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APPENDIX I

Model and statistics of the Annual Report on Remuneration of Directors of Circular 4/2013, of the Spanish National Securities Market Commission

MODEL ANNEX I ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED CORPORATIONS.

THE ISSUER'S IDENTIFYING DATA

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Corporate Name PROMOTORA DE INFORMACIONES, S.A.

Registered Office: GRAN VÍA 32 - 28013 Madrid

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED CORPORATIONS.

BACKGROUND (FOR A BETTER UNDERSTANDING OF THE REPORT):

- i. Changes in the organisation chart of Grupo PRISA, in the structure of the Board of Directors and adaptation of the Directors' Remuneration Policy, in fiscal year 2021.

This remuneration report refers to the company PROMOTORA DE INFORMACIONES, S.A. (hereinafter referred to as "**PRISA**" or the "**Company**"). The business group of which PRISA is the parent company shall be referred to as the "**Group**" or "**PRISA Group**".

PRISA's Extraordinary Shareholders' Meeting held on 18 December 2020 approved a Remuneration Policy for PRISA directors applicable for the 2020 and 2021 financial years ("2020/2021 Remuneration Policy"). Said text provided for the remuneration of a single executive director in the Company (who at that time was its CEO and first executive, Mr. Manuel Mirat Santiago).

Subsequently, in March 2021, PRISA's Board of Directors approved a new organisational chart with a view to implementing the operations of the Group's Education (Santillana) and Media (Radio and News) businesses, accelerating the advancement of Santillana and establishing the basis for creating PRISA Media (the new business unit that unifies the Group's Radio and News businesses). In view of the new organisational chart, it was decided that PRISA should evolve from having a sole executive director (the CEO) to having two executive directors, one as head and Executive Chairman of Education (Santillana) and the other as head and Executive Chairman of PRISA Media, resulting in the following:

- Mr. Carlos Nuñez Murias was appointed Executive Chairman of PRISA Media (in May 2021) and executive director of PRISA (by resolution passed at PRISA shareholders meeting in June 2021) and,
- Mr. Manuel Mirat Santiago assumed the Executive chairmanship of Santillana and resigned as CEO of PRISA, with effect from the holding of the aforementioned shareholders' meeting in June 2021.

In this context, it was necessary to adapt the 2020/2021 Remuneration Policy to the new organisation chart of the PRISA Group derived from the operating division of the Education and Media businesses, which contemplated two executive directors with the right to remuneration for the performance of executive functions in the scope of the respective businesses.

At the Ordinary Shareholders' Meeting held in June 2021, the following resolutions were adopted at the proposal of the Board of Directors and following a report from the Appointments, Remuneration and Corporate Governance Committee ("**ARCGC**"):

- a) As already indicated, the re-election and appointment, respectively, of Mr. Manuel Mirat Santiago and Mr. Carlos Nuñez Murias, as directors of

PRISA, with the category of executives. Likewise, it was also resolved the appointment of a new proprietary director, Ms. Carmen Fernández de Alarcón, so increasing the number of PRISA directors from 12 to 14.

After the shareholders meeting, the appointment of Mr. Manuel Mirat Santiago as Executive Chairman of Santillana became effective, as well as his resignation as PRISA's CEO.

Thus it was implemented the new organisation of Grupo PRISA's two business areas (Education and Media) headed respectively by Mr. Manuel Mirat and Mr. Carlos Nuñez, who likewise will serve as executive directors of PRISA.

- b) Approval of a new director remuneration policy, applicable for the years 2021, 2022 and 2023 ("**2021/2023 Remuneration Policy**" "**Remuneration Policy**" or the "**Policy**").

With respect to the 2021 financial year, this Remuneration Policy superseded and replaced the text of the 2020/2021 Remuneration Policy, without prejudice to the remuneration accrued under said remuneration policy, which remained valid.

Subsequently, in July 2021 the Board of Directors approved the succession to Santillana's chairmanship and Mr. Manuel Mirat was replaced by Mr. Francisco Cuadrado as Santillana's executive chairman. Likewise, Mr. Mirat resigned as executive director of Prisa and the Board of Directors appointed, by co-option, Mr. Cuadrado, as an executive director of Prisa.

On the other hand, during the 2021 financial year Mr. Javier de Jaime (in February 2021) and Mr. Dominique D'Hinnin (in November 2021) resigned as directors of PRISA, having been replaced by the independent directors Ms. José Marín and D^a Teresa Quirós, respectively.

ii. Crisis caused by the Covid-19 pandemic:

At the beginning of the COVID-19 crisis (first quarter of 2020) and in order to mitigate the negative impact of the current situation which has an special effect on the main sources of income generation of all kind of media, the Board of resolved to put in place a contingency plan to adequate the cost structures of the businesses to the foreseeable circumstances which gave rise to a series of measures in 2020 and 2021:

- Fiscal year 2020: In fiscal year 2020 a reduction was applied from April to December 2020, both inclusive, of 20% in the directors remuneration and around 35% in the annual remuneration of the then Chief Executive Officer and the Senior Management. Also, the Chief Executive Officer and senior managers of PRISA voluntarily decided to waive the part of their annual variable remuneration pegged to quantitative objectives for 2020. Subsequently, in January 2021, Mr. Mirat also waived the portion of the annual variable remuneration for the 2020 fiscal year corresponding to

qualitative objectives, thus voluntarily waiving the total annual variable remuneration to which he may be entitled in the 2020 fiscal year.

- Fiscal year 2021: With the pandemic still rampant and no return yet foreseen to sufficient revenue levels, at the beginning of fiscal year 2021, new temporary interim measures were adopted to contribute to dealing with this complicated scenario and it was proposed to all employees with annual gross remuneration of €85,000 or higher, a temporary salary reduction (of 10% of the fixed remuneration) during 2021, including the then Chief Executive Officer. Likewise it was applied a 20% reduction in the remuneration of the non executive Board members during the same time period (although this would not affect of the remuneration of the non-executive Chairman, whose remuneration has already been cut by 50%, from €400,000 to €200,000 in December 2020).

As it will be explained in this report, certain contingency measures will continue to be applied in 2022 that will affect the remuneration of non-executive directors.

iii. Previous contractual relations with Grupo PRISA of the executive director Mr. Francisco Cuadrado:

Prior to assuming the position of Executive Chairman of Santillana and executive director of Prisa (July 2021), Mr. Cuadrado has provided his services to different companies of the Santillana division, within the PRISA Group, with which he has been linked by contractual relationships of different nature since October 1989.

At the time of signing his contract as Executive Chairman of Santillana, an agreement was executed to terminate the legal relationships that were in force or suspended between Mr. Cuadrado and Santillana.

iv. Situation at the close of fiscal year 2021 and at the date of approval of this report:

The two executive directors of PRISA are Mr. Carlos Nuñez (Executive Chairman of Prisa Media) and Mr. Francisco Cuadrado (Executive Chairman of Santillana), who have signed services agreements with the companies PRISA Media, S.L. and Grupo Santillana Educación Global, S.L.U., respectively. This report will refer to them jointly as the "**Executive Directors**" and individually as "**Executive Director of PRISA Media**" and "**Executive Director of Santillana**", as appropriate.

At the date of approval of this annual report on remuneration of directors for 2021 (the "**Report**" or "**Annual Report on Remuneration**") PRISA'S Board of Directors has 14 members: 2 Executive Directors, 6 proprietary directors and 6 independent directors.

Likewise, the Board of Directors has the following committees: an Executive Committee, an Audit, Risk and Compliance Committee, the ARCGC and a Sustainability Committee (which has been recently established by resolution of the Board of Directors meeting held in February 2022) .

A. THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT YEAR (2022)

A.1.1. Explain the directors' remuneration policy in force in the current fiscal year. To the extent that it is relevant, certain information may be included by reference to the remuneration policy approved by the General Shareholders' Meeting, provided the inclusion thereof is clear, specific and exact.

A description should be given of the specific determinations, for the current fiscal year, of the remuneration of the directors in their capacity as such for the performance of executive functions, made by the Board of Directors both in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting.

In any case, at least the following aspects shall be reported:

- a) Description of the company's procedures and bodies involved in the determination and approval of the remuneration policy and its terms and conditions.*
- b) Indicate and, as appropriate, explain whether comparable companies have been taken into account to establish the company's remuneration policy.*
- c) Information on whether any external advisor has participated and, if so, the identity thereof.*
- d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.*

A.1.1.1. Directors' remuneration policy in force in the current fiscal year

A.1.1.1.1. "Remuneration Policy 2021/2023":

As indicated in the "Background" section above, the Ordinary Shareholders' Meeting held on 29 June 2021 approved the Directors' Remuneration Policy applicable for fiscal years 2021, 2022 and 2023.

In accordance with the provisions of article 529 novodecies of the consolidated text of the Spanish Companies Act (the "**Spanish Companies Act**"), a reasoned proposal from the Board and the ARCGC report on the new Remuneration Policy were made available to the shareholders. The documents are available on the corporate website www.prisa.com.

The purpose of the updates to the text of the remuneration policy basically was to:

- i. Adapt the Remuneration Policy to the Group's new organisational structure derived from the planned operational division of the PRISA's Education and Media businesses, which provides for two executive directors with the right to remuneration for the performance of executive functions in the area of their respective businesses.

- ii. Remove from the text of the policy certain remuneration items whose duration had expired, and which are therefore no longer applicable;
- iii. Taking into account the prevailing socioeconomic circumstances as well as the specific circumstances of the Company in particular, it was considered appropriate for the Non-executive Chairman's remuneration range (which was between 300,000 and 500,000 euros per annum until December 2020) to be reduced down to a range between 200,000 and 300,000 euros per annum.
- iv. Introduce new medium-term incentive plans targeted at certain key professionals in the Company and its Group to compensate the extraordinary efforts needed to achieve the value creation objectives set for the Group's Education and Media businesses and recognise the value created by the participants for PRISA and its shareholders.
- v. Provide the market with more certainty on the remuneration policy that the Company will apply in 2022 and 2023.
- vi. To introduce the legislative amendments approved by virtue of Act 5/2021 of 12 April 2021 (which amended the consolidated text of the Spanish Companies Act and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies) that affect the content and form of the remuneration policy of listed companies.

The Remuneration policy 2021/2023 aims to keep the remuneration structure of the members of the Board of Directors in line with the Group's general strategy, thus promoting a system of effective incentives that guarantees results-orientation, implementation of the Group's strategic plan and the creation of value for shareholders in a way that is sustainable in the medium and long term, while contributing to the interests of the Group and the long-term sustainability of the Company.

In short, the 2021/2023 Remuneration Policy provides continuity from the Company's remuneration policy applicable in recent years, but adapting it to the Company's new circumstances and organisational structure, as well as new regulations.

A.1.1.1.2. General principles of the Remuneration Policy:

The general principle of the PRISA Remuneration Policy is for the remuneration to be what is needed to attract, retain and motivate distinguished directors with appropriate professional profiles who contribute to reaching the strategic objectives of PRISA Group. Specifically, PRISA Remuneration Policy is based on the following principles:

- i. Moderation and adaptation to the best market practices: The aim is for the remuneration of directors to be moderate and consistent with market trends and references in relation to remuneration in the Company's sector of business or at companies that are comparable in terms of size, activity

or their structure, so that they are in keeping with the best market practices.

- ii. Proportionality: The remuneration of non-executive directors must reflect the effective dedication, qualification and responsibility required by the post, but must not be so high as to compromise the director's independence of mind.
- iii. In addition, the remuneration of the directors who perform executive functions is based on the following principles:
 - a) To motivate their permanence and guide their management with exigency and special focus on the long term, and is reasonably linked to the performance of the stock market price in that time period.
 - b) To reflect the Company's current situation, perspectives and aims of sustainable growth. The remuneration system established is aimed at promoting profitability and sustainability at the Company on the long term.
 - c) To include fixed and variable components, with an annual or multi-year scope, as appropriate, in cash and in kind, and in elements indexed to share value or to the value of the Group's business, determined according to the following criteria, in order for the weighting of the different remuneration components to be in line with market practices:
 - The fixed remuneration must be kept at moderate levels and is not modified during the term of the Policy, unless specific circumstances arise which making revising the Policy advisable.
 - Variable remuneration must represent an important part of total remuneration.
 - Medium-term remuneration must have a significant weight.
 - The share-based remuneration must also be significant, but without being the only criterion to define the variable remuneration.
 - The total variable remuneration must be partially deferred over time.
 - d) To include in their contracts a clause that enables the Company to claim back any variable remuneration paid, in the event it is subsequently verified, on an objective basis, that said remuneration was determined based on incorrect or inaccurate data.

- iv. Restrictions on the transfer of the shares that the directors may receive as part of their remuneration package: The Policy establishes that non-executive directors may receive shares in payment for their fixed remuneration and, in that case, they have the obligation to maintain the ownership of those shares until their relationship as director is terminated. Moreover, the executive directors who receive Company shares in payment for their remuneration shall have the obligation to maintain the ownership of those shares for at least three years since the allocation of those shares. An exception to the above is made for situations where, at the time of transfer or exercise, the director has a net economic exposure to share price fluctuations for a market value equivalent to two times or more the director's annual fixed remuneration through ownership of shares, options or other financial instruments. Other cases expressly provided for in the Policy are also exempted from the above.

These exceptions shall not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable opinion of the ARCGC, to meet extraordinary situations that so require.

- v. Long-term sustainability of the Company: remuneration for board members established in the Remuneration Policy will remain reasonably proportionate to the relevance of the Company, its current economic and financial situation and to the market standards of comparable businesses. Additionally, the remuneration system will be oriented to promote long-term profitability and sustainability of the Company, including the necessary precautions to avoid assuming excessive risks and to prevent compensating unfavourable result.
- vi. Alignment with the business strategy: the Remuneration Policy aims to establish remuneration with objective criteria in relation to the individual performance of the members of the Board of Directors and the achievement of the Company's and the Group's business objectives. For this purpose, variable annual components are foreseen, linked to the achievement of specific, predetermined, quantifiable objectives aligned with the Company's corporate interest and strategic objectives. In addition, medium and long-term incentives are foreseen to strengthen and encourage the achievement of the Company's strategic objectives (based on the operational separation of the Education ("Santillana") and Media ("PRISA Media") businesses and the enhancement of the value of Santillana).

In the preparation of the Remuneration Policy and in the determination of the remuneration scheme and other terms and conditions of remuneration of directors and senior management, the Board of Directors has paid attention to the employment conditions of the Company and the Group. In this regard, the Remuneration Policy is aligned with that of the rest of the PRISA Group's employees in Spain, both in terms of the principles that inspire it and in terms of the main components of remuneration.

On the other hand, and in accordance with the provisions of the Remuneration Policy, the Board of Directors, in order to contribute to the maintenance of a proportionate and balanced remuneration structure, has endeavoured to ensure that the ratio between the average remuneration of directors and senior management and that of employees in Spain (considering 2,367 employees at the time of approval of the Policy by the Board of Directors in May 2021) was reasonable, taking into account the situation of the Company and the sectors in which it operates, as well as the practice of the market and other comparable education and media groups. Considering the data available at the time the Policy was approved: in particular, it was ensured that the average remuneration of senior managers (considering four managers and excluding the two executive directors) did not represent more than 5.2 times the average salary of the workforce in Spain; that the average remuneration of external directors (considering 12 external directors, including the Chairman) did not represent more than 2.3 times the average salary of the workforce in Spain; and that the remuneration of the two executive directors did not represent more than 10.4 times the average salary of the workforce in Spain.

