Independent Directors in its midst has been consolidated.

You can find the CVs of those belonging to the Committee on the following Mediaset España website:

<https://www.mediaset.es/inversores/en/board-of-directors.html>

III. Regulation:

The Audit and Compliance Committee is regulated by the Articles of Association, whose current version was approved at the Shareholders Annual General Meeting on 15th April 2015 and the Regulations of the Board of Directors and in the Regulations of the Committee, whose last amendments were approved on December 20th, 2017.

Thus, the rules that regulate the composition and functioning of the Audit and Compliance have been fully aligned with the latest regulatory amendments to the Law 31/2014, of December 3rd amending the Companies Act for the improvement of corporate governance, and with the recommendations included in the Good Governance Code for Listed Companies, adopted on 18th February 2015 by the Board of the Spanish National Stock Market Commission (CNMV) and the Technical Guide 3/2017 on Audit Committees of Public Interest Entities published on June 27th, 2017 by the National Securities Market Commission.

The governance rules of the Audit and Compliance Committee have been thoroughly amended in order to adapt them to changes in current legislation and to the new corporate governance recommendations issued by the CNMV in June 2020. These amendments will be submitted for approval by the company's governing bodies in 2020 and early 2021.

IV.- Functions:

The functions of the Audit and Compliance Committee are contained in the Articles of Association, the Board of Directors Regulations and primarily in its own regulatory Regulations, which include but are not limited to the generic and specific functions of the Committee:

The main functions of the Audit and Compliance Committee are as follows, by way of example and without limitation:

1.- Regarding the external auditors:

The Audit and Compliance Committee shall deal with all matters related to the external Auditors of the Mediaset Group and shall be responsible for:

- a) Proposing to the Board of Directors the appointment, renewal or substitution of the Auditors, as well as the terms under which they are to be hired, and the time period for which they are appointed, and for that purpose, it must:

- 1°. define the procedure for selection of the auditor; and

- 2°. issue a reasoned proposal containing at least two alternatives for the selection of the auditor, except in the case of re-election thereof.

In this respect, the Audit and Compliance Committee shall refrain from proposing the appointment of any auditing firm when they are aware that i) The audit firm falls under any disqualifying circumstances according to the audit law and regulations, or ii) That the fees to be paid by Mediaset to such an audit firm on all accounts are foreseen to exceed five percent (5%) of the company's total income during the previous business year.

The Audit and Compliance Committee shall propose the same auditors for Mediaset and the companies in its Group.

If the Auditors resign, the Committee shall examine the reasons for the decision.

- b) Acting as a communication channel between the Board of Directors and the Auditors, evaluating the results of each audit and the response of the management team of Mediaset to the Auditors' recommendations; and mediating as well as acting as arbitrator in the event of disagreement between the management of Mediaset and the Auditors regarding the principles and policies to be applied in preparing the financial statements.
- c) Ensuring that the external auditor holds an annual meeting with the full Board of Directors to inform them of the work that has been carried out and the evolution of the company's accounting and risk situation.
- d) Proposing that the recommendations issued by the Auditors are complied with, unless the Committee considers that it should maintain its own criterion. In the latter case, it should explain the nature and scope of its discrepancy.
- e) Annually issuing, prior to issuance of the audit report, a report expressly stating the opinion on whether the auditor's independence is compromised, which must be published on the Company's website in sufficient time to the celebration of the Ordinary General Meeting. This report shall include, in all cases, the reasoned valuation of the provision of any and all 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.
- f) Monitoring the performance of the audit agreement and ensuring that the opinion of the Auditors on the financial statements and the main part of the audit report are clearly and precisely worded.
- g) Establish the appropriate relationships with the auditor to receive information on those matters that may threaten its independence, in particular any discrepancies that may arise between the auditor and the Company's management, for examination by the Committee, and any other matters related to the process of auditing the accounts, as well as any other communications provided for in the legislation on auditing the accounts and in the auditing standards;

In all cases, they must annually receive the external auditors declaration of independence, in relation to the Company or entities related to it directly or indirectly, as well as any class information, detailed and on an individual basis of additional services provided and the fees received from these entities by the external auditors or by persons or entities related to them in accordance with the provisions of the auditing legislation.

- h) to obtain regular information from the statutory auditor on the audit plan and its implementation, and to preserve its independence in the performance of its duties,, paying attention to any circumstances or matters that might threaten this, as well as to any others related to the carrying out of the audit work.
- i) Ensure that the remuneration of the external auditor for their work does not compromise their quality or independence.

- j) Assure the Company that the Auditors comply with the legislation in force regarding the provision of services other than those of auditing, which limits the concentration of the auditing business, and in general any other rules relating to the Auditors' independence.
- k) Supervise, that Mediaset communicates any change of Auditors via Spain's National Stock Market Commission (CNMV) by way of a Relevant Fact, accompanied if necessary by a declaration on the substance of any possible differences, if any existed, with the departing Auditors.
- l) Authorize, when necessary, the contracts between Mediaset and the auditors of accounts unrelated to the audit activity of accounts and other than those prohibited, in the terms contemplated in the applicable regulations on the independence regime.
- m) Make a final evaluation about the performance of the auditor and how it has contributed to the quality of the audit and the integrity of the financial information.