The Remuneration Policy to be applied in fiscal year 2022 will therefore be that approved by the Ordinary Shareholders' Meeting held on 29 June 2021, which includes the principles and bases of prudence, moderation and transparency described before. However, the Company intends to submit to the consideration of the next shareholders' meeting to be held in 2022 the update of the aforementioned Remuneration Policy in order to adjust it to the new organisation of the Board of Directors.

A.1.1.1.3. Contingency measures to be implemented in fiscal year 2022, in the context of the Covid-19 crisis.

As part of the contingency plan implemented in 2020 to minimise the effects caused by the COVID-19 crisis, the Board of Directors, at the proposal of the ARCGC, has resolved that the same 20% reduction in the remuneration of the members of the Board that was applied for 2021 (see the Background of this Report) will continue to be applied during the 2022 financial year and the remuneration of the non-executive Chairman (which in December 2020 already underwent a 50% reduction) will continue to be exempted from the above. Likewise, the remuneration corresponding to the chairmanship of the Appointments, Remuneration and Corporate Governance Committee (ARCGC), the Audit, Risk and Compliance Committee and the Sustainability Committee (in the latter case, once the new Remuneration Policy sets the remuneration of the members of this Committee) shall be exempt, given the special workload, dedication and responsibility that such positions entail.

These measures are in line with the principles set forth in the Company's Remuneration Policy, by virtue of which the remuneration of the directors must be in accordance with the best market practices and must take into account the current situation, prospects and sustainable growth objectives of the Company, keeping a reasonable proportion with its economic and financial situation. Likewise, the Remuneration Policy foresees that the fixed remuneration of the directors will be maintained at moderate levels without undergoing modifications

during the period of validity of the Policy, unless specific circumstances become evident that would call for its revision.

A.1.1.2. Specific determinations of the remuneration of the directors

A.1.1.2.1. Specific determinations of the remuneration of the directors both in their capacity as such and for the performance of executive functions

In relation to the specific determinations for the fiscal year in course, the remuneration of the directors both in their capacity as such and for the performance of executive functions, the ARCGC and the Board of Directors are going to apply in 2022 the Remuneration Policy strictly on strictly on its terms which means that:

- i. The non-executive directors will be paid a fixed annual allowance in cash for belonging to the Board of Directors and, as appropriate, an additional fixed amount of remuneration for belonging to or presiding over the committees of the Board of Directors (the "Committees").
- ii. The remuneration of the directors in their capacity as such (not as executives) will be compatible with any which they may receive for participating on the Boards of Directors of other Group companies, pursuant to their respective bylaws.
- iii. The directors of PRISA will not receive per diems for participating on the Boards of Directors and Committees or other fixed remuneration as directors.
- iv. The expenses associated to travel, meals and accommodation to attend the meetings of the Board of Directors and Committees will be reimbursed by the Company, where they have been previously notified to the Company and accepted by it, and where they are duly justified.
- v. In accordance with the Remuneration Policy, the remuneration of non-executive Chairman of the Board, will consist of a specific fixed remuneration for all concepts ranging between 200,000 and 300,000 euros per year and the specific fixed amount that at all times corresponds to Chairman of the Company is established by the Board of Directors, as proposed by the ARCGC, within this range, taking into consideration the levels of responsibility and dedication required to be Chairman of the Board of Directors and of the Executive Committee, as well as the specific circumstances in the functions performed by the non-executive Chairman, taking into account the specific characteristics of the individual, his or her expertise, career and experience, as well as, in general, the professional suitability for the position.

The remuneration will be paid in cash and will be prorated monthly. It will be incompatible with receiving the remuneration established in points a) and b) above.

- vi. According to the Policy and the detail of their contracts the remuneration of the executive directors (Mr. Francisco Cuadrado, Executive Chairman of Santillana and Mr. Carlos Nuñez, Executive Chairman of PRISA Media) may include the following remuneration items: (i) fixed remuneration, (ii) variable remuneration in the short term, (iii) variable remuneration in the medium or long term, (iv) social security; (v) remuneration in kind and (vi) insurance, indemnities, agreements for exclusivity, post-contractual non-competition or permanence.

The executive directors will not receive the remuneration established for the non- executive directors indicated in the previous letters of this heading.

A.1.1.2.2. Maximum remuneration of the directors:

The Remuneration Policy establishes that the maximum amount of remuneration that the Company may pay yearly to the directors is that resulting from totalling:

- i. The maximum annual amount of 2,000,000 euros, on top of which amounts to be paid to the directors for the functions detailed in sections i), and v) of section A.1.1.2.1 may be added (i.e., the fixed remuneration for participating on the Board of Directors and the committees of the Board of the non-executive directors as well as the annual fixed remuneration of the non-executive Chairman).

The aforementioned amount has, in any case, the nature of maximum, and it falls to the Board of Directors to propose how that amount will be distributed amongst the different remuneration components and amongst the directors, in the form, date and proportion freely determined by the Board in light of the functions and responsibilities attributed to each one, their membership and duties on the Board Committees and other objective circumstances as may be deemed relevant.

- ii. The amounts for the following concepts corresponding to the executive directors for their executive functions: fixed remuneration, variable remuneration and remuneration in kind.
- iii. In the event of termination of the executive directors, the amount to which they are entitled, according to the conditions of their contract, under the terms of section A.1.9 ahead.

A.1.1.3. Description of the procedures and bodies at the Company involved in the determination and approval of the remuneration policy and its terms and conditions

The bodies in charge of designing the Remuneration Policy are the Board of Directors and the ARCGC, while the General Shareholders' Meeting is the one that has the authority, according to article 9 of PRISA's bylaws ("**Bylaws**"), to approve the Directors' Remuneration Policy, pursuant to applicable legislation.

As established in the Corporate Bylaws and in the PRISA Board of Directors Regulations ("**Board Regulations**"), according to articles 249, 249 bis and 529 of consolidated Spanish Companies Act, the Board of Directors shall be in charge of:

- i. Decisions regarding directors' remuneration, within the framework of the Bylaws and, where appropriate, the remuneration policy approved at the General Shareholders' Meeting.
- ii. Approving the terms and conditions of the contracts of the directors that have been attributed executive functions.
- iii. Setting the remuneration of the directors for performing executive functions.

The Board Regulations attribute to the ARCGC not only the functions determined by the Spanish Companies Act but also the following powers in relation to the remuneration of the directors:

- i. Propose to the Board of Directors the remuneration policy of directors and senior managers, and the individual remuneration and other contractual conditions of the executive directors. In turn, the Board Regulations provide that the Sustainability Committee shall propose to the ARCGC the terms of the variable remuneration of the Company's executive directors and senior managers, which are linked to sustainability objectives.
- ii. Ensure that the policy is observed and that the remuneration policy for directors and senior managers, including share-based remuneration systems and their application, are periodically reviewed, and ensure that their individual remuneration is proportionate to their responsibility and dedication and to that of the other directors and senior managers at the Company.
- iii. Inform the Board of Directors of proposals relating to the terms of the variable remuneration of the executive directors and senior managers at the Company, and of the other incentive plans addressed to them and, as the case may be, verify the degree of achievement of the objectives established for them.
- iv. Verify the information on the remuneration of directors and senior managers set out in the different corporate documents and, in particular, prepare the annual report on directors' remuneration for approval by the Board of Directors.

The ARCGC shall be formed by a minimum of three and a maximum of five non-executive directors, the majority of whom shall be independent directors. The designation of the Committee members shall seek to ensure that they have the appropriate knowledge, skills and experience for the functions which they will perform and, particularly, in corporate governance issues, strategic analysis and evaluation of human resource, recruitment of directors and managers, performance of senior management functions and design of remuneration policies and plans for directors and senior managers. The appointment and removal of

Committee members shall be done by the Board of Directors at the proposal of the ARCGC itself.

At the date of preparation of this Report, the composition of the ARCGC is as follows:

- Ms. Beatrice de Clermont-Tonnerre, independent external director, as Chairman.
- Mr Javier Santiso Guimaras, independent non-executive director, as a member.
- Mr Rosauro Varo Rodriguez, independent non-executive director, as a member.
- Ms Carmen Fernández de Alarcón, proprietary director, as a member.

A.1.1.4. Comparable companies used to establish the company's remuneration policy

The aim of the PRISA Remuneration Policy is for directors' remuneration to be reduced and to comply with market trends and references in relation to remuneration in the Company's sector of business or at companies that are comparable in size, activity or structure, so that they are in-keeping with the best market practices. At the same time, the Company's remuneration systems have to be capable of attracting, retaining and motivating talent.

As indicated in last years' Remuneration Reports, PRISA participated in a remuneration study prepared by the firm Korn Ferry, which analysed the amounts and trends in remuneration paid to directors and members of senior management at a set of companies that are comparable to PRISA in terms of stock market capitalisation and annual income (the "**Study**"). Specifically, in that Study, the Company was included in a comparison group along with thirteen other companies, based on the following segmentation criterion: companies with an annual volume of revenues and/or stock market capitalisation in excess of 1.3 billion euros, whether or not their business activities and transactions have international exposure.

According to the Study, the then CEO's fixed remuneration and short-term annual variable remuneration target was below the median of the comparison group. Moreover, the items making up the CEO's remuneration package were in line with those of the peer group.

The Study indicated that the fixed remuneration received by PRISA's directors in respect of their positions as Board members (non-executive) was below the median for directors on the boards of the IBEX 35 companies.

A.1.1.5 Participation of external advisors.

Whenever the ARCGC considers it appropriate, its proposals receive the necessary external advice to carry out their analysis and preparatory work.

For the preparation of the Remuneration Policy, which was approved at the Ordinary Shareholders' Meeting held on 29 June 2021, the Company was advised externally by the firm Uría & Menéndez.

In 2021 Uría & Menéndez has also advised the Company on the configuration of the contracts, currently in force, of the executive directors (Mr. Carlos Nuñez, as Executive Chairman of Prisa Media and Mr. Francisco Cuadrado as Executive Chairman of Santillana).

On the other hand, in relation to the review, update and analysis of the degree of achievement of the objectives linked to the 2018-2020 medium-term deferred remuneration settled in February 2022 (referred to in sections A.1.2.1 and A.1.6 of this Report) the ARCGC has received external advice from KPMG. Willis Tower Watson also advised on the design of the 2021-2024 Medium-Term Incentive Plan linked to Santillana's value creation (referred to in sections A.1.2.1 and A.1.6. of this Report).

The ARCGC has also received external advice on issues related to the contractual conditions of certain members of senior management, as well as on other matters within its competence.

A.1.1.6 Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy

The Remuneration Policy does not contemplate any procedure to apply temporary exceptions.

A.1.2. Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

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

A.1.2.1 Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix)

As established in the Remuneration Policy, only the executive directors will participate in the variable remuneration system. Thus, the Policy complies with Recommendation 57 of the CNMV (according to which variable remuneration should be confined to executive directors).

The variable remuneration system for the Executive Directors described below is as provided in the Remuneration Policy and in their contract with the Company.

The aim of the theoretical variable remuneration received by the Executive Directors is to foment their commitment to the Company and incentivise the best performance of their functions, and it represents an important portion of their total remuneration, being linked to the achievement of objectives established by the Board of Directors in advance, which are mostly specific and quantifiable, so that it does not derive simply from general performance of the market, the Company's business sector or other similar circumstances. The criteria to award the variable remuneration are both financial and non-financial as recommended by international good governance practices in relation to the remuneration of the Directors.

The aim of the Company, in relation to the Group's executives, is to design competitive remuneration packages that permit attracting, retaining and motivate top-tier professionals while establishing a link between their remuneration and the results and objectives of the Company and the Group.

Every year the parameters of a variable remuneration system are defined which complies with formal procedures for determining the amounts to be paid to the Executive Directors. The objectives are set down in writing in advance, and their achievement is determined according to the Executive Directors' results and approved by the Board of Directors, at the proposal of the ARCGC.

The determination of the variable remuneration for the Executive Directors takes into account mainly quantitative business-related objectives, which include the Group's operational and financial objectives, value creation objectives, and qualitative objectives relating to ESG metrics, skills and conduct which are required of a top-tier executive of such characteristics. For fiscal year 2022, 100% of the objectives will be quantitative, without subjective variables.

The variable components of remuneration have sufficient flexibility to permit adjusting them to the point of being able to eliminate them altogether. There is no right to obtain guaranteed variable remuneration (with the exception explained below in relation to the variable remuneration corresponding to the 2021 fiscal year of the Executive Chairman of PRISA Media, Mr. Nuñez). The ARCGC's participation facilitates taking into account the risks associated to remuneration in discussions and in their proposal to the Board of Directors, both when determining and when assessing the annual and multi-year incentives.

Currently, the variable remuneration system for Executive Directors includes short-term annual variable remuneration and a medium-term incentive plan.

Likewise, the Executive Directors may be beneficiaries of an extraordinary incentive linked to the success of strategic operations key to the Group's interests, when so decided by the Board of Directors. Additionally, it should be noted that, as indicated later in this Report, the "Medium-term deferred variable remuneration for the period 2018-2020" in favour of the former Executive Director Mr. Manuel Mirat has been settled in February 2022).

To determine the relative importance of the variable vs. fixed remuneration items ("Remuneration Mix"), the following is taken into account:

i. Fixed remuneration:

Fixed remuneration which, in the case of the Executive Director of Santillana amounts to 475,000 euros and in the case of the Executive Director of Prisa Media is 400,000 euros.

ii. Short-term annual variable remuneration:

Annual short-term variable remuneration amounting to 250,000 euros for each of the Executive Directors, for a level of achievement of 100% of the established objectives. In relation to the variable remuneration corresponding to the 2021 financial year (which is settled in the 2022 financial year), there is the possibility of increasing this amount up to a maximum of 130% if the degree of achievement of the established objectives is greater than 100%, so that the maximum amount that each of the Executive Directors could receive for this remuneration item is 325,000 euros gross.

Taking into account that the two Executive Directors have assumed their responsibilities as Executive Chairman of PRISA Media and Executive Chairman of Santillana, respectively, throughout the 2021 financial year, the annual variable remuneration for this period (see section B.3.1 ii) b) of this Report) is subject to the following particularities, in accordance with the stipulations of their respective contracts with the Company:

- a) The annual variable remuneration of Mr. Carlos Nuñez (Executive Chairman of PRISA Media) is calculated in proportion to the length of service during the year 2021, although, exceptionally, the Company guarantees the payment of 50% of the annual variable remuneration mentioned above (i.e. 50% of €250,000).
- b) With respect to the variable remuneration of Mr. Francisco Cuadrado (Executive Chairman of Santillana) for the performance of his duties during the year 2021, it is calculated as follows:
 - Until 31 July 2021, the amount of the annual variable remuneration is calculated by applying the percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 160,000 euros gross; and

- From 1 August 2021 to 31 December 2021, the amount of the annual variable remuneration is calculated by applying the same percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 250,000 euros gross.