2.- Regarding the supervision of financial information:

The Audit and Compliance Committee shall ensure that the periodic and the annual financial and non-financial information supplied complies with legal requirements. It is responsible for:

- a) Supervising the accounts of Mediaset and its Group, complying with the legal requirements and the correct application of accounting standards and criterion applicable in Spain and the International Accounting Standards (IAS), and issuing opinions on any proposals by management to modify accounting standards and criteria;
- b) Reviewing any financial and non-financial information regularly supplied to the markets and their regulatory bodies before the information is issued, and ensuring that the information is drawn up according to the same principles and practices as the annual account;
- c) Overseeing the correct definition of the scope of consolidation of the Mediaset España Group.
- d) Report, in advance, to the Board of Directors, on the financial information that the Company must periodically make public.
- e) Ensure that the annual accounts that the Board of Directors submits to the General Meeting of Shareholders are drawn up in accordance with accounting regulations and, in those cases in which the auditor has included a qualification in its audit report, the Chairman of the Audit and Compliance Committee shall clearly explain to the General Meeting the Committee's opinion on their content and scope, without prejudice to the fact that a summary of said opinion shall be made available to the shareholders at the time of publication of the notice of the General Meeting, together with the rest of the proposals and reports of the Board, together with the rest of the proposals and reports of the Board.

3.- Regarding the Internal Control System of Financial Reporting (ICFR):

To ensure the reliability of financial information, the Audit and Compliance Committee is responsible for:

- a) Monitoring and evaluating the preparation and presentation and integrity of financial and non-financial information relating to the Company and, where appropriate, the Group, and submit recommendations or proposals to the Board of Directors aimed at safeguarding its integrity. In particular, to know, understand and supervise the effectiveness of the ICFR, reviewing the proper design of Mediaset's ICFR and compliance with regulatory requirements.
- b) Approve the internal audit plan for the evaluation of ICFR and receive periodic information on the outcome of their work and the plan of action to correct the deficiencies observed.
- c) Review, analyse and discuss the financial statements and other relevant financial information with senior management and internal and external auditors, to confirm that the information is reliable, understandable, and relevant and that accounting principles used are consistent with the previous year end.
- d) Monitor both the process developed by senior management to make judgements, valuations and significant estimates, assessing their impact on the financial statements, as decisions on the adjustments proposed by the external auditor, and to know and, where appropriate, mediate disagreements between them.
- e) Guarantee that Mediaset's ICFR assessment process has been designed in a way that achieves the objectives of the process and to validate the findings of the reports that are submitted by those involved in the assessment tasks.
- f) Monitor the continuous assessment, carried out by Mediaset, the organisation of control activities to obtain reasonable assurance about the implementation and operation of ICFR.
- g) Ensure that the information disclosed to the market on the rules of ICFR is clear and comprehensible and contain sufficient, accurate and necessary breakdowns.

4.- Regarding the supervision of internal control and relations with the Internal Audit Department:

The Audit and Compliance Committee shall check the correct operation of the internal information and control systems and supervise the operation of the Internal Audit Department. In this respect, it must:

- a) Supervise the effectiveness of the internal control of the Company and Internal Audit, as well as discuss with the auditor any significant weaknesses in the internal control system detected in the course of the audit, concluding on the level of confidence and

reliability of the system. For this purpose, it may submit recommendations or proposals to the Board of Directors and the corresponding deadline for follow-up.

- b) Propose the selection, appointment, and dismissal of the head of the Internal Audit Department.
- c) Supervise the Internal Audit Department and ensure that it carries out its functions with full freedom and independence and efficiency, verifying, and that the top management of the Company takes into account any conclusions and recommendations in their reports.
- d) Periodically find out about the activities and studies carried out by the Internal Audit Department; and propose its budget.
- e) Approve the guidance and propose the approval of Internal Audit's annual work plan to the Board as well as any additional plans required by organizational needs, ensuring that its activity is primarily focused on the relevant risks.

The head of the Internal Audit Department shall present the Committee its annual work plan, report directly to it on its implementation, including possible incidents and limitations to the scope that may arise in its development, the results and follow-up of its recommendations, and submit an activities report at the end of each financial year. The Annual Plan shall be submitted to the Board of Directors for approval and shall be duly publicized.

- f) To annually evaluate the performance of Internal Audit as well as the performance of its manager's functions, for which purpose it will obtain the opinion of the executive management.
- g) To be up to date as to the degree with which the various departments comply with the recommendations of the Internal Audit Department. In cases where there may be a threat to the interests of Mediaset España or its group, it should inform the Board of Directors.
- h) Ensuring that the policies and systems established for internal control are effectively implemented in practice
- i) Review the compliance of any actions or measures taken as a consequence of the inspection reports or activities of the administrative supervisory and control authorities. control.