In relation to the variable remuneration corresponding to fiscal year 2022 (payable in fiscal year 2023), there is the possibility of increasing said amount up to a maximum of 150% if the degree of achievement of the objectives set is higher than 135%, so that the maximum amount that each of the Executive Directors could receive for this remuneration item is 375,000 euros gross.

iii. Long-term variable remuneration.

The contracts of the Executive Directors provide that they shall be entitled to participate in the medium or long-term variable remuneration systems established by the Company with which they have the contract or by PRISA, for its executive personnel, under the terms approved from time to time by the Board of Directors of such Company or of PRISA, in accordance with the remuneration structure established by the Board of Directors of PRISA, at the proposal of the ARCGC and within the framework of the Remuneration Policy.

In this regard, currently the following medium- or long-term remuneration systems are distinguished:

- a) Medium-term Incentive Plan 2020-2023, linked to the creation of value of Santillana (**"Incentive Plan 2020-2023 Santillana"**)

The Executive Director of Santillana is the beneficiary of a medium-term incentive plan linked to the creation of value for Santillana in the period between 1 September 2020 and 31 December 2023. The plan was approved by the Board of Directors at its meeting held on 26 January 2021.

The aim of this plan is to link part of the remuneration of certain key directors of PRISA and Santillana (among whom is the Executive Director of Santillana) with the interests of PRISA shareholders in a multi-year framework and long-term value creation for the shareholders. In this respect, the plan aims to (i) create incentives for the participants to maximise value creation for the education businesses (Santillana) for the shareholders in a period of approximately three years, (ii) reward the extraordinary efforts required to achieve the value-creation objectives set; and (iii) recognise the contribution of value by the participants to PRISA and Santillana.

The incentive plan will allow the beneficiaries to participate in the creation of value for Santillana during the reference period, provided that they exceed a minimum revaluation target for Santillana (1.4

billion euros) and comply with the rest of the conditions established in the regulation of the plan approved by the Board of Directors of PRISA.

The beneficiaries will have the right to receive in cash a percentage of the value created for Santillana, understood as the positive difference between the enterprise value of Santillana on the date of the completion of the plan (31 December 2023) and the initial date (1 September 2020), taking into account the amount of the distributed dividends as well as capital flow. Santillana's enterprise value at the completion date will be that resulting from a valuation made by one or more independent experts. The enterprise value of Santillana at the initial date has been set at 1,25 billion euros.

The percentage of the value creation to which the beneficiaries may be entitled will in turn depend on the level of revaluation of Santillana, according to a predetermined scale. The Plan will be settled in cash in the month following the termination date (which is 31 December 2023).

Without prejudice to the above, if there is any corporate transaction involving the purchase, sale, merger, separation, share swap, capital increase or decrease, settlement of a takeover bid on the PRISA shares or reorganisation of any type or initial public offering within the validity period of the incentive plan, which represents a change in effective control in Santillana and/or PRISA, the plan will be settled early on the date that said transaction is executed.

In these scenarios, the enterprise value will be the price or value of Santillana implied in the corresponding corporate transaction. The Company may engage one or more third-party experts to perform a valuation exercise to determine whether the transaction is convenient or not.

In order to receive the corresponding incentive, the Executive Director of Santillana must maintain his contractual relationship with the Group until the payment date of the incentive, except for certain cases of termination which are duly specified in the regulation of the Plan.

The Incentive Plan includes the following malus and clawback clauses normally used in incentive plans similar in nature, which will be applicable for a period of two years from the payment date of the incentive. In the case of the Executive Director of Santillana, the period for which said clauses will be applicable is three years.

Finally, if there are significant internal or external changes that do not represent a change in control (for example, in the Group's scope of consolidation, macroeconomic or regulatory environment) that demonstrate the need to revise the objectives that have been established, the Board of Directors may modify the terms of the Santillana Incentive Plan and its objectives, which will be duly

reported in the corresponding Annual Report on Directors' Remuneration.

- b) Medium-term 2022-2024 incentive plan linked to the creation of value of PRISA Media (**"Incentive Plan 2022-2024 de PRISA Media"**):

In accordance with the Remuneration Policy, the Executive Director of PRISA Media may be the beneficiary of a medium-term incentive plan linked to the creation of value for PRISA Media in the medium term, if the Board of Directors approves it. If so, the plan must have the purpose of linking part of the remuneration of the management team (of which the Executive Director of PRISA Media forms part) to the interests of the PRISA shareholders within a multi-year framework and of long-term value creation in relation to PRISA Media, in a similar way as that explained in the above paragraph on the "Medium-term incentive plan 2020-2023 linked to the creation of value for Santillana".

Thus, the Board of Directors of PRISA at its meeting held on 21 December 2021 has approved a medium-term incentive plan, of which the Executive Director of PRISA Media is the beneficiary, which is linked to the achievement of certain quantitative financial targets included in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023 and 2024 and which is payable in shares.

Mr. Nuñez will be allocated a theoretical number of shares equivalent to €500,000 gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered. The calculations will be made considering the average stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA's share price.

This plan aims to link a portion of the remuneration of PRISA Media's Executive Director to the interests of PRISA's shareholders within a multi-year framework and to generate long-term value for shareholders.

The incentive plan will allow its beneficiary to participate in the creation of value of PRISA Media during the reference period provided that minimum targets are exceeded and the other conditions established in the plan's Regulations approved by the Board of Directors of PRISA are met.

In order to accrue the incentive, the Executive Director of PRISA Media must maintain his or her contractual relationship with PRISA Media during the entire term of the Plan. The departure of the executive (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to settlement, unless the Board of

Directors, at the proposal of the Appointments and Remuneration Committee, where appropriate, adopts a different criterion.

The incentive plan includes the corresponding malus and clawback clauses, which are customary in incentive plans of a similar nature. The clawback clause will be applicable during the year following the date of delivery of the shares.

This remuneration plan is pending approval by PRISA's Shareholders' Meeting in order to be applicable to Mr. Nuñez.

c) Medium-term deferred variable remuneration for the period 2018-2020 ("**Deferred Remuneration 2018-2020**"):

In accordance with the provisions of the Remuneration Policy, the former executive director Mr. Manuel Mirat has been the beneficiary of medium-term deferred variable remuneration for the period 2018-2020, payable in shares, which was approved by the Shareholders' Meeting held on 25 April 2018.

This remuneration was referenced to a three-year period that has already ended (2018-2020) and was linked to the evolution of the stock market value of the PRISA share and the achievement of certain objectives (linked to EBITDA and Cash Flow).

Once the degree of achievement of the objectives had been analysed, for which advice was provided by an independent third party, KPMG, which performed the analysis of the impact on EBITDA and Cash Flow of the 2018-2020 Strategic Plan, used as a reference for establishing the objectives the operations that have taken place during this period, achievement of Cash Flow stood at 85.8% while the EBITDA and value increase objectives were not met. This degree of compliance entailed the delivery of 471,900 gross shares to Mr. Mirat, equivalent to 21.45% of the theoretical shares that were allocated to Mr. Mirat in 2018 (2,200,000 shares).

At the request of the beneficiaries of this remuneration plan, the Board of Directors of PRISA resolved that the settlement and delivery of this deferred remuneration be delayed to the period between 1 January and 28 February 2022 (delivery which, according to the general conditions governing this remuneration plan, should be made in the 60-day period following the preparation of the 2020 financial statements).

These matters are expressly provided for in the document formalised by Mr. Mirat with the Company upon termination of the legal relationship between them.

The settlement of this remuneration plan took place in February 2022 and Mr. Mirat received 306,735 net shares (after application of the corresponding tax withholdings).

This remuneration has not been included in the tables in section C of this Report as it has not been accrued in 2021.

It should also be noted that Mr. Francisco Cuadrado (Executive Chairman of Santillana) has also been a beneficiary of this remuneration plan, but as a result of his previous responsibilities as Chief Education Officer of Santillana (i.e. prior to his appointment as a director of Prisa in July 2021).

- d) Extraordinary incentives for the execution of key strategic transactions for the interests of Prisa Group (**"Extraordinary incentives for key strategic operations"**):

The Remuneration Policy provides that during the financial years 2021, 2022 and 2023, the Executive Directors will be entitled to receive a variable remuneration which does not vest, in cash, when the Board of Directors, following a favourable report of the ARCGC, considers that it is in the best interest of the Company to incentivise and reward his performance in the configuration, preparation, negotiation and execution of corporate transactions that are relevant for the future of the Group. Both Executive Directors or only one of them may be beneficiaries of these extraordinary incentives, depending on a decision of the Board of Directors of PRISA.

In any case, the extraordinary incentives that may be granted shall include clawback clauses, thus PRISA will be able to claim a reimbursement of all or part of the extraordinary incentive paid in certain scenarios.

The maximum amount to be paid to the Executive Directors under these extraordinary incentives will amount to twice their fixed annual remuneration provided for in their contracts and its final determination, if appropriate, within such limit, shall be carried out by the Board of Directors, following a favourable report of the ARCGC. Moreover, the Executive Directors shall maintain their relationship with Grupo PRISA without any interruption until the payment date of the corresponding incentive, except in certain cases such as death, permanent disability, or the termination of the labour or mercantile relationship under certain circumstances.

In the event of a takeover or change of control affecting PRISA, among other circumstances provided for, the Board of Directors, at the proposal of the ARCGC, may resolve to early terminate the plan. In such cases, the incentive component related to the performance of the share may be considered fulfilled for the purposes of its accrual.

Targets to be reached by the beneficiaries of these plans may be complemented with any other parameters that the Board of Directors resolves to include, following the proposal of the ARCGC.

A.1.2.2. Actions taken by the company in relation to the remuneration scheme to reduce exposure to excessive risks and to adjust it to the company's long-term objectives, values and interests, accrual period and deferral of payment.

i. General principles

The principles governing the Company's Remuneration Policy take into consideration the interests of shareholders and prudent risk management. To this end, the remuneration scheme is aimed at promoting the profitability and long-term sustainability of the Company, incorporating the safeguards necessary to prevent excessive risk assumption and reward of unfavourable results. The Company works to ensure that the economic and financial return is such that it protects and optimises the value of the Company, in order to adequately remunerate the risk that shareholders assume with the investment of their capital. Remuneration related to the Company's results takes into account any qualifications stated in the audit report that reduce such results.

As stated in the Remuneration Policy, the measures established by the Company to determine adequate risk management and promote the sustainability of results are as follows:

- a) The variable remuneration of the Executive Directors is intended to strengthen their commitment to the Company and to encourage the best performance of their duties, and represents a relevant part of their total remuneration, being linked to the achievement of objectives pre-set by the Board of Directors, most of which are specific and quantifiable, so that it does not simply derive from the general evolution of the markets, the Company's sector of activity or other similar circumstances.
- b) The parameters of the variable remuneration system are defined annually, based on formal procedures for determining the amounts to be paid to the Executive Directors. The objectives are set in writing in advance and their achievement is determined on the basis of the results obtained and approved by the Board of Directors, at the proposal of the ARCGC.
- c) The variable components of remuneration are sufficiently flexible to allow them to be modulated to the point where it is possible to eliminate them entirely. There is no right to obtain guaranteed annual variable remuneration (without prejudice to what has already been said in section A.1.2.1.ii) a) of this Report in relation to the extraordinary measure agreed with the Executive Chairman of Prisa Media, Mr. Carlos Nuñez, for the 2021 financial year).

The involvement of the ARCGC favours the consideration of the risks associated with remuneration in the deliberations and in its proposal to the Board of Directors, both in the determination and in the evaluation process of annual and multi-year incentives.

- d) All of the variable remuneration has fixed maximum amounts to be paid.
 - e) Remuneration linked to Company earnings must take account of any qualifications stated in the audit report that reduce those earnings.
 - f) The annual variable remuneration is accrued on an annual basis and is paid in arrears in the first half of the calendar year following the year of generation.
 - g) The contracts of the Executive Directors have a clawback clause that allows the Company to claim reimbursement of the variable components of remuneration when they have been paid on the basis of data subsequently proven to be inaccurate. This measure is effective for remuneration received as from the entry into force of the respective contracts with the Company. In addition, the medium-term incentive plans described in this report include the corresponding malus and clawback clauses.
 - h) The system for setting metrics for quantitative objectives takes into consideration the variables identified in the Company's risk map.
 - i) It should be noted that the ARCGC as a whole has the appropriate knowledge, skills and experience with respect to the Company's remuneration policies and practices, as well as the incentives and risks that may arise therefrom, including knowledge, skills and experience regarding the mechanisms for aligning the remuneration structure with corporate risks and financial performance.
 - j) The internal audit function conducts an independent review of the definition, implementation and impact of the Company's remuneration policy on its risk map, managed in accordance with the principles set out in the Policy and the guidelines of the Board of Directors.
- ii. Incentive Plan 2020-2023 Santillana:

As already noted, the Executive Director of Santillana is the beneficiary of a medium-term incentive plan, payable in cash, that was approved by the Board of Directors at its meeting held in January 2021.

This remuneration is indexed to a period of approximately three years (September 2020 to December 2023).

The incentive plan will allow the beneficiaries to participate in the creation of value for Santillana during the reference period, provided that they exceed a minimum revaluation target for Santillana (1.4 billion euros) and comply with the rest of the conditions established in the regulation of the plan approved by the Board of Directors of PRISA.

The beneficiaries will have the right to receive in cash a percentage of the value created for Santillana, understood as the positive difference between the enterprise value of Santillana on the date of the completion of the plan

(31 December 2023) and the initial date (1 September 2020), taking into account the amount of the distributed dividends as well as capital flow. Santillana's enterprise value at the completion date will be that resulting from a valuation made by one or more independent experts. The enterprise value of Santillana at the initial date has been set at 1,25 billion euros.

The Regulations of the plan approved by the Board of Directors include a clawback clause, which requires the return of the incentive received if, within three years of its receipt, the circumstances determined by the Board of Directors have concurred.

iii. Incentive Plan 2022-2024 PRISA Media:

As mentioned above, the Executive Director of PRISA Media, Mr. Carlos Nuñez, is the beneficiary of a medium-term incentive plan payable in shares, which was approved by the Board of Directors of PRISA in December 2021.

This Plan is linked to the achievement of certain quantitative financial targets set out in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023 and 2024 and is payable in shares.

Mr. Nuñez will be allocated a theoretical number of shares equivalent to €500,000 gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered. The calculations will be made considering the average stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA's share price.

This plan aims to link a portion of the remuneration of PRISA Media's Executive Director to the interests of PRISA's shareholders within a multi-year framework and to generate long-term value for shareholders.

The incentive plan will allow its beneficiary to participate in the creation of value of PRISA Media during the reference period provided that minimum targets are exceeded and the other conditions established in the plan's Regulations approved by the Board of Directors of PRISA are met.

In order to accrue the incentive, the Executive Director of PRISA Media must maintain his or her contractual relationship with PRISA Media during the entire term of the Plan. The departure of the executive (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to settlement, unless the Board of Directors, at the proposal of the Appointments and Remuneration Committee, where appropriate, adopts a different criterion.