5.- In relation to the monitoring of risk management and risk control:

The Audit and Compliance Committee will be responsible for:

- a) Supervising and controlling the risk policy of Mediaset España, identifying possible risks, managing them and ensuring there is sufficient awareness of them. Its policy should:
- b) Directly supervise the internal risk control and management function;

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- c) Supervise and control Mediaset's risk control and management policy, so that potential risks are properly identified, managed and disclosed, being responsible for ensuring that this policy identifies or determines, at least;
 - (i) The types of risk, financial and non-financial (including operational, technological, legal, social, environmental, political and reputational risks, including those related to corruption, faced by the Company, including among financial or economic risks, contingent liabilities and other off-balance sheet risks.
 - (ii) A tiered risk management and control model.
 - (iii) The level of risk acceptable to Mediaset.
 - (iv) Should any of the risks materialise, the measures planned to mitigate the impact of the risks identified.
 - (v) The internal communication and control systems to control and manage any risks.
- d) Reassess, at least annually, the list of the most significant financial and non-financial risks and assess their level of tolerance, proposing any adjustments to the Board;
- e) Hold, at least once a year, a meeting with the senior managers of the business units at which they explain business trends and the associated risks.
- f) In the matter of related-party transactions, the Audit and Compliance Committee shall be responsible for proposing the policy on this type of transactions and informing the Board of Directors of the same, unless it is attributed to another Committee. The policy on related-party transactions shall be made public in the Annual Corporate Governance Report.

6.- Regarding shareholders:

The Audit and Compliance Committee should maintain an ongoing channel of communication with the shareholders and in this regard inform the General Shareholders' Meeting of any matters which may be raised by the shareholders which are within the Committee's remit; in particular, on the result of the audit explaining how this has contributed to the integrity of the financial information and the role that the Committee has played in that process, it should also be aware of and if necessary respond to the initiatives, suggestions or complaints raised by the shareholders with respect to the scope of the Committee's functions when such questions are submitted to it by the Board of Directors.

7.- Regarding transparency and the rules of corporate governance.

The Audit and Compliance Committee should ensure compliance with the rules of transparency
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and proper implementation of the rules of corporate governance and corporate social responsibility. It shall be responsible for:

- a) Following up on the observance of the rules on transparency and reporting to the Board of Directors on the subject.
- b) Checking timely compliance with the rules in force relating to communicating privileged information and other relevant information.
- c) Informing the Board of Directors in advance of the creation or acquisition of shareholdings in special purpose entities or those domiciled in countries or territories which are considered tax havens, as well as any other transactions or operations of a similar nature which could, because of their complex nature, threaten the transparency of the Group.
- d) Report, prior to the Board of Directors Meeting, on the operations of structural and corporate changes planned by the Company, its economic conditions and its accounting impact and, especially, where applicable, on the proposed exchange ratio.
- e) Establish and supervise the mechanism that allows employees for the reporting of potentially significant irregularities, including financial, accounting or otherwise, which they may detect in the Company offices or the Mediaset Group, and being able to propose the opportune actions for its improvement and the reduction of the risk of irregularities in the future.

Such a mechanism should ensure confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the complainant and the reported person

- f) Summon any employee or Director of the Mediaset Group to require accountability for the matters which the Committee deems appropriate.
- g) Supervise adherence to the policies and rules of the company on environmental, social and corporate governance and the internal codes of conduct, and in this regard:
 - (i) Supervise compliance with the internal codes of conduct, in particular, the Internal Code of Conduct in securities markets and, the rules of governance ensuring the corporate culture is aligned with the Company's purpose and values, and make the necessary proposals for improvement. Likewise, the Committee will inform the Board prior to the approval and modifications of the internal codes of conduct of the Company and its Group, in particular, the Internal Code of Conduct in the Securities Market as well as the development of the internal rules are submitted for the approval of the Board of Directors.

The internal body responsible for regulatory compliance functions shall report regularly to the Audit and Compliance Committee on the performance of its functions. Likewise, the Audit and Compliance Committee shall inform the Board of Directors in advance of any internal rules, procedures or programmes for the control of regulatory compliance risks that the internal body responsible for regulatory compliance functions proposes or approves within the framework of its powers.

- (ii) Overseeing the implementation of the general policy on economic-financial,

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non-financial and corporate disclosures, as well as communication with shareholders and investors, proxy advisors and other stakeholders, including small and medium-sized shareholders;

- (iii) Periodically assess and review the Company's corporate governance system, and the policy of corporate responsibility and sustainability in environmental and social matters of the Company in order to fulfil its mission of promoting the corporate interest and take into account, as appropriate, the legitimate interests of the other stakeholders;
- (iv) Oversee that the Company's environmental and social practices are in line with the strategy and policy.

The corporate responsibility and sustainability policy on environmental and social matters shall identify and include at least: (a) the principles, commitments, objectives and strategy with regard to shareholders, employees, customers, suppliers, social issues, environment, diversity, fiscal responsibility, respect for human rights and prevention of corruption and other illegal conduct; (b) the methods or systems for monitoring compliance with the policies, associated risks and their management; (c) mechanisms for monitoring non-financial risk, including those related to ethical and business conduct issues; (d) channels of communication, engagement and dialogue with stakeholders; and (e) responsible communication practices that avoid manipulation of information and protect integrity and honour; and (f) the procedures for the management of the company's reputation;

- (v) Supervise and evaluate the processes of relations with the different stakeholders.