The incentive plan includes the corresponding malus and clawback clauses, which are customary in incentive plans of a similar nature. The clawback clause will be applicable during the year following the date of delivery of the shares.

This remuneration plan is pending approval by PRISA's Shareholders' Meeting in order to be applicable to Mr. Nuñez.

iv. Deferred remuneration 2018-2020:

As already indicated in section A.1.2.1.1.iii)c) of this Report, the former executive director Mr. Manuel Mirat was the beneficiary of medium-term deferred variable remuneration for the period 2018-2020, payable in shares, which was approved by the Shareholders' Meeting held on 25 April 2018. This remuneration was referenced to a three-year period that has already ended (2018-2020) and was linked to the evolution of the stock market value of the PRISA share and the achievement of certain objectives (linked to EBITDA and Cash Flow). At the request of the beneficiaries of this remuneration plan, the Board of Directors of PRISA resolved that the settlement and delivery of this deferred remuneration be delayed to the period between 1 January and 28 February 2022 (delivery which, according to the general conditions governing this remuneration plan, should be made in the 60-day period following the preparation of the 2020 financial statements).

The General Conditions approved by the Board of Directors of PRISA regarding the characteristics of the medium-term deferred remuneration include a clawback clause, which requires the restitution of the excess variable remuneration received if the circumstances determined by the Board of Directors have concurred within three years of its receipt.

In accordance with Recommendation 62 of the CNMV's Code of Good Governance, there is a limitation on the transfer of the shares delivered.

These clawback clauses, as well as the maintenance of a portion of the shares once delivered, also apply to categories of personnel whose professional activities have a material impact on the risk profile. Under no circumstances will an ex post adjustment to the explicit risk result in an increase in the variable remuneration initially granted.

v. Extraordinary incentives for key strategic operations:

As indicated in section A.1.2.1.iii) d) above, in fiscal years 2021, 2022 and 2023 the Executive Directors shall be entitled to receive non-vesting variable remuneration, in cash, when the Board of Directors, following a favourable report from the Appointments and Remuneration Committee, considers it in the best interest of the Company to incentivise and reward their performance in the configuration, preparation, negotiation and execution of corporate transactions relevant to the future of the Group. Both Executive Directors or only one of them, as decided by the Board of Directors of PRISA, may be beneficiaries of such extraordinary incentives.

In any case, the extraordinary incentives granted will include clawback clauses, which will entitle PRISA to demand the return of all or part of the extraordinary incentive paid in certain cases.

The maximum amount to be paid to the Executive Directors within the framework of these extraordinary incentives shall amount to a maximum of twice their annual fixed remuneration established in their contract and its final determination, if applicable, within said maximum, shall be the responsibility of the Board of Directors, subject to a favourable report from the Appointments and Remuneration Committee.

A.1.3. Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

Within the maximum annual amount foreseen in section A.1.1.2.2. above, the breakdown of the fixed remuneration by positions and responsibilities of the members of the Board of Directors, resolved by the Board, is as follows, notwithstanding the fact that, as already stated in section A.1.1.1.3 of this Report and in view of the extraordinary circumstances, such remuneration will continue to be reduced by 20% during the year 2022. This reduction will not apply to the remuneration of the non-executive Chairman, nor to the remuneration for the chairmanship of the ARCGC, the Audit, Risk and Compliance Committee and the Sustainability Committee (in the latter case, once the new Remuneration Policy sets the remuneration of the members of this Committee):

- i. Chairman of the Board of Directors: Within the range established in the Remuneration Policy, the Board of Directors has established fixed annual remuneration of €200,000 for the year 2022.
- ii. Fixed annual remuneration for participation in the Board of Directors (excluding the Chairman and Executive Directors): 70,000 euros per independent director and 56,000 euros per proprietary director, which, after the aforementioned extraordinary reduction, will be 56,000 euros and 44,800 euros, respectively, in fiscal year 2022.
- iii. Additional annual fixed remuneration for membership in the different Board Committees:
 - Members of the Executive Committee: 30,000 euros per year per director which, after the aforementioned extraordinary reduction, will be 24,000 euros in 2022.
 - Remuneration for participation in the Audit, Risk and Compliance Committee and the ARCGC: 20,000 euros per year per director, being twice this amount for their respective chairmen (i.e. 40,000 euros). The remuneration of the members of the committees, after the aforementioned extraordinary reduction, will be €16,000 in fiscal year 2022. The remuneration corresponding to the Chairwomen of the committees will not be reduced in fiscal year 2022.
 - As for the Sustainability Committee, it has been established by resolution of the Board of Directors in February 2022, so it will be necessary to submit to the consideration of the Shareholders'

Meeting the modification of the Remuneration Policy, to provide for the remuneration of the members of this Committee. The proposal that the Board of Directors will submit to the Shareholders' Meeting is that the chairmanship and membership of this Committee be remunerated under the same terms applicable to the Audit, Risk and Compliance Committee and the NRCGC.

For the current fiscal year, as established in the Policy, no payment of per diems for participation in the Board of Directors and Committees is foreseen.

A.1.4. Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

For the performance of executive duties within the Company, the fixed annual cash remuneration of the executive directors for the 2022 fiscal year is as follows:

- i. Carlos Nuñez (Executive Chairman PRISA Media): 400.000 euros.
- ii. Francisco Cuadrado (Executive Chairman Santillana): 475.000 euros.

It should be noted that the Remuneration Policy provides for the existence of two executive directors and refers to them by name (Mr. Carlos Nuñez as Executive Chairman of PRISA Media and Mr. Manuel Mirat as Executive Chairman of Santillana). However, in July 2021 and, therefore, subsequent to the approval of the Remuneration Policy, Mr. Mirat was replaced by Mr. Francisco Cuadrado as a director of PRISA and as Executive Chairman of Santillana. Mr. Cuadrado's remuneration is in line with the remuneration framework established for the previous Executive Chairman of Santillana (Mr. Mirat) in the Remuneration Policy and, in addition, the remuneration items recognised in favour of Mr. Cuadrado are of a lower amount than those set forth in the Policy.

A.1.5. Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

- i. Remuneration in kind for the CEO:

The Remuneration Policy envisages for the Executive Directors certain remuneration in kind, consisting of the following items:

- a) A life and accident insurance policy:

PRISA has signed a policy with an insurance company that covers the contingencies of death by any cause, absolute invalidity and total permanent disability, with a capital equal to two and a half years of the beneficiary's fixed remuneration (fixed salary received in the previous year), extra capital in the event of accidental death or absolute disability caused by accident, and extra capital in the event of death or total permanent disability caused by a traffic accident.

There is an age limit of 75 years of age for the main risk of death, and of 65 years of age for the supplemental benefits.

On the Board of Directors, the Executive Directors are the exclusive beneficiaries of this policy.

According to the terms of the policy, the insured capital for the Executive Directors is the equivalent of two and a half years of the fixed remuneration associated with that office in the immediately preceding year.

For the year 2022, the amount insured of the life insurance for the Executive Directors amounts to 1,000,000 euros for Mr. Carlos Nuñez (Executive Chairman of Prisa Media) and 1,187,500 euros for Mr. Francisco Cuadrado (Executive Chairman of Santillana), respectively. These amounts are equivalent to two and a half years of their corresponding fixed remuneration.

The premiums for this policy are reviewed annually depending on the loss ratio of the Group's group policies and also vary according to the age of the insured. To this end, in the first quarter of each year, the bonuses attributable to the Executive Directors are reviewed, so the specific amount of the bonuses corresponding to the Executive Directors for the 2022 fiscal year is unknown at the date of preparation of this Report.

b) A private health insurance policy:

In addition the group within its policy applicable to all executives has private health insurance, in the form of reimbursement of expenses. Within the Board of Directors of the Company, only the Executive Directors and their families benefit from this insurance, respecting the age limits set forth in the corresponding policy.

The private health insurance premiums are adjusted annually in light of the losses under PRISA's Group policies and the evolution of the Consumer Price Index in the health sector, according to the broker's proposal. In the last quarter of each year, the premium for the following year is established.

For the year 2022, the premium corresponding to the health insurance of the Executive Directors amounts to 4,624.80 euros for Mr. Carlos Nuñez (Executive Chairman of Prisa Media) and 3,699.84 euros for Mr. Francisco Cuadrado (Executive Chairman of Santillana), respectively.

ii. Others (that are not considered in-kind remuneration):

- a) The directors shall be entitled to the reimbursement of any expenses related to trips, meals and accommodation incurred to attend the

meetings of the Board of Directors and Committees, provided they are duly justified.

- b) The Executive Directors will be entitled to the use of a vehicle according to the terms of PRISA Group's vehicle fleet policy.
- c) The Chairman will also have the necessary means to adequately perform his office and functions, according to the Company's practices and policies.
- d) Moreover, PRISA has contracted a civil liability insurance policy for all its directors, including the Executive Directors, pursuant to the habitual market conditions for this type of insurance.

A.1.6. Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

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

As mentioned above, the variable remuneration system for Executive Directors currently provides for short and medium-term variable components:

i. Annual short-term variable remuneration:

The annual variable remuneration of the Executive Directors is regulated in their contracts, according to which they shall receive non-vesting variable remuneration, in cash, in accordance with the degree of achievement of the objectives assigned to them for each of the annual periods included in the term of their contract, which shall be established annually by the Board of Directors at the proposal of the Appointments and Remuneration Committee.

The Policy establishes that, in general terms, this short-term variable remuneration will be determined according to a compliance scale, mainly linked to the achievement of quantitative business objectives, among which are the Group's operational and financial objectives, value creation objectives and sustainability objectives, as well as, if applicable, qualitative objectives.

The short-term target variable remuneration for the Executive Directors for a level of 100% achievement of the objectives established for 2022 amounts to

250,000 euros, with the possibility of increasing the referred amount up to a maximum of 150%, if the degree of achievement of the objectives set is higher than 135%, so that the maximum amount that each of the Executive Directors may receive for this remuneration item is 375,000 euros gross.

To determine the short-term variable remuneration of the Executive Directors for the year 2022, 100% of the objectives will be quantitative (there will be no subjective variables) based on the 2022 budget of Santillana and Prisa Media, respectively, in accordance with the following detail:

Executive Director	Metrics	Weighting
Executive Chairman Santillana	Ebit	40%
	Operating Cash Flow	40%
	Subscription revenues	15%
	ESG objectives	5%
Executive Chairman PRISA Media	Ebitda	32%
	Cash Flow	32%
	Digital Revenues	31%
	ESG objectives	5%

These objectives aim to improve financial, operating and service results, with special emphasis on Ebitda/Ebit (depending on whether dealing with Prisa Media or Santillana), cash generation and the generation of digital or subscription revenues. In addition, 5% will be linked to the fulfilment of ESG objectives.

The compliance scale for Ebit/Ebitda, Subscription Revenues, Digital Revenues and Cash Flow targets (in the latter case, Santillana's) will be as follows:

Degree of compliance	Payment coefficient
<90%	0%
90%	50%
100%	100%
>120%	135%
>135%	150%

Prisa Media's cash flow target will have the following differential scale:

Degree of compliance	Payment coefficient
<0%	0%
>0€< 2,300 m€	50%
100% (4,029 m€)	100%
>120%	135%
>135%	150%

The intermediate points between the minimum degree of compliance and 100% are calculated by linear interpolation; from 100% the reward is linear and from 120% or 135% the reward is 135% or 150% respectively, as shown in the tables above.

Additionally, the Executive Chairman of PRISA Media may receive 10% of his target annual variable remuneration (that is, €25,000) if two specific objectives

linked to subscriptions and digital income are achieved in 2022, in more demanding terms than those foreseen in the PRISA Media budget for the 2022 financial year.

Pursuant to the provisions of article 28 of the Board Regulations, the ARCGC will verify the degree of achievement of the objectives to which the short-term variable remuneration is subject, and will submit it for final approval by the Board of Directors of PRISA.

The payment of the short-term variable remuneration is made in arrears, so that the short-term variable remuneration corresponding to the 2022 fiscal year will be paid, if applicable, in the 2023 fiscal year.

ii. Incentive Plan 2020-2023 Santillana:

As already noted in sections A.1.2.1.iii) a) and A.1.2.2. ii), the Executive Director of Santillana is the beneficiary of a medium-term incentive plan linked to the creation of value for Santillana in the period between 1 September 2020 and 31 December 2023. The plan was approved by the Board of Directors at its meeting held on 26 January 2021.

The aim of this plan is to link part of the remuneration of certain key directors of PRISA and Santillana (among whom is the Executive Director of Santillana) with the interests of PRISA shareholders in a multi-year framework and long-term value creation for the shareholders. In this respect, the plan aims to (i) create incentives for the participants to maximise value creation for the education businesses (Santillana) for the shareholders in a period of approximately three years, (ii) reward the extraordinary efforts required to achieve the value-creation objectives set; and (iii) recognise the contribution of value by the participants to PRISA and Santillana.

The incentive plan will allow the beneficiaries to participate in the creation of value for Santillana during the reference period, provided that they exceed a minimum revaluation target for Santillana (1.4 billion euros) and comply with the rest of the conditions established in the regulation of the plan approved by the Board of Directors of PRISA.

The beneficiaries will have the right to receive in cash a percentage of the value created for Santillana, understood as the positive difference between the enterprise value of Santillana on the date of the completion of the plan (31 December 2023) and the initial date (1 September 2020), taking into account the amount of the distributed dividends as well as capital flow. Santillana's enterprise value at the completion date will be that resulting from a valuation made by one or more independent experts. The enterprise value of Santillana at the initial date has been set at 1,25 billion euros.

The percentage of the value creation to which the beneficiaries may be entitled will in turn depend on the level of revaluation of Santillana, according to a predetermined scale and in accordance with the current Remuneration Policy, may be up to a maximum of 1.98% of such value creation. The Plan will be

settled in cash in the month following the termination date (which is 31 December 2023).

Without prejudice to the above, if there is any corporate transaction involving the purchase, sale, merger, separation, share swap, capital increase or decrease, settlement of a takeover bid on the PRISA shares or reorganisation of any type or initial public offering within the validity period of the incentive plan, which represents a change in effective control in Santillana and/or PRISA, the plan will be settled early on the date that said transaction is executed.

In these scenarios, the enterprise value will be the price or value of Santillana implied in the corresponding corporate transaction. The Company may engage one or more third-party experts to perform a valuation exercise to determine whether the transaction is convenient or not.

In order to receive the corresponding incentive, the Executive Director of Santillana must maintain his contractual relationship with the Group until the payment date of the incentive, except for certain cases of termination which are duly specified in the regulation of the Plan.

The Incentive Plan includes the following malus and clawback clauses normally used in incentive plans similar in nature, which will be applicable for a period of two years from the payment date of the incentive. In the case of the Executive Director of Santillana, the period for which said clauses will be applicable is three years.

Finally, if there are significant internal or external changes that do not represent a change in control (for example, in the Group's scope of consolidation, macroeconomic or regulatory environment) that demonstrate the need to revise the objectives that have been established, the Board of Directors may modify the terms of the Santillana Incentive Plan and its objectives, which will be duly reported in the corresponding Annual Report on Directors' Remuneration.

iii. Incentive Plan 2022-2024 PRISA Media:

As previously indicated in sections A.1.2.1.iii) b) and A.1.2.2. iii) of this Report, the Executive Director of PRISA Media, Mr. Carlos Nuñez, is the beneficiary of a medium-term incentive plan payable in shares, which was approved by the Board of Directors of PRISA in December 2021.