The report, if any, issued by the Audit and Compliance Committee on the social responsibility and sustainability policy shall be published on the Company's website sufficiently in advance of the Ordinary General Meeting..

V.- Meetings

During 2020, the Audit and Compliance Committee has met six (6) times, which are detailed as follows, listing the issues discussed in each:

1.- Meeting held on February 26th, 2020.

This meeting was attended by the 5 members of the Audit and Compliance Committee, and attended by the Corporate General Manager, the Director of Internal Audit and the team of external auditors of "DELOITTE, S.L"

The topics discussed at that meeting were as follows:

- 1) Proposal for the formulation of the Annual Accounts of the Company, both Individual and Consolidated, for the financial year 2019, including the Management Report.

- 2) Statement of Non-Financial Information 2019
- 3) Report on the independence of the external auditor. Authorisation of transactions
- 4) Annual Corporate Governance Report 2019.
- 5) Annual Activity Report of the Committee 2019.
- 6) Report on Related-Party Transactions 2019.
- 7) Internal Audit Activity Report:
 - Risk Map 2020.
 - Monitoring of the effectiveness of internal control over financial reporting (ICFR) and results of the review of Law 262 (Italy).
 - Annual Activity Report of the Compliance and Crime Prevention Unit.
 - Tax planning and strategy 2020.
- 8) Questions and Answers.
- 9) Drafting and, if appropriate, approval of the Minutes of the Meeting.

2.- Meeting held on 26th May 2020.

This meeting was attended by the 5 members of the Audit and Compliance Committee, and attended by the Corporate General Manager and the Director of Internal Audit. The topics discussed at that meeting were as follows:

- 1) Proposal of the Financial Statements for the first quarter of the financial year 2020 for the purposes of their approval by the Board of Directors and subsequent communication to the CNMV (National Securities Market Commission).
- 2) Activity Report of the Internal Audit Department.
- 3) Related-party transactions.
- 4) Compliance and Crime Prevention Unit.
- 5) Risk Indicator Report
- 6) Questions and Answers.
- 7) Drafting and, if appropriate, approval of the Minutes of the Meeting.

3.- Meeting held on 26th July 2020.

This meeting was attended by the 5 members of the Audit and Compliance Committee, and attended by the Corporate General Manager, the Director of Internal Audit and the team of external auditors of "DELOITTE" The topics discussed at that meeting were as follows:

- 1) Strategic Risk Reassessment Report 2020.
- 2) Report of the Compliance and Crime Prevention Unit.

3.- Meeting held on 2nd September 2020.

This meeting was attended by the 5 members of the Audit and Compliance Committee, and attended by the Corporate General Manager, The CFO, the Director of Internal Audit and the team of external auditors of "DELOITTE" The topics discussed at that meeting were as follows:

- 1) Proposal of the Financial Statements for the first half of the financial year 2020 for the purposes of their approval by the Board of Directors and subsequent communication to the CNMV (National Securities Market Commission).
- 2) Activity Report of the Internal Audit Department
- 3) Monitoring of the effectiveness of internal control over financial reporting (ICFR) and results of the review of Law 262 (Italy).
- 4) Report on Related Party Transactions.
- 5) Questions and Answers.
- 6) Drafting and, if appropriate, approval of the Minutes of the Meeting.

4.- Meeting held on 28th October 2020.

This meeting was attended by the 5 members of the Audit and Compliance Committee, and attended by the Corporate General Manager and the Director of Internal Audit. The topics discussed at that meeting were as follows:

- 1) Proposal of the Financial Statements for the third quarter of the financial year 2020 for the purposes of their approval by the Board of Directors and subsequent communication to the CNMV (National Securities Market Commission).

- 2) Activity Report of the Internal Audit Department.
- 3) Monitoring of the risk map.
- 4) Information on related-party transactions at 30 September 2020.
- 5) Activity Report of the Compliance and Crime Prevention Unit.
- 6) Questions and Answers.
- 7) Drafting and, if appropriate, approval of the Minutes of the Meeting.

5.- Meeting held on 22nd December 2020.

This meeting was attended by the 5 members of the Audit and Compliance Committee, and attended by the Corporate General Manager, the CFO, the Director of Internal Audit and the team of external auditors of "DELOITTE" The topics discussed at that meeting were as follows:

- 1) Presentation by the External Auditors (Deloitte) of their work in the preliminary phase.
- 2) Annual Activity Report of the Audit and Compliance Committee for the financial year 2020.
- 3) Proposal of the Activity Plan of the Audit and Compliance Committee for the financial year 2021.
- 4) Activity Report of the Internal Audit Department. Approval of the 2021 Internal Audit Plan.
- 5) 2021 Risk Map: presentation of the 2021 strategic objectives.
- 6) Questions and answers.
- 7) Drafting and, if appropriate, approval of the minutes of the meeting.