This Plan is linked to the achievement of certain quantitative financial targets set out in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023 and 2024 and is payable in shares.

Mr. Nuñez will be allocated a theoretical number of shares equivalent to €500,000 gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered. The calculations will be made considering the average stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA's share price.

This plan aims to link a portion of the remuneration of PRISA Media's Executive Director to the interests of PRISA's shareholders within a multi-year framework and to generate long-term value for shareholders.

The incentive plan will allow its beneficiary to participate in the creation of value of PRISA Media during the reference period provided that minimum targets are exceeded and the other conditions established in the plan's Regulations approved by the Board of Directors of PRISA are met.

In order to accrue the incentive, the Executive Director of PRISA Media must maintain his or her contractual relationship with PRISA Media during the entire term of the Plan. The departure of the executive (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to settlement, unless the Board of Directors, at the proposal of the Appointments and Remuneration Committee, where appropriate, adopts a different criterion.

The incentive plan includes the corresponding malus and clawback clauses, which are customary in incentive plans of a similar nature. The clawback clause will be applicable during the year following the date of delivery of the shares.

This remuneration plan is pending approval by PRISA's Shareholders' Meeting in order to be applicable to Mr. Nuñez.

iv. Deferred remuneration 2018-2020:

As already stated in sections A.1.2.1.iii) c) and A.1.2.2. iv) of this Report, the former executive director Mr. Manuel Mirat has been the beneficiary of medium-term deferred variable remuneration for the period 2018-2020, payable in shares, which was approved by the Shareholders' Meeting held on 25 April 2018, which has been settled in February 2022, through the delivery of 306,735 shares to Mr. Mirat (net amount in shares after the application of the corresponding tax withholdings).

Article 18 of the Company's Bylaws and article 32 of the Regulations of the Board of Directors establish that, subject to a resolution of the General Shareholders' Meeting, Executive Directors may benefit from remuneration systems consisting of the delivery of shares or rights over shares, as well as any other remuneration system that is indexed to the value of the shares.

The 2018-2020 Deferred Remuneration was intended to align the interests of its beneficiaries (i.e. the then Chief Executive Officer Mr. Mirat, senior executives and other executives of the Company) with those of the Company's shareholders, within the framework of the Company's 2018-2020 Strategic Plan.

The Deferred Remuneration contemplated for the beneficiaries the allocation of a number of theoretical shares that served as a reference to determine, if applicable, the delivery of a number of ordinary shares of the Company after the reference period of three years, conditioned on the fulfilment of certain requirements and the achievement of certain objectives established in relation

to: (i) the increase in the value of PRISA shares, (ii) consolidated EBITDA and (iii) consolidated cash flow.

The specific characteristics of the Deferred Remuneration were as follows:

- a) Transparent, demanding and measurable medium-term (i.e. three-year) objectives.
- b) Accrual metrics and conditions clearly linked to the achievement of demanding financial targets that enhance shareholder value.
- c) The degrees of achievement of the Deferred Remuneration targets were established, as proposed by the ARCGC, based on the Company's Strategic Plan for the period 2018-2020.

These objectives have been monitored periodically to ensure that the agreed conditions were adapted, as necessary, to preserve the principles underlying the original purpose of the deferred remuneration, while supporting the Company's interest in avoiding any possible loss of competitiveness in the market. An independent third party, KPMG, has analysed the impact of the operations that have taken place during the reporting period on the EBITDA and Cash Flow of the Strategic Plan that was used as a reference for the deferred remuneration.

In order to receive the shares, Mr. Mirat was required to maintain a contractual relationship with the PRISA Group during the term of the Deferred Remuneration and until the delivery date, except for certain cases of termination of his relationship for reasons not attributable to him, which were duly included in the document that implements the general conditions of the deferred remuneration.

- d) In order to calculate the accrual ratio for each level of achievement of the then Chief Executive Officer's objectives, a maximum incentive level was assigned and an achievement scale was determined for each of the metrics.

Both the number of measurement parameters and the payment instruments used to determine the Deferred Remuneration were in line with the practices of listed companies, according to the CNMV Report.

Once the degree of achievement of the objectives was analysed (for which advice was provided by an independent third party, KPMG, which performed the analysis of the impact on EBITDA and Cash Flow of the 2018-2020 Strategic Plan, used as a reference for establishing the objectives of the operations that have taken place during this period), achievement of Cash Flow was 85.8%, while the EBITDA and value increase objectives were not met. As a result of this degree of compliance it was confirmed that the number of shares to be delivered to Mr. Mirat at the time of settlement should amount to 471,900 gross shares, equivalent to 21.45% of the theoretical shares that were allocated to Mr. Mirat in 2018 (2,200,000 shares).

As mentioned above, the settlement was carried out in February 2022, through the delivery of 306,735 shares to Mr. Mirat.

v. Extraordinary incentives for key strategic operations:

As also indicated above in sections A.1.2.1.iii) d) and A.1.2.2.v) of this Report, the Remuneration Policy provides that in fiscal years 2021, 2022 and 2023 the Executive Directors shall be entitled to receive non-vesting variable remuneration, in cash, when the Board of Directors, following a favourable report from the Appointments and Remuneration Committee, considers it in the best interest of the Company to incentivise and reward their performance in the configuration, preparation, negotiation and execution of corporate transactions relevant to the future of the Group. Both Executive Directors or only one of them, as decided by the Board of Directors of PRISA, may be beneficiaries of such extraordinary incentives.

In any case, the extraordinary incentives granted will include clawback clauses, which will entitle PRISA to demand the return of all or part of the extraordinary incentive paid in certain cases.

The maximum amount to be paid to the Executive Directors within the framework of these extraordinary incentives shall amount to a maximum of twice their annual fixed remuneration established in their contract and its final determination, if applicable, within said maximum, shall be the responsibility of the Board of Directors, subject to a favourable report from the Appointments and Remuneration Committee. In addition, Executive Directors must maintain an uninterrupted relationship with Grupo PRISA until the date of payment of the corresponding incentive, except in the event of certain circumstances such as death, permanent disability or the termination of the employment or business relationship in certain cases.

In the event of a takeover or change of control in Prisa, among other foreseen events, the Board of Directors, at the proposal of the ARCGC, may agree to the early settlement of the plan. In such cases, the share performance component of the incentive may be deemed to have been met for accrual purposes.

The objectives to be met by the beneficiaries of these plans may be complemented with any other parameters that the Board of Directors may agree upon, at the proposal of the ARCGC.

A1.7. Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

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

No savings system for directors is contemplated for the current fiscal year.

A1.8. Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.

The directors in their capacity as such (non-executive) are not entitled to indemnities in the event of termination of their duties as directors.

The contracts of the Executive Directors provide for indemnities and the payment of other consideration for: (i) the termination of the contract with the Company and (ii) the fulfilment of a post-contractual non-competition agreement. Further details on these covenants are provided in the section on the terms and conditions of the Executive Directors' contracts (i.e. section A.1.9 below).

A1.9. Indicate the conditions that the contracts of executive directors performing senior management functions should contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as remuneration or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

The contract of Mr. Carlos Nuñez, Executive Chairman of Prisa Media, is with PRISA Media, S.L. and the contract of Mr. Francisco Cuadrado, Executive Chairman of Santillana, is with Grupo Santillana Educación Global, S.L.U.

For the purposes of article 249 of the Spanish Companies Act, both contracts were approved by the Board of Directors of PRISA (at the proposal of the ARCGC) to the extent that such contracts regulate the executive functions of Messrs. Nuñez and Cuadrado.

For the purposes of this section, the companies PRISA Media, S.L. and Grupo Santillana Educación Global, S.L.U. shall be considered (depending on which executive director is involved) as the Company.

The contracts that regulate the performance of the functions and responsibilities of the Executive Directors (Messrs. Cuadrado and Nuñez) include clauses in accordance with standard market practices in this area, with the aim of attracting and retaining the most outstanding professionals and safeguarding the Company's legitimate interests.

The following are the essential terms and conditions of the Executive Directors' contracts:

- i. Duration: indefinite, notwithstanding the fact that the contracts are linked to the term of their respective positions as Executive Chairman of Santillana and Executive Chairman of PRISA Media.
- ii. Exclusivity and non-competition: exclusivity for the Company and the PRISA Group, and Executive Directors may not, under any contractual relationship, provide services to or carry out professional activities with other persons or entities. It also includes a specific non-competition prohibition.
- iii. Term of advance notice: In the event of termination of the contract by decision of the Executive Directors, they must send notice to the Company indicating such circumstance at least three months in advance. In the event of total or partial non-compliance with the notice period, the Executive Director shall be required to pay the fixed remuneration in cash corresponding to the unfulfilled notice period.

In the event of termination of the contract at the request of the Executive Directors in the event of a change of control (as "change of control" is defined in their contracts), they must notify the Company of their decision within two months of the occurrence of the change of control and must give one month's notice. In the event of breach of the notice obligation, the Executive Directors shall indemnify the Company with an amount equivalent to the fixed remuneration applicable at the time of termination of the contract corresponding to the unfulfilled notice period.

The Company, in the event of corporate withdrawal, must give at least three months' notice. In the event of total or partial non-compliance with the notice period, the Company shall be required to pay the fixed remuneration in cash corresponding to the unfulfilled notice period.

- iv. Indemnity: In the event that the contracts of the Executive Directors are terminated: i) at the request of the executive director in the event of serious and culpable breach by the Company of the obligations established in the contract; ii) at the will of the executive director in the event of a change of control (as "change of control" is defined in the contracts), iii) at the sole will of the Company with which the contract has been entered into; iv) as a consequence of the termination or non-renewal of the position of director of Prisa Media, S.L. or Grupo Santillana Educación Global, S.L.U., depending on the director in question, or v) in the event of total or partial revocation of the powers delegated to the executive director or of the powers granted to him by the Company, the executive directors shall be entitled to receive the following indemnities:
 - a) Mr. Carlos Nuñez (Executive Chairman of Prisa Media), would receive gross indemnity equivalent to eighteen months of his fixed remuneration and his annual variable remuneration in cash.

b) Mr. Francisco Cuadrado (Executive Chairman of Santillana) would receive:

- A total indemnity of 1,643,020 euros gross. In order to determine this figure, the following amounts have been taken into account (a) the amounts of indemnity for unfair dismissal that would have corresponded to Mr. Cuadrado due to the termination of the ordinary and senior management employment relationships that Mr. Cuadrado has maintained with the different entities of the Prisa Group from 18 October 1989 until the entry into force of the current contract and (b) a gross up to mitigate the loss that Mr. Cuadrado will incur as a result of not being able to benefit from the maximum exemption provided for in article 7.e) of the Personal Income Tax Act for severance payments for dismissal or termination of employees.
- Gross supplementary remuneration equivalent to the amount established at that time as the maximum amount of the Social Security contributory unemployment benefit, for the maximum period established for such benefit. In any case, if Mr. Cuadrado obtains the payment of unemployment benefits from the corresponding public body, he will be required to reimburse to the Company the amount received as such supplementary remuneration up to the amount of the benefit obtained, and must make the reimbursement within a maximum period of one month from the date on which the unemployment benefit was recognised. However, this gross supplementary remuneration will not be paid in the event of termination of the contract as a result of a change of control.

Likewise, in the above cases, the Executive Directors shall be entitled to receive, as part of their severance payment, the proportional part of the annual variable remuneration of reference corresponding to the time worked during the year in which the termination occurs. The Executive Directors shall not be entitled to receive the annual variable remuneration corresponding to the year in which the Agreement is terminated, if such termination is due to the will of the Executive Directors, or by decision of the Company based on non-compliance by the Executive Directors, except in those cases in which the termination due to the will of the Executive Directors occurs within the last two months of the fiscal year, in which case they shall be entitled to receive the proportional part of the annual variable remuneration (corresponding to the time worked during the year in which the termination occurs) that, if applicable, would have corresponded to them, provided that the annual objectives established are proportionally reached. The annual variable remuneration will be paid within the first half of the calendar year following the year of generation.

- v. Post-contractual noncompetition The contracts of the Executive Directors include a post-contractual non-competition clause by virtue of which the Executive Director undertakes (i) to refrain from engaging in activities in competition with those of the Company with which they have entered into the contract, either on their own account or on behalf of a third party, in the manner and to the extent specified in their contracts, and (ii) not to hire any person who on the date of termination of the contract is employed by the Company with which they have entered into the contract or any other company of its group, and not to contribute to any employee of such group leaving it.

This non-competition covenant will last for 12 months after termination of this agreement for any reason.

The Executive Directors would receive, as economic consideration for such obligations, remuneration equivalent to six monthly payments of the fixed remuneration in force at the time of termination of the contract. In the event of breach of the aforementioned post-contractual non-competition agreement, the Executive Directors shall be required to reimburse the amount of the remuneration received for such concept and an indemnity in an amount equal to six monthly payments of the fixed remuneration in force at the time of termination of the contract.

- vi. Clawback clause: In general terms, the contracts of the Executive Directors have a clawback clause that allows the Company to claim the reimbursement of the variable components of the remuneration if in the year following its payment any event or circumstance occurs that has as a consequence the significant alteration or modification of the accounts, results, economic or other data on which the granting of the variable remuneration in question was based, other than those deriving from legislative or jurisprudential changes, such that the aforementioned data did not faithfully reflect the situation of the Company or the Group as a result of which there was a justified review of achievement of the objectives established for the accrual of the variable remuneration in question, regardless of whether or not the Executive Chairman had any kind of responsibility in this regard.
- vii. Professional secrecy and duty of confidentiality: The contracts of the Executive Directors include an obligation to maintain professional secrecy. The duty of confidentiality is regulated in article 34 of the Board Regulations and applies even when the director has left office.

A.1.10. The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

The Remuneration Policy does not contemplate any remuneration other than what is mentioned in the preceding sections for the directors.

A.1.11. Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

The Remuneration Policy does not envisage the possibility of providing advances, loans and guarantees to the directors.

A.1.12. The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

The payment of other remuneration not provided for in the preceding paragraphs is not foreseen.

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

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

As already mentioned in the "Background" of this Report, throughout the 2021 financial year there have been relevant changes in the composition of the Board of Directors of PRISA, some of which have been subsequent to the date of approval of the Remuneration Policy (Shareholders' Meeting of 29 June 2021).

This implies that some aspects of the Remuneration Policy will have to be adjusted to the new circumstances, which will have to be submitted for approval at the next Shareholders' Meeting to be held by the Company in fiscal year 2022. The new Policy will have to provide for, among other issues, i) the remuneration applicable to the new executive director of Santillana and executive director of PRISA (Mr. Francisco Cuadrado); ii) the Medium-Term Incentive 2021-2023 that the Board of Directors approved in December 2021 and whose beneficiary is the Executive Chairman of Prisa Media and executive director of PRISA (Mr. Carlos Nuñez); and iii) the remuneration corresponding to the members of the Sustainability Committee (constituted in February 2022).