VI.- Activity Report:

For a better understanding of the activities undertaken by the Audit and Compliance Committee during 2019, it has been grouped into five categories:

- A. Financial-economic information
- B. External Audit
- C. Internal Audit - Annual Plan
- D. Corporate Governance Regulations
- E. Risk Control.
- F. Compliance and Prevention System
- G. Other

A. Información económico-financiera.

Mediaset España's Audit and Compliance Committee has verified the following information during 2020:

- ✓ On a quarterly basis the Committee verified the financial information previously proposed to the Board for submission to the National Stock Market Commission (CNMV).
- ✓ This periodic financial information, together with the relevant facts communicated to the National Stock Market Commission (CNMV), are also available on the corporate website <https://www.mediaset.es/inversores/es/>
- ✓ Supervise that Mediaset España and its Group's Consolidated Annual Accounts are presented under International Accounting Standards (IASs) approved by the European Union.
- ✓ The Committee has not issued opinions on management's proposals to modify accounting principles and criteria, as the formulation of Mediaset España and its Group's financial statements complies with current regulations.
- ✓ The Committee has analysed the Internal Control System of Financial Reporting (ICFR) in accordance with the requirements of Italian Law 262.

B. External Audit.

- ✓ The Audit Committee proposed to the Board of Directors the election of the firm "DELOITTE, SL" as auditors of "MEDIASET ESPAÑA COMUNICACIÓN, SA" and its Consolidated Group of Companies, for 2020".
- ✓ The Internal Audit and Compliance Committee have been duly informed by the auditor of Mediaset España and its Group, of the audit's progress. In this sense, there have been several meetings with the audit team in which they have informed them of the status of their work.
- ✓ Mediaset España and its subsidiaries Audit Report on the individual and consolidated annual accounts was issued without qualifications.
- ✓ In view of the above, the Committee proposed to the Board the formulation of Mediaset España's individual and consolidated annual accounts, together with the corresponding audit reports.
- ✓ Meetings with the auditors have also been held prior to the Board of Directors approval of the interim financial accounts.
- ✓ The fees incurred with DELOITTE,S.L. during the financial year 2020 amounted to 347 thousand euros, of which those corresponding to the audit of the individual and consolidated annual accounts of Mediaset España Comunicación, S.A. amounted to 104 thousand euros, 137 thousand euros to the audits of the annual accounts of 10

of the subsidiaries fully consolidated by the Group and 63 thousand euros for the limited review of the Group's Interim Financial Statements at 30 June 2020.

The fees agreed by Mediaset España in 2020 for services other than auditing amounted to Euros 43 thousand, representing 12% of the total amount invoiced by the audit firm, as follows:

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-	ISAE 3000 - Annual Corporate Governance Report	€2,000.
-	ISAE 3000 - Report on Directors' Remuneration	€2,500.
-	ICFR Report - Section F Annual Corporate Governance Report	€7,000.
-	Agreed Procedures Report - 5% Cine Revenue 2018	€4,000.
-	ISAE 3000 - Report on the Statement of Non-Financial Information	€27,400.

C. Internal Audit - Annual Plan

1. The Committee is responsible for overseeing the operation of the Internal Audit Department to ensure that the internal control of Mediaset España and its Group of companies is properly managed.

Continuous contact has been maintained with the Department Director and the Committee has been regularly informed of the work that has been done. In this regard:

- ✓ The Committee has approved the 2021 Annual Plan of activities, without any recommendation.
- ✓ The Committee held meetings with the Internal Audit Department's Director on a quarterly basis regarding the development of the Activities Plan for 2020 and the degree of compliance with its recommendations.
- ✓ The management of the internal audit department has reported to the Committee on risk control devices

2. The Internal Audit Department's Annual Plan of activities in 2020 is as follows:

MEDIASET ESPAÑA PLANNING INTERNAL AUDIT 2020

PROJECTS 1st Quarter

- 1 Internal Control System Review Financial Information (LAW 262 (annual))
- 2 Risk Map 2020 (including fiscal and non-financial)
- 3 Project Parrilla Review
- 4 Audit of Intangible and Tangible Assets
- 5 COVID-19 Review of Impact on Mediaset Group (NEW)
- 6 Review of the implementation of audit recommendations of previous work

MEDIASET ESPAÑA

PLANNING INTERNAL AUDIT 2020

PROJECTS 2nd Quarter

- 1 Reassessment of the Risk Map 2020
- 2 Audit of Intangible and Tangible Assets
- 3 Audit of the Incident Management
- 4 Economic expert report CNMC dossier
- 5 COVID-19 Review of the Impact on the Mediaset Group
- 6 Review of the implementation of audit recommendations of previous work
- 7 Review of the Parrilla Project
- 8 Cybersecurity (Remote working, Awareness, Continuity Plan, etc.)
- 9 Audit of the Advertising Sales-Invoicing-Collection Process (Publiespaña)