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

<https://www.prisa.com/uploads/2021/07/politica-de-remuneraciones-2021-2023-vf.pdf>

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

Last year's Annual Remuneration Report received the favourable vote of 94,16% of the votes cast at the Ordinary General Shareholders' Meeting held on 29 June 2021, on the terms stated in section B.4. The Board understood that, considering the shareholders' vote, it was not appropriate to carry out any additional consideration to the remuneration policy and its application.

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

B.1.1. Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

The remuneration items accrued in 2021 correspond to the principles and structure of the current remuneration system, in accordance with the Remuneration Policy described in section A of this Report and with the contracts of the Executive Directors (the current Executive Chairman of Prisa Media, Mr. Carlos Nuñez, the Executive Chairman of Santillana, Mr. Francisco Cuadrado, as well as the former Chief Executive Officer of PRISA and Executive Chairman of Santillana, Mr. Manuel Mirat).

As mentioned in the Background of this Report, in June 2021 the Shareholders' Meeting of PRISA approved a new director remuneration policy applicable for the years 2021, 2022 and 2023. With respect to the 2021 fiscal year, this Remuneration Policy replaced and superseded the text of the 2020/2021 Remuneration Policy.

The ARCGC submitted to the Board (which, in turn, proposed to the General Shareholders' Meeting in June 2021) the terms of the new Directors' Remuneration Policy. In accordance with the provisions of article 529 novodecies of the Spanish Companies Act, a reasoned proposal of the Board, together with a supporting report of the ARCGC, regarding the new Remuneration Policy was made available to the shareholders at the time of the call of the shareholders' meeting.

i. Remuneration of executive directors

The Remuneration Policy provides for the existence of two executive directors and refers to them by name (Mr. Carlos Nuñez as Executive Chairman of PRISA Media and Mr. Manuel Mirat as Executive Chairman of Santillana). However, in July 2021 and, therefore, subsequent to the approval of the Remuneration Policy, Mr. Mirat was replaced by Mr. Francisco Cuadrado as a director of PRISA and as Executive Chairman of Santillana. Mr. Cuadrado's remuneration is in line with the remuneration framework established for the previous Executive Chairman of Santillana (Mr. Mirat) in the Remuneration Policy and, in addition, the remuneration items recognised in favour of Mr. Cuadrado are of a lower amount than those set forth in the Policy. In any case, as stated in section A.2 above, the Company's Board of Directors intends to submit a new remuneration policy

to the General Shareholders' Meeting for the purpose, among other matters, of adapting to this circumstance.

As mentioned above, the contracts of the Executive Directors have been approved by the Board of Directors of PRISA, at the proposal of the ARCGC, to the extent that such contracts regulate the executive functions of Messrs. Nuñez and Cuadrado. The law firm Uría & Menéndez advised the Company on the configuration of these contracts.

In accordance with their contracts and the Remuneration Policy, the Executive Directors, Mr. Carlos Nuñez (Executive Chairman of Prisa Noticias) and Mr. Francisco Cuadrado (Executive Chairman of Santillana), in 2021 have accrued the remuneration set out in section B.3 of this Report.

On the other hand, and as already indicated in the "Background" of this Report, Mr. Manuel Mirat, who was an executive director of the Company until 27 July 2021, had been rendering his services in several companies of the PRISA Group, through successive contractual relationships of different nature, from October 1997 until July 2021. The last executive responsibilities assumed by Mr. Mirat in the Company were those of Chief Executive Officer of PRISA (from September 2017 until June 2021) and Executive Chairman of Santillana (from 29 June until 27 July 2021, having signed the corresponding service agreement on 26 May 2021).

The termination of the last two contracts of Mr. Mirat as Chief Executive Officer of PRISA and as Executive Chairman of Santillana, as well as the termination of the labour relationship that Mr. Mirat had with the Company for other previous contracts, has been settled and terminated in the year 2021, which has given rise to the payment and/or recognition of the remuneration items that were provided for both in Mr. Mirat's contracts with the Company and in the Remuneration Policy and which are stated in section B.3 of this Report.

The termination and settlement of Mr. Manuel Mirat's contracts was approved by the Board of Directors at the proposal of the ARCGC. The Pérez-Llorca law firm advised the Company in connection with the economic conditions associated with the dismissal of Mr. Manuel Mirat as Executive Chairman of Santillana and the termination of his legal relationship with the Company.

ii. Remuneration of directors in their capacity as such (non-executive).

The non-executive directors in 2021 have received the amounts provided for in the Remuneration Policy, which are detailed in section B.5. of this Report, as members of the Board of Directors and of the various Board Committees, as well as, where applicable, as chairs of the Board and of the Committees, with the reductions applied within the framework of the aforementioned contingency plan implemented by the Board of Directors, at the proposal of the ARCGC, within the framework of the COVID-19 crisis (which entailed a 20% reduction throughout the 2021 financial year, on the corresponding remuneration, except for the remuneration of the Chairman of the Board and

except for the remuneration for the chairmanship of the ARCGC and of the Audit, Risk and Compliance Committee in December).

As previously indicated in this Report, in the Remuneration Policy approved at the Shareholders' Meeting of June, 2021, taking into account the socioeconomic circumstances of the moment, as well as those of the Company in particular, it was considered appropriate to reduce the remuneration range of the non-executive Chairman (which until December 2020 was between 300,000 and 500,000 euros per year), being set at a range of between 200,000 and 300,000 euros per year.

The remuneration of the non-executive Chairman, Mr. Joseph Oughourlian, has been set by the Board of Directors of PRISA, at the proposal of the ARCGC, at 200,000 euros per year.

B.1.2. Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

The following two circumstances are highlighted, although they do not mean, per se, that there has been a deviation in the application of the Remuneration Policy:

- i. The current Remuneration Policy (approved at the shareholders' meeting held in June 2021) provides for the existence of two executive directors and refers to them by name (Mr. Carlos Nuñez as Executive Chairman of PRISA Media and Mr. Manuel Mirat as Executive Chairman of Santillana).

Subsequent to the approval of the Remuneration Policy, in July 2021, Mr. Mirat was replaced by Mr. Francisco Cuadrado as a director of PRISA and as Executive Chairman of Santillana. This circumstance does not imply a deviation from the remuneration policy applicable during the 2021 fiscal year, since Mr. Cuadrado's remuneration is in line with the remuneration framework that was set for the previous Executive Chairman of Santillana (Mr. Mirat) in the remuneration policy and, in addition, the remuneration items recognised in favour of Mr. Cuadrado are of a lower amount than those provided for in the Policy.

In any case, as stated in section A.2 above, the Company's Board of Directors intends to submit a new remuneration policy to the General Shareholders' Meeting for the purpose, among other matters, of adapting to this circumstance.

- ii. The Ordinary Shareholders' Meeting held in June 2021 resolved to increase the size of the Board as well as to appoint a new proprietary director (Ms. Carmen Fernández de Alarcón Roca). Given that the incorporation of a new director implied an increase in the expense corresponding to the remuneration of the directors, the Board of Directors of PRISA, at the proposal of the ARCGC, resolved, with effect from July 2021, the proportional reduction of the annual fixed remuneration corresponding to the proprietary directors, in order to avoid an increase in the total annual expense for the annual fixed remuneration of the directors as a whole.

Thus, the fixed annual remuneration of each of the external directors (independent and proprietary) for their membership on the Board was as follows for the 2021 fiscal year:

- a) From January to June 2021: the proportional part of the fixed annual remuneration of €70,000 (which, after the 20% reduction applied in fiscal year 2021 under the contingency plan for Covid-19, has been reduced to €56,000).
- b) From July to December 2021: i) no change for independent directors, i.e. the proportional part of the annual fixed remuneration of €70,000 (which, after the 20% reduction applied in the 2021 fiscal year under the contingency plan by reason of Covid-19, has remained at €56,000) and ii) for proprietary directors, the proportional part of the annual fixed remuneration of €56,000 (which, with the 20% reduction applied in the 2021 fiscal year within the framework of the contingency plan for Covid-19, has been reduced to €44,800).
- c) The remuneration corresponding to the chairwomen of the ARCGC and the Audit, Risk and Compliance Committee has been reduced by 20% until November 2021 and from December 2021, inclusive, they receive it in full without any reduction whatsoever.

B.1.3. Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

No temporary exceptions to the Remuneration Policy have been applied during the 2021 fiscal year.

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

The ARCGC oversees compliance with the Remuneration Policy and reports to the Board of Directors on proposals relating to the terms of the variable remuneration of the Company's Executive Directors and Senior Management and verifies the degree of achievement of the objectives to which they are subject.

The Board of Directors, at the proposal of the ARCGC, determines the objectives on which the payment of the variable remuneration of the Executive Directors depends, their weight and metrics at the beginning of each year and the evaluation of their level of compliance at the end of the year.

To evaluate achievement of the objectives, the ARCGC relies on information provided by the Risk Control and Management Control Department and the Human Resources and Talent Management Department of the Company.

In addition, if the external auditors of the Company, in their annual audit report, issue a qualified opinion that affects the objectives of the variable remuneration of the Executive Directors, the Board of Directors of PRISA must take the qualifications into account when determining the variable remuneration of the executive directors.

Finally, the Company has a Risk Management System, supported by an adequate definition and assignment of functions and responsibilities at different levels and by a series of control and management methodologies, tools and procedures whose purpose is to know and control the risks to which the Group is exposed and which could affect achievement of the objectives defined in the Strategic Plan and those of its businesses. Through this Risk Management System, the Group identifies, monitors and analyses risks on an ongoing basis; and defines and, if necessary, implements, on a case-by-case basis, the measures required to mitigate risks when they materialise.

The Company has a risk map approved by the Board of Directors, as a tool for the graphic representation of the risks inherent to the Group, which is used to identify and assess the risks affecting the development of the activities of the different business units. The identification of the risks and the processes that manage each of the risks considered is carried out by the General Management of the business units and the corporate area and aggregated and standardised by the Internal Audit Department. The Group's risk map is reported to the Audit, Risk and Compliance Committee, which monitors the main risks identified. At least once a year, the Board of Directors is informed of the Group's risk map.

In addition, the Company has an internal control over financial reporting (ICFR) model. The Board of Directors of Prisa has assigned among its functions, as established in the Board Regulations, the supervision of internal information and control systems. The Board of Directors relies on Prisa's Audit, Risk and Compliance Committee for the development of these functions, whose responsibilities include supervising the preparation process and the integrity of the financial information of the Company and its Group. The Committee, in turn, supervises the Internal Audit unit to ensure the proper functioning of the information and internal control systems. The internal audit objective is to provide Group Management and the Audit Committee with reasonable assurance that the internal control systems and environment in effect within the Group companies have been properly designed and managed. To this end, internal audit supervises the design and scope of the internal control model over the Group's financial information, and subsequently evaluates the functioning of the control activities defined in the model.

The effective implementation of the internal control model is the responsibility of the executive directors (Executive Chairmen of the Group's businesses) and the General Manager of Risk Control of PRISA, as well as the General Managers of the Group's business units involved in the preparation of the financial information that serves as the basis for the preparation of the Group's financial statements.

The Audit, Risk and Compliance Committee shall periodically evaluate that the risk control and management function is exercised with due independence, verifying that the appropriate processes have been implemented so that management, the Committee itself and the Board can know whether the risk control and management system has operated in accordance with the policies and criteria approved by the Board.

The system of internal control over financial reporting is reviewed by the Group's external auditor, which issues an opinion on the effectiveness of internal control in a reasonable assurance report in accordance with ISAE 3000.

The Remuneration Policy seeks to: i) align it with best market practices, ii) align it with the Company's corporate governance structure, iii) align the directors' remuneration structure with the Group's general strategy and iv) promote an incentive system that guarantees a results-oriented approach and the creation of value for shareholders in a sustainable manner in the medium and long term.

The various actions taken by the Company to (i) reduce exposure to excessive risks, (ii) align remuneration with the Company's long-term interests and (iii) achieve a balance between the fixed and variable components of directors' remuneration have been described previously in this Report. In addition, as also detailed, only Executive Directors are participants in variable remuneration systems, thus preventing variable remuneration from compromising the independence of judgment of non-executive directors.

As mentioned above, variable remuneration includes the following provisions to reduce risks:

- i. The parameters of the short-term variable remuneration system are defined annually, based on formal procedures for determining the amounts to be paid to the Executive Directors. The objectives are set in writing in advance and their achievement is determined on the basis of the results obtained and approved by the Board of Directors, at the proposal of the ARCGC. The application of the short-term annual variable remuneration system for the year 2021 is detailed in section B.1.7 below.
- ii. There is no right to obtain guaranteed short-term annual variable remuneration (without prejudice to the exception agreed with Mr. Nuñez for the 2021 fiscal year).
- iii. All of the variable remuneration has fixed maximum amounts to be paid.
- iv. The system for setting metrics for quantitative objectives takes into consideration the variables identified in the Company's risk map.

- v. The contracts of the Executive Directors have a clawback clause that allows the Company to claim reimbursement of the variable components of remuneration when they have been paid on the basis of data subsequently proven to be inaccurate. This clause is effective for all variable remuneration received from the date of entry into force of their contracts with the Company, and is applicable within the year following the payment of the corresponding variable remuneration.
- vi. In addition, the "Deferred Remuneration 2018-2020" approved by the General Shareholders' Meeting contemplates, considering the duration of this variable remuneration, a specific clawback clause, which requires the former Chief Executive Officer, Mr. Manuel Mirat, to return the variable remuneration received if within the three years following its receipt circumstances determined by the Board of Directors have arisen that require the return of the shares delivered or their cash equivalent. This clawback clause is also applicable to the other beneficiaries of the plan (i.e. senior executives and other Group executives), with a term of application of two years instead of three.
- vii. Likewise, the general conditions approved by the Board of Directors of PRISA that defined the extraordinary remuneration incentives linked to the success of the strategic operations of the sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and the refinancing of Grupo Prisa's financial debt with its creditors, which were executed in 2020, include a clawback clause, which requires the former Chief Executive Officer Mr. Manuel Mirat to reimburse all or part of the incentive paid if during the two years following each payment date any of the circumstances determined for this purpose in the aforementioned general conditions were to occur.

This remuneration was paid in full to Mr. Mirat in 2021 (50% was paid in January 2021 and the other 50% was settled in July 2021). However, only 50% of such remuneration has been accrued in fiscal year 2021 (the other 50% was accrued in fiscal year 2020, as stated in the Remuneration Report for fiscal year 2020).

B.3 Explain how the remuneration accrued and consolidated over the financial the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

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

B.3.1. Remuneration accrued during the year and compliance with current remuneration policy

In compliance with the provisions of the Remuneration Policy, the remuneration earned in 2021 by the directors was as follows:

i. Non-executive directors:

The non-executive directors have received in fiscal year 2021 the amounts provided for in the Remuneration Policy and detailed in section B.5 of this Report, both for their membership of the Board of Directors and the various Board Committees, as well as, where applicable, for the chairmanships of the Board and the Committees, with the reductions applied within the framework of the contingency plan indicated in the Background of this Report, which was implemented by the Board of Directors in the context of the COVID-19 crisis.

On the other hand, Mr. Manuel Polanco Moreno has been non-executive Chairman of PRISA Noticias until 27 May 2021 and, as such, was entitled to receive a maximum amount of 50,000 euros per year. As part of the aforementioned contingency plan, this remuneration was reduced by 20%, to €40,000, in fiscal year 2021. For the period from 1 January to 27 May 2021, Mr. Polanco received the sum of 16,667 euros.

The total amount accrued by all the directors in their capacity as such (non-executive) in 2021, including the remuneration of the former directors Mr. Javier de Jaime and Mr. Dominique D'Hinnin until the time of their respective resignations, amounts to 1,027,060 euros in PRISA, to which must be added the 17,000 euros accrued by the director Mr. Manuel Polanco for his previous responsibilities in PRISA Media. Consequently, the total annual maximum limit established in the Remuneration Policy for non-executive directors is complied with (i.e. 2,000,000 euros).

ii. Executive directors (Mr. Carlos Nuñez, Executive Chairman of PRISA Media and Mr. Francisco Cuadrado, Executive Chairman of Santillana)

a) Fixed remuneration:

As indicated above, the Remuneration Policy (approved at the shareholders' meeting held in June 2021) provides for the existence of two executive directors and refers to them by name (Mr. Carlos Nuñez as Executive Chairman of PRISA Media and Mr. Manuel Mirat as Executive Chairman of Santillana).

The Remuneration Policy provides for fixed annual remuneration of 400,000 euros for Mr. Nuñez as Executive Chairman of PRISA Noticias and 500,000 euros for Mr. Mirat as Executive Chairman of Santillana (which is the same remuneration that Mr. Mirat had stipulated as Chief Executive Officer of PRISA).

Subsequent to the approval of the Remuneration Policy, in July 2021, Mr. Mirat has been replaced by Mr. Francisco Cuadrado as a director of PRISA and as Executive Chairman of Santillana, and the Company has entered into a contract with Mr. Cuadrado whereby he is recognised annual fixed

remuneration of 475,000 euros without exceeding the maximum annual fixed remuneration that the Remuneration Policy provides for the Executive Chairman of Santillana (500,000 euros).

The Executive Directors in 2021 have earned fixed remuneration, proportional to the time in which they have performed their duties as Executive Chairman of Prisa Noticias and Executive Chairman of Santillana:

- Mr. Nuñez has accrued fixed remuneration of 241,942 euros, for the period from 24 May 2021 (effective date of his appointment as Executive Chairman of Prisa Noticias) to 31 December 2021, taking into account that his annual fixed remuneration amounts to 400,000 euros.
- Mr. Cuadrado has accrued fixed remuneration of 197,917 euros, for the period between 27 July 2021 (date of his appointment as Executive Chairman of Santillana and as a director of PRISA) and 31 December 2021, taking into account that his annual fixed remuneration amounts to 475,000 euros.

Remuneration earned by Mr. Cuadrado for other functions performed at Santillana prior to 27 July 2021, are not included in section C of this report as they are prior to the date on which Mr. Cuadrado assumed his responsibilities as Executive Chairman of Santillana and as a director of PRISA.

b) Short-term variable annual remuneration:

Mr. Nuñez's short-term target variable remuneration for a level of 100% achievement of the objectives set for 2021 amounted to 250,000 euros. This amount could be increased up to 130% (i.e. 325,000) if the degree of achievement of the objectives set is higher than 100%.

The annual variable remuneration of Mr. Carlos Nuñez was to be calculated in proportion to the time of service rendered during the year 2021 although, exceptionally, the Company guarantees him the payment of 50% of the annual variable remuneration of reference mentioned above (i.e. 50% of €250,000).

To determine Mr. Nuñez's short-term variable remuneration, the weighting of objectives was as follows: (i) 70% quantitative objectives and (ii) 30% qualitative objectives.

Mr. Cuadrado's short-term target variable remuneration for a level of 100% achievement of the objectives set for 2021 amounted to 250,000 euros. This amount could be increased up to 130% (i.e. 325,000) if the degree of achievement of the objectives set is higher than 100%.

It should also be noted that with respect to the variable remuneration that may correspond to Mr. Cuadrado for the performance of his duties during

the year 2021, in accordance with his contract, this would be calculated as follows:

- until 31 July 2021, the amount of the annual variable remuneration would be calculated by applying the percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 160,000 euros gross; and
- from 1 August 2021 to 31 December 2021, the amount of the annual variable remuneration would be calculated by applying the same percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 250,000 euros gross.

To determine Mr. Cuadrado's short-term variable remuneration, the weighting of objectives was as follows: (i) 70% quantitative objectives and (ii) 30% qualitative objectives.

The annual variable remuneration corresponding to the 2021 fiscal year accrued by the Executive Directors is €168,252 (Mr. Nuñez) and €148,476 (Mr. Cuadrado), calculated on the target amounts and based on the fulfilment of the objectives set forth in their contracts and in the Remuneration Policy, as explained in more detail in section B.7. below. In the case of Mr. Cuadrado, the target amount contractually recognised for him (250,000 euros) does not exceed the target amount foreseen in the Remuneration Policy for Mr. Mirat as Executive Chairman of Santillana (300,000 euros).

c) Life and accident insurance and health insurance premiums:

The amounts corresponding to the premiums for life and accident insurance and health insurance described in section B.14 have also been accrued.

iii. Mr. Manuel Mirat, former Chief Executive Officer of PRISA and Executive Chairman of Santillana):

As already indicated in the "Background" of this Report, Mr. Manuel Mirat, who was an executive director of the Company until 27 July 2021, had been rendering his services in several companies of the PRISA Group, through successive contractual relationships of different nature, from October 1997 until July 2021.

The last executive responsibilities assumed by Mr. Mirat in the Company were those of Chief Executive Officer of PRISA (from September 2017 until June 2021) and Executive Chairman of Santillana (from 29 June until 27 July 2021, having signed the corresponding service agreement on 26 May 2021).

Mr. Mirat's annual fixed remuneration amounted to 500,000 euros, although during the 2021 fiscal year it was subject to a 20% reduction, applied as part of the contingency plan implemented in the Company due to the Covid-19 crisis. Mr. Mirat has accrued fixed remuneration of 265,417 euros for the

period from January to July 2021 (included in section C of this Report under "Salary").

Mr. Mirat has accrued annual short-term variable remuneration, corresponding to the 2021 fiscal year, in the amount of 175,000 euros.

In addition, in fiscal year 2021, Mr. Mirat has accrued the second 50% of the amount of the Extraordinary Incentives linked to the success of certain key strategic operations executed in fiscal year 2020, which has been settled in July 2021 in the amount of €500,000 (included in section C of this Report under "Other items"). The first 50% of these incentives (another 500,000 euros) was paid in January 2021, but accrued in 2020 (as stated in the Remuneration Report for that year) and is therefore not included in the tables in section C of this Report.

The termination of the last two contracts of Mr. Mirat as Chief Executive Officer of PRISA and as Executive Chairman of Santillana has been settled and terminated in the year 2021, which has given rise to the payment and/or recognition of the following remuneration items that were foreseen both in Mr. Mirat's contracts with the Company and in the Remuneration Policy:

- Indemnity for the termination of the services agreement on 26 May 2021, equivalent to 18 months of fixed and variable annual remuneration: 1,200,000 euros (included in section C of this Report under "Indemnity").

For the calculation of this amount, the annual fixed remuneration of 500,000 euros (without the temporary reduction of 20% applied in the context of the Covid-19 crisis) and Mr. Mirat's annual variable reference remuneration (target), which amounted to 300,000 euros gross, were taken into consideration.

- Employment indemnity for the termination of the employment relationships that Mr. Mirat had maintained with different entities of the PRISA Group since 20 October 2017: 381,145.18 euros gross (included in section C of this Report under "Indemnity").

This amount was already calculated and provided for in the Remuneration Policy.

- Supplemental indemnity: 35,588.64 euros gross (included in section C of this Report under "Indemnity").

In accordance with the provisions of the Remuneration Policy, this amount is equivalent to the amount established as the maximum amount of the Social Security contributory unemployment benefit, for the maximum period established for such benefit.

- Three months' notice (for termination of the contract at the Company's request): 125,000 euros gross (included in section C of this Report under "Indemnity").

This amount was calculated on Mr. Mirat's annual fixed remuneration of 500,000 euros (without the 20% temporary reduction applied in the context of the Covid 19 crisis) and corresponds to the 3-month notice period not observed by the Company.

- Annual variable remuneration corresponding to fiscal year 2021, in an amount proportional to the date of Mr. Mirat's resignation from the Company and calculated on the annual target amount (300,000 euros): 175,000 euros gross (included in section C of this Report under "Short-term variable remuneration").
- Settlement of accrued and unused vacation and bonus payments: a total of 24,702 euros gross (included in heading C of this Report under "Salaries" and "Other items", respectively).
- Post-contractual non-competition covenant: 208,333 euros gross.

In consideration for the post-contractual non-competition covenant provided for in Mr. Mirat's contract, Mr. Mirat will receive six monthly instalments of the gross annual salary (amounting to €500,000), payable in six monthly instalments of the same amount each over the term of the non-competition covenant (i.e., from August 2021 to January 2022, both months inclusive). Consequently, Mr. Mirat is entitled to receive a total amount of 250,000 euros payable in six monthly payments of 41,666.67 euros gross each, and it is the amount of five monthly payments (from August to December, both inclusive), i.e. 208,333 euros, which he has accrued in 2021 (included in section C of this Report under "Other items").

Finally, it should be noted that Mr. Mirat has waived any rights he may be entitled to under the "Santillana 2020-2023 Incentive Plan", referred to in sections A.1.2.1. iii) a) and A.1.2.2.2.ii) of this Report.

iv. Total remuneration of directors and differences from the Annual Financial Statements and Financial Information

The amount of the total remuneration of the Board members shown in section C of this Report, which follows the accrual criteria set forth in "*CNMV Circular 3/2021, establishing the model annual report of remuneration of directors of listed public limited companies*", differs from the total amount of directors' remuneration disclosed in the Notes to the Annual Financial Statements and in the Semiannual Financial Information of PRISA for the year 2021, as this amount corresponds to the expense recorded for accounting purposes in accordance with the applicable principles and standards.

v. Contribution of remuneration to the Company's sustainable performance.

As expressly stated in the Company's Remuneration Policy, the remuneration system shall be aimed at promoting the long-term profitability and sustainability of the Company, incorporating the necessary precautions to avoid excessive risk-taking and the rewarding of unfavourable results. Likewise, the Policy establishes as one of the criteria on which the remuneration of directors who perform executive functions in the Company must be based, that such remuneration should take into account the current situation, prospects and sustainable growth objectives of the Company.

In this sense, the variable remuneration of the Executive Directors is intended to strengthen their commitment to the Company and to encourage the best performance of their duties, and represents a relevant part of their total remuneration, being linked to the achievement of objectives pre-set by the Board of Directors, most of which are specific and quantifiable, so that it does not simply derive from the general evolution of the markets, the Company's sector of activity or other similar circumstances.

In particular, as detailed in section B.7 of this Report, the annual short-term variable remuneration of the Executive Directors for the 2021 fiscal year has been linked, among other qualitative objectives, to the fulfilment of certain ESG objectives, the remuneration accrued by the Directors in the 2021 fiscal year thus contributing to the sustainable performance of the Company.

B.3.2. Relationship between remuneration obtained by directors and the results or other measures of short and long-term profitability of the entity, if applicable explaining how the changes in profitability of the company may have influenced changes in remuneration of directors.

As stated in the Background of this Report, in the context of the COVID-19 crisis and in order to mitigate the negative impact of the situation, which had a particular impact on the main sources of revenue generation of all types of media, in the 2020 financial year the Board of Directors of PRISA agreed to implement a contingency plan to adapt the cost structures of its businesses to the foreseeable circumstances in the following months, which has led to a 20% reduction in the remuneration of directors throughout the 2021 financial year.

In addition, the remuneration of the Executive Directors has been adjusted to the short and medium/long term performance of PRISA, and, in this regard, the Policy establishes the following remuneration components: (i) short-term annual variable remuneration the objectives of which are determined on an annual basis and are linked to a significant percentage (i.e. 70%) to the Company's financial objectives and (ii) medium-term Deferred Remuneration, the objectives of which are linked to Santillana's value creation and PRISA Media's budget, respectively.

The short and medium-term variable remuneration systems incorporate measures that take into account possible variations in the Company's results, including the following:

- They include achievement scales defined for each objective based on the results achieved by the Company. Consequently, any variation in the

Company's performance in the short or long term will affect the degree of achievement of the objectives and directly affect the amount of variable remuneration that may correspond to the Executive Directors, if any.

- Only when the Board of Directors has prepared the corresponding annual accounts that serve as a basis for determining the degree of achievement of the objectives, will the short or long-term variable remuneration systems, linked to the Company's financial objectives, be accrued.
- In addition, the 2018-2020 Deferred Remuneration provides for the obligation to maintain ownership of a certain number of the shares that may be received under the Deferred Remuneration.

In this regard, the variable remuneration obtained by the Executive Directors has been directly linked to the Company's results, as explained in more detail in section B.7. below.

B.4. Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

	Number	% of total
Votes cast	592,865,961	100%

	Number	% of votes cast
Votes against	34,635,056	05.84%
Votes in favour	558,218,808.	94.16%
Blank ballots	0	00.00%
Abstentions	12,097	00.00%

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

i. Non-executive Chairman's remuneration:

As previously indicated in this Report, in the Remuneration Policy approved at the Shareholders' Meeting of June 2021, taking into account the socioeconomic circumstances of the moment as well as those of the Company in particular, it was considered appropriate to reduce the remuneration range of the non-executive Chairman (which until December 2020 was between 300,000 and 500,000 euros per year), being set at a range of between 200,000 and 300,000 euros per year.

The amount of the annual fixed remuneration of the non-executive Chairman is a fixed amount for all categories, which is established by the Board of Directors, at the proposal of the ARCGC, within said range and taking into account different considerations. Thus, the remuneration of the non-executive Chairman, Mr. Joseph Oughourlian, was set by the Board of Directors of PRISA at 200,000 euros per year (vs. 400,000 euros per year

received by the former (until December 2020) non-executive Chairman, Mr. Javier Monzón de Cáceres).

ii. Remuneration of other directors in their capacity as such

The remaining remuneration of the directors, in their capacity as such, has not undergone any variation in 2021 with respect to the previous year and continues to be as indicated below, with the following exceptions:

- a) the 20% reduction in directors' remuneration as part of the contingency plan implemented as a result of the COVID-19 crisis has been applied for the entire 2021 fiscal year (whereas in 2020 this reduction was applied between April and December, inclusive) and,
- b) The remuneration of proprietary directors has undergone an additional reduction since July 2021, inclusive (as indicated in section B.1.2. of this Report) as a result of the incorporation of a new proprietary director in June and in order not to increase the total overall remuneration of the Board.

The remuneration was as follows:

- a) Maximum amount of fixed annual remuneration for participation in the Board of Directors: until June 2021 it was 70,000 euros per year for all non-executive directors (excluding the Chairman of the Board) but as from 1 July 2021 this amount has been reduced for proprietary directors, being established as follows: 70,000 euros per year for each independent director and 56,000 euros per year for each proprietary director.