MEDIASET ESPAÑA

PLANNING INTERNAL AUDIT 2020

PROJECTS 3rd Quarter

- 1 MPDD Internal Audit (Crime Prevention and Detection Model).
- 2 Review of the Internal Control Financial Information System (LEY 262 (half-yearly)).
- 3 Monitoring of the ERM of the Mediaset España Group.
- 4 Due Diligence Be a Lion (NEW)
- 5 Due Diligence KM 77 (NEW)
- 6 Audit of the Communications and External Relations Division (NEW)
- 7 Promos Audit (NEW)
- 8 Parrilla Project Review
- 9 COVID-19 Mediaset Group Impact Review
- 10 Audit of Advertising Sales-Invoicing-Collections Process (Publiespaña).
- 11 Cybersecurity (Remote working, Awareness, Continuity Plan, etc.)
- 12 ISO 45001 Certification Compliance Audit (Prevention of Occupational Risks)
- 13 Review of implementation of audit recommendations from previous work
- 14 Update of procedures and processes for the adequacy of segregation

MEDIASET ESPAÑA

PLANNING INTERNAL AUDIT 2020

PROJECTS 4th Quarter

- 1 Monitoring of the ERM of the Mediaset España Group
- 2 Compliance Audit of the UNE 19601 certification (Criminal Compliance Management System)
- 3 COVID-19 Review of the Impact on the Mediaset Group
- 4 Cybersecurity (Remote working, Awareness, Continuity Plan, etc.)
- 5 ISO 45001 Certification Compliance Audit (Prevention of Occupational Risks)
- 6 Data Protection Audit (RGPD+Organic Law)
- 7 Review of the Parrilla Project
- 8 Audit of the Advertising Sales-Invoicing-Collections Process (Publiespaña)
- 9 Audit of Unauthorised Charges in bank accounts. (NEW)
- 10 Review of implementation of audit recommendations from previous work.

The Audit and Compliance Committee has followed up on the audit recommendations reflected in all the work of the Internal Audit Department and the results are as follows:

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Recommendations Summary	2017	2018	2019	2020
Total Recommendations	54	55	108	85
Introduced	50	54	97	54
Degree of progress	93%	98%	90%	64%

D. Rules of Corporate Governance

- The Committee has approved the Annual Corporate Governance Report which was submitted to the Board, approved by a majority and subsequently communicated to the National Stock Market Commission (CNMV) and made available to shareholders.

The Annual Report was prepared in accordance with the provisions of article 540 of the Capital Companies Law, Order ECC / 461/2013, of March 20 and Circular 5/2013 of June 12 of the National Market Commission of Securities modified by Circular 7/2015, of December 22, of said Commission.

- Communications of relevant facts to the National Stock Market Commission (CNMV) have been made on time and correctly. A channel of communication has also been established with Mediaset España's institutional investors through the website and the Investor Relations Department.
- The Committee has analysed all related party transactions carried out by the Mediaset España Group's companies that were outside the ordinary course of trade or their respective activity, either for qualitative or quantitative reasons.
- The Committee has monitored the changes made in the Company's governance rules: the Board of Directors Regulations and the Audit and Compliance Committee Regulations.
- The Committee has continued with the implementation of the Crime Prevention Model and has approved all the reports submitted by the Compliance and Prevention Unit on the monitoring of actions in this area and the implementation of the recommendations proposed by AENOR (the model's certifying body) and BDO (the external consultancy firm that draws up the model's internal audit report).

E. Risk Control.

The Risk Management System implemented by Mediaset España Comunicación, S.A. (The "RMS" hereinafter) covers a series of processes and procedures developed internally in order to provide reasonable assurance of achieving the Group's objectives.

The RMS, based on the Enterprise Risk Management (ERM) framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO II), whose main objective is to provide the highest level of security, safety and transparency to our shareholders, to the various regulatory bodies National Stock Market Commission and the Spanish Competition and Markets Authority (CNMV, CNMC, etc.), to other stakeholders and, in general, the financial markets, and increase the company's value creation through proper risk management and leveraging

opportunities that arise.

The RMS allows for the evaluation (in Euros) of the impact of each risk identified and which could potentially affect the Group's companies, its probability of materialisation and degree of control over each of them.

The Integral Management of Corporate Risk Policy is part of the said System and represents the framework on which the Integral Management of Corporate Risk Model (ERM) is based, which has the following principles:

- Ensure the effectiveness and efficiency of operations.
- Protect the assets owned by the Group.
- Ensure the reliability and integrity of financial information.
- Comply with the laws, regulations and applicable contracts.

With regards to the management bodies of Mediaset España Comunicación, S.A, the Board of Directors has been assigned the task of identifying the Group's main risks as well as implementing and following up on the information and internal control systems and suitable information. The Board of Directors of Mediaset España Comunicación, S.A is responsible for taking appropriate measures to reasonably ensure the implementation, maintenance and monitoring of an adequate internal control system, as well as the development of improvements to that system.

During 2020 the Audit Committee has reviewed the updated risk map of the company in which it has included tax and criminal, financial and non-financial risks. Special attention has been paid to all risks that could have been affected by the consequences of the Covid-19 pandemic.