Following the extraordinary reduction applied as part of the contingency plan for the COVID 19 crisis (20%), from January 2021 to June 2021 it was 56,000 euros for all proprietary and independent directors and from 1 July 2021 it was 56,000 euros for independent directors and 44,800 euros for proprietary directors.

This amount is paid in full in cash and prorated monthly.

- b) Maximum annual remuneration for participation in the Executive Committee of 30,000 euros per director. This amount is paid in full in cash and prorated monthly. After the extraordinary reduction indicated above, applied within the framework of the contingency plan, it has been €24,000 in fiscal year 2021.
- c) Maximum annual remuneration for participation in the Audit, Risk and Compliance Committee and in the ARCGC of 20,000 euros per director, being twice this amount for their respective chairmen (i.e. 40,000 euros). This amount is paid in full in cash and prorated monthly. Following the aforementioned extraordinary reduction, applied within the framework of the contingency plan, it has been €32,000 and €16,000, respectively, in fiscal year 2021 (although,

as explained above, this reduction has not been applied to the remuneration for the chairmanship of the committees during the month of December).

Specifically, the amounts of individual remuneration accrued in 2021 by the directors in their capacity as such (non-executive) were as follows, all in cash:

- Joseph Oughourlian: 200,000 euros.
- Roberto Alcántara Rojas: 50,400 euros.
- Amber Capital UK LLP (represented by Mr. Fernando Martínez Albacete until 23 March 2021 and by Mr. Miguel Barroso from that date until 31 December 2021): 66,400 euros.
- Maria Teresa Ballester Fornés: 72,000 euros.
- Beatrice de Clermont-Tonnerre: 112,667 euros.
- Carmen Fernández de Alarcón: 30,555 euros
- María José Marín Rey-Stolle: 73,071 euros
- Manuel Polanco Moreno 74,400 euros.

Additionally, Mr. Polanco in 2021 has received remuneration for his membership in the board of Prisa Noticias in the amount of 17,000 euros, also in cash, for the period from 1 January to 27 May 2021.

- Teresa Quirós Álvarez: 8,000 euros
- Khalid Bin Thani Abdullah Al Thani: 50,400 euros.
- Javier Santiso Guimaras: 96,000 euros.
- Rosauero Varo Rodriguez: 92,357 euros
- Dominique D'Hinnin (who has been a director until 30 November 2021): 88,666 euros.
- Mr. Javier de Jaime Guijarro (who was a director until 23 February 2021): 12,142 euros.

In accordance with the foregoing, the total amount accrued by all directors in their capacity as such (non-executive) in 2021 amounts to 1,044 thousand euros, which represents a decrease with respect to the total amount received by all directors in their capacity as such (non-executive) in 2020 (1,273 thousand euros).

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

In 2021 the Company had the following executive directors:

- i. Mr. Carlos Nuñez has been an executive director of PRISA since his appointment by the General Shareholders' Meeting on 29 June 2021 (and has been Executive Chairman of PRISA Media since 24 May 2021). The fixed remuneration provided for in his contract is 400,000 euros, so Mr. Nuñez has accrued fixed remuneration of 241,942 euros in the 2021 fiscal year, for the time during which he has held his position as Executive Chairman of PRISA Media.
- ii. Mr. Francisco Cuadrado has been an executive director of PRISA since his appointment by co-optation on 27 July 2021 and has also been Executive Chairman of Santillana since the same date. The fixed remuneration provided for in his contract is 475,000 euros, so Mr. Cuadrado has accrued fixed remuneration of 197,917 euros in the 2021 fiscal year, for the time during which he has held his position as Executive Chairman of Santillana.
- iii. Mr. Manuel Mirat has been an executive director of PRISA until his resignation on 27 July 2021 (first as Chief Executive Officer of PRISA until 29 June 2021 and then as Executive Chairman of Santillana until 27 July 2021). The amount of Mr. Mirat's annual fixed remuneration was maintained since the signing of his contract as Chief Executive Officer of PRISA in September 2017, at €500,000.

As part of the contingency plan implemented as a result of the COVID-19 crisis, this remuneration was reduced by 10% for the period from April to December 2020 and for the entire 2021 financial year. Consequently, the fixed remuneration accrued was 463,000 euros in 2020 and 265,417 euros in 2021 (for the period during which he was an executive director of PRISA, from 1 January to 27 July 2021).

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

In particular:

a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

b) In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.

c) Each director that is a beneficiary of remuneration systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).

d) Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

As provided for in the Remuneration Policy, only the Executive Directors have been participants in variable remuneration systems during the 2021 financial year.

The variable remuneration system for Executive Directors includes the following variable components:

B.7.1. Annual short-term variable remuneration:

The annual variable remuneration of the Executive Directors is regulated in their contracts, by virtue of which they will receive non-vesting variable remuneration, in cash, in accordance with the degree of achievement of the objectives assigned to them for each of the annual periods included in the term of their contracts, which will be established annually by the Board of Directors at the proposal of the ARCGC.

The Remuneration Policy establishes that, in general terms, this short-term variable remuneration will be determined according to a compliance scale, mainly linked to the achievement of quantitative business objectives, among which are the Group's operational and financial objectives, value creation objectives and sustainability objectives, as well as, to a lesser extent, qualitative objectives.

The annual short-term variable remuneration stipulated in the contracts of the Executive Directors amounts to 250,000 euros for the two Executive Directors, for a level of achievement of 100% of the established objectives, with the possibility of increasing this amount up to a maximum of 130% if the degree of achievement of the established objectives is higher than 100%, so that the maximum amount that the Executive Directors could receive for this remuneration item is 325,000 euros gross.

i. Carlos Nuñez (Executive Chairman of PRISA Media):

Mr. Nuñez joined the organisation on 24 May 2021 and his contract with the Company provides that for the year 2021 his annual variable remuneration will be calculated in proportion to the time of service, although, exceptionally, the Company guarantees him the payment of 50% of the annual variable remuneration mentioned above (i.e. 50% of €250,000).

To determine Mr. Nuñez's short-term variable remuneration for fiscal year 2021, the weighting of objectives is as follows: (i) 70% quantitative objectives, and (ii) 30% qualitative objectives.

a) Quantitative objectives (70%):

These objectives are aimed at improving financial, operating and service results, with special emphasis on EBITDA and cash generation, and two objectives have been introduced for growth in digital business, all within the PRISA Media business.

Specifically, the quantitative measurement of compliance is based on the following three indicators that reflect the most relevant objectives of PRISA Media and according to the following weighting:

Metrics	Weighting
EBITDA	25%
Cash generation (total cash flow before operations)	25%
Digital revenue	20% (10% for revenues and 10% for digital subscriptions to the newspaper El País)

The metrics are based on the 2021 budget.

The compliance scale for EBITDA and for the Revenues and Digital Indicators will be as indicated below.

Metrics	Degree of achievement							
	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt
EBITDA	<90%	0%	90%	50%	100%	100%	≥120%	130%
Digital revenue/ Digital subscribers to El Pais newspaper	<90%	0%	90%	50%	100%	100%	≥120%	130%

The intermediate points of the intervals between 90 and 100 will be calculated by linear interpolation and the intermediate points between 100 and 120 will be calculated linearly.

The Cash Flow target has a differential scale due to the difficulty in meeting the target at a time of intense transformation of the Company coupled with uncertainty as a result of COVID-19. The minimum degree of compliance will be 70% of the target objective and overcompliance will be rewarded by increasing the maximum range.

Metrics	Degree of achievement							
	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt
Cash generation (Operating cash flow)	<70%	0%	70%	50%	100%	100%	≥MAXIMUM	150%

In the cash generation objective (operating cash flow), only linear interpolation is applied until 100% compliance is achieved and, if compliance exceeds 100%, the payment percentage will be 100%, unless compliance results in positive cash generation (>0), in which case 150% will be paid.

b) Qualitative objectives (30%)

The qualitative part includes variables to measure individual performance of certain competencies, as well as achievement of certain ESG objectives specific to the PRISA Media unit:

- 20% is linked to individual performance according to new competencies and especially valuing effort and leadership to drive the organisation towards digital and cultural transformation.

Only in duly justified exceptional cases may a maximum overcompliance of 25% be awarded. Effort and leadership in driving the organisation towards meeting annual objectives and maintaining the team's motivation during 2021 is especially valued.

- 10% is linked to the fulfilment of ESG objectives.

c) Key objective:

A "key objective" is applied, the achievement of which allows or disallows the accrual of variable remuneration in the short term. This key objective is that Prisa Media's structural expenses should be lower than budgeted.

In accordance with the above, the ARCGC, at its meetings held on 25 January and 28 February 2022, determined and assessed the degree of achievement of the objectives established for the receipt of Mr. Nuñez's short-term variable remuneration accrued in 2021. Since several extraordinary events not foreseen in the budget have occurred in fiscal year 2021, the ARCGC has agreed to make certain adjustments to the actual results obtained, in order to measure the percentage of achievement of objectives. The Board of Directors meeting held on 28 February 2022, at the proposal of the ARCGC, has approved the amount to be paid for these concepts.

In accordance with the above, the degree of achievement of quantitative objectives (weighted at 70%) was 43.7% (0% EBIT target, 8.4% systems revenue target, 10.3% student number target and 25% cash generation target (total cash flow before operations), and the degree of achievement of qualitative objectives (weighted at 30%, including the individual performance variables of certain competencies as well as achievement of certain ESG objectives) was 31.5%.

The total degree of compliance amounts to 110.7%, which means that the variable remuneration that Mr. Nuñez has accrued in 2021 amounts to 168,252 euros.

ii. Mr. Francisco Cuadrado (Executive Chairman of Santillana):

Mr. Cuadrado assumed his responsibilities as Executive Chairman of Santillana in July 2021, although he had previously served the Company as Chief Business Officer of Santillana.

With respect to the variable remuneration that could correspond to Mr. Cuadrado for the performance of his duties during the year 2021, in accordance with his contract, it is calculated as follows:

- until 31 July 2021, the amount of the annual variable remuneration is calculated by applying the percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 160,000 euros gross; and
- from 1 August 2021 to 31 December 2021, the amount of the annual variable remuneration is calculated by applying the same percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 250,000 euros gross.

Thus, the target annual variable remuneration for a level of 100% achievement of the objectives set for 2021 amounts to 197,500 (mix of the two target amounts above), which can be increased up to 130% (i.e. 256,750) if the degree of achievement of the objectives set is higher than 100%.

To determine Mr. Cuadrado's short-term variable remuneration for fiscal year 2021, the weighting of objectives is as follows: (i) 70% quantitative objectives, and (ii) 30% qualitative objectives.

a) Quantitative objectives (70%):

These objectives are aimed at improving financial, operating and service results, with special emphasis on EBIT and cash generation, and two objectives have been introduced for growth in subscription models, all within the Education business (Santillana).

Specifically, the quantitative measurement of compliance is based on the following four indicators that reflect Santillana's most relevant objectives and according to the following weighting:

Metrics	Weighting
EBIT	25%
Cash generation (total cash flow before operations)	25%
Systems revenue	10%
Number of students	10%

The metrics are based on the 2021 budget.

The compliance scale for EBIT, subscription model growth (i.e. system revenue and number of students) will be as follows.

Metrics	Degree of achievement							
	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt
EBIT	<90%	0%	90%	50%	100%	100%	≥120%	130%
Systems revenue	<90%	0%	90%	50%	100%	100%	≥120%	130%
Number of students	<90%	0%	90%	50%	100%	100%	≥120%	130%

Intermediate points between 90 and 100 will be calculated by linear interpolation and intermediate points between 100 and 120 will be calculated linearly.

In 2021, the total Cash Flow before operations target will have a differential scale due to the difficulty in meeting the target at a time of intense transformation of the Company coupled with uncertainty as a result of COVID-19. The minimum degree of compliance will be 70% of the target objective and overcompliance will be rewarded by increasing the maximum range.

Metrics	Degree of achievement							
	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt
Cash generation (Total Cash Flow before operations)	<70%	0%	70%	50%	100%	100%	≥200%	150%

In the cash generation objective (total cash flow before operations) only linear interpolation applies until 100% compliance is reached and, after compliance above 100%, the payment percentage will be 100% unless the maximum entitlement to the maximum payment is reached.

b) Qualitative objectives (30%)

The qualitative part includes variables for measuring individual performance of certain competencies, as well as achievement of certain specific ESG objectives for the Education business unit (Santillana):

- 20% is linked to individual performance according to new competencies and especially valuing effort and leadership to drive the organisation towards digital and cultural transformation.

Only in duly justified exceptional cases may a maximum overcompliance of 25% be awarded. Effort and leadership in driving the organisation towards meeting annual objectives and maintaining the team's motivation during 2021 is especially valued.

- 10% is linked to the fulfilment of ESG objectives.

c) Key objective:

A "key objective" is applied, the achievement of which allows or disallows the accrual of variable remuneration in the short term. This key objective is to ensure that Santillana's net income is positive.

The key objective has been met.

In accordance with the above, the ARCGC, at its meetings held on 25 January and 28 February 2022, has determined and assessed the degree of achievement of the objectives established for the receipt of Mr. Cuadrado's short-term variable remuneration accrued in 2021 and has proposed to the Board of Directors the amount to be paid for this concept. The Board of Directors held on 28 February 2022 approved the ARCGC's proposal.

In accordance with the above, the degree of achievement of the quantitative objectives (weighted at 70%) was 43.7% (0% for the EBIT objective, 8.4% for the systems revenue objective, 10.3% for the number of students objective and 25% for the cash flow objective), and 31.5% for the degree of achievement of the qualitative objectives (weighted at 30%, including the individual performance variables of certain competencies as well as achievement of certain ESG objectives).

The total degree of compliance amounts to 75.2%, so that the variable remuneration that Mr. Cuadrado has accrued in 2021 amounts to 148,476 euros.

iii. Mr. Manuel Mirat (executive director until July 2021):

Mr. Mirat's annual variable remuneration for the 2021 fiscal year has been settled upon termination of his contracts with the Company in July 2021. See section B.10 of this Report.

B.7.2. Long-term variable remuneration:

As already indicated in sections A.1.6.iii) and A.1.11 above, the former executive director Mr. Manuel Mirat was the beneficiary of medium-term deferred variable remuneration for the period 2018-2020, payable in shares, which was approved by the Shareholders' Meeting held on 25 April 2018.

This medium-term Deferred Remuneration was intended to align the interests of its beneficiaries with those of the Company's shareholders, within the framework of the Company's Strategic Plan for the 2018-2020 period. Thus, the Deferred Remuneration contemplated for the beneficiaries the allocation of a number of theoretical shares ("RSUs") that served as a reference to determine, if applicable, the delivery of a number of ordinary shares of the Company after a reference period of three years, conditioned on the fulfilment of certain requirements and the objectives established for: (i) Increase in share value, (ii) consolidated EBITDA and (iii) consolidated Cash Flow.

Once the degree of achievement of the objectives had been analysed, for which advice was provided by an independent third party, KPMG, which performed the analysis