Additionally, one of the Audit and Compliance Committee's fundamental responsibilities is to know, check and monitor the adequacy and integrity of the financial information preparation processes and risk management systems.

The Internal Audit Management is responsible for:

- promoting and supporting risk management;
- guaranteeing the Board of Directors the effective supervision of the Internal Control System, through the exercise of an independent and objective corporate function of assurance and consultation designed to add value and improve Mediaset España's operations;
- evaluate, control and monitor the business risks identified and managed by each of the different areas and departments of the companies of the Mediaset España Group;
- Supervising and coordinating activities related to IT security and to continuously develop and review the internal procedures in risk areas.

As a tool for carrying out these functions, the Internal Audit Department prepares the Annual Audit Plan based on the evaluation of the risks and suggestions received from both the Audit and Compliance Committee, and the various General Managements. This plan is presented for discussion and approval to the Audit Committee and Compliance.

In this Plan, the Internal Audit Management specifies:

- The Internal Audit Department's annual objectives.
- List of activities to be carried out (review procedures, compliance audits, development of procedures, special assignments, etc.)
- The calendar for when these activities will take place.
- Work teams assigned to each activity.
- Number of hours scheduled for each job and total number of hours of the Plan.
- Estimated budget for the cost of carrying out the Annual Audit Plan.

In relation to the time dedicated by the Internal Audit Department during 2020, 66.7% of the hours were dedicated to carrying out operational and compliance audits, 15.5% of the hours were dedicated to consultancy work, 9.8% to risk assessment and review and 8% to training.

In support of the audit of the annual accounts of Mediaset España Comunicación, S.A., during the second half of the year, the Internal Audit Department and a team of specialists from the external audit firm Deloitte carried out a review of the control environment and the security of the information systems related to the financial processes and the computer applications that support them. During this work, the level of control and the security processes applied for each of the business cycles were reviewed.

On the other hand, in addition to the controls established in each of the processes related to financial reporting and operational procedures, the Mediaset España Group has the following control units, as well as the Internal Audit Department:

- The Risk Committee, formed by the General Managers of Mediaset España Comunicación, Publiespaña and Publimedia Gestión and the Internal Audit Director, is a forum for common responses to the needs of management regarding risks, taking advantage of the synergies that may exist to efficiently carry out the minimization and control of the Group's risks. It facilitates the implementation of procedures that involve various General Managers and helps them in the daily operations of risk management. Finally, the Risk Committee is responsible for communicating to the Internal Audit Department, the need for procedures to satisfy the Risk control in its unit. The Risk Committee met 45 times during the 2020 financial year.
- The Control Units dependent on the General Operations' Management, carrying out controls related to budget management, expenses, meeting objectives and performance.
- The Purchases and Sales Committee supervises purchase transactions whose amount exceeds 20,000 euros. During 2020 the Committee met on 47 occasions.
- The IT Security Department conduct audits and periodic controls on existing systems and IT applications in Mediaset España's Group of companies.
- The Compliance and Prevention Unit, under the Audit and Compliance Committee and

is formed by the Corporate General Director, the General Director of Management and Operations, Publiespaña's General Director and the General Director of Contents. The Internal Audit Director acts as Secretary of the same. Amongst its functions are the obligations related to the prevention of crimes and fraud Policy, the obligations related to the Code of Ethics and the obligations related to the Internal Code of Conduct in the Stock Markets. During 2020 the Committee met on 5 occasions.

During 2020 the following risks affecting the Company and / or its group have materialized:

- a) Adverse 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. The crisis caused by the COVID-19 pandemic has led to a sharp economic downturn in Spain and therefore a sharp decline in advertising investment.
- b) Inherent risks of the audiovisual business due to the fragmentation of the market with the numerous free-to-air channels, or due to the weak performance of advertising investment in 2020 compared to 2019, have been very well controlled by the high reaction capacity of the company in relation to cost containment.
- c) Reputational risk: During 2020 Mediaset España has managed to maintain a satisfactory level of impact of its brands on viewers.
- d) The incidents that occurred in 2020 due to digital security breaches were not significant.
- e) Litigation and disputes in 2020 were not material. The most significant ones are described in the notes to the financial statements.
- f) No tax risks materialised in 2020.

F. Compliance and Prevention System.

The Compliance and Prevention Unit was set up by the Audit and Compliance Committee of Mediaset España Comunicación, SA, at a meeting held on December 21, 2016. It is composed of the Corporate General Manager, the General Director of Management and Operations, the General Manager of Publiespaña and the General Director of Content. The Director of Internal Audit will act as Secretary of the same.

Its main functions are those listed below, with an enunciative and non-limiting character:

- a) Powers related to the Policy for the prevention of crimes and against fraud:
 - (i) Definition and updating of the criminal risk map. Annual supervision of the model according to the "Supervision Plan of the Crime Prevention and Detection Model" that the Mediaset Group has prepared for this purpose.
 - (ii) Establishment and updating of the necessary controls for the prevention and detection of criminal behaviour in the organisation of the Company.
 - (iii) Design of training plans regarding criminal liability, aimed at executives and

employees of the Company.

- (iv) Advise Company executives in making decisions that could have consequences of criminal liability.
- (v) Organise and control a repository of documentary evidence about existing controls.
- (vi) Management of the whistleblowing channel and internal investigations..

b) Powers related to the Code of Ethics:

- (i) Promote dissemination, knowledge and compliance with the Code of Ethics, promoting training and communication actions that it deems appropriate.
- (ii) Oversee and coordinate the application of the Code of Ethics by the different Group companies.
- (iii) Evaluate annually the degree of compliance with the Code of Ethics.
- (iv) Inform the competent government bodies about compliance with the Code of Ethics.
- (v) Approve procedures and action protocols in order to ensure compliance with the Code of Ethics.

c) Powers related to the Internal Code of Conduct in the Securities Markets:

- (i) Ensure compliance with the Internal Code of Conduct by executing the functions assigned by it to this Unit.

The Compliance and Prevention Unit met 5 times during 2020. This Unit presented its Annual Report to the Audit Committee, summarising all the actions and tests carried out on the general and specific controls in place at Mediaset España to mitigate the crimes that most affect the Group in terms of risk. The Audit Committee approved the contents of the annual report prepared by the Compliance and Prevention Unit.

In 2020 Mediaset completed the adaptation of its criminal compliance model to the UNE 19601 standard and obtained final certification from AENOR in January of that year.

VII. Functioning of the Shareholders General Meeting.

During the 2020 financial year, two General Shareholders' Meetings were held on the following dates

1.- Ordinary General Shareholders' Meeting held on 5th February 2020, at 12:00 p.m., at first call, with the attendance of 753 shareholders present and 958 shareholders represented, all of them holding 229,707,625 shares, representing 70.154 % of the share capital of the Company.

Prior to the meeting, the notice of meeting was published sufficiently in advance, together with the agenda and the proposed corporate resolutions, previously approved by the Board of Directors. From the moment the meeting was convened, all the documentation relating to the meeting was made available to the shareholders.

The following resolutions were passed by majority:

First.- Amendment of certain points of the proposed articles of association of the acquiring company (Mediaset Investment, N.V.), of the "Terms and Conditions of the Special Voting Shares", of the "Terms and Conditions for the Initial Allotment of the Special Voting Shares A - Mediaset" and of the "Terms and Conditions for the Initial Allotment of the Special Voting Shares A - Mediaset España", all of which were approved by the extraordinary general shareholders' meeting of the Company on 4 September 2019 as part of the documentation attached to the cross-border merger agreement of Mediaset España Comunicación, S.A., Mediaset, S.p.A., and Mediaset Investment N.V., as well as the information regarding the composition of the board of the absorbing company contained in such agreement.

Second.- Delegation of powers.

2.- Extraordinary General Shareholders' Meeting held on 10th June 2020, at 12:00 noon on single call, with the attendance of 608 shareholders present and 859 shareholders represented, all of them holding 238,104,561 shares, excluding treasury shares, representing 72.718% of the share capital of the Company.

Prior to the meeting, the notice of meeting, together with the agenda and the proposed resolutions previously approved by the Board of Directors, were published sufficiently in advance. From the moment the meeting was convened, all the documentation relating to the meeting was made available to the shareholders.

The following resolutions were approved by majority:

First.- Examination and approval of the annual accounts, both the individual accounts of Mediaset España Comunicación, S.A. and the consolidated accounts of its group of companies, for the year ended 31 December 2019.

Second.- Examination and approval of the statement of non-financial information of Mediaset España Comunicación, S.A. and its consolidated group for the year ended 31 December 2019.

Third.- Examination and approval of the proposed application of the result obtained in the financial year 2019.

Fourth.- Examination and approval of the management and performance of the board of directors during the 2019 financial year.

Fifth.- Maintenance of the number of directors at 13.

Sixth.- Authorisation for directors with executive functions and senior management to receive part of the variable remuneration accrued in the 2019 financial year in the form of shares in the Company.

Seventh.- Appointment of the auditors of both Mediaset España Comunicación, S.A. and of its consolidated group of companies.

Eighth.- Consultative vote on the "Annual Report on Directors' Remuneration 2019" of Mediaset España Comunicación, S.A.

Ninth.- Delegation of powers to formalise, interpret, correct and execute the foregoing resolutions, as well as to substitute the powers that the board of directors receives from the General Meeting.

VIII.- Functioning of the Board of Directors.

The Board of Directors met seven (13) times, with a very high attendance of its members. All meetings were chaired by its Chairman and, the General Operations 'Manager, who is also a member of Board of Directors attended.

The call, preparation of the Agenda and provision of information have been made according to the rules established in the Articles of Association and the Board of Directors Regulations.

As for the other decision-making bodies, the Executive Committee met on two (2) occasions and the Appointments and Remuneration Committee met on four (4) occasions, in both cases with the attendance of the majority of its members; minutes were taken of all meetings.

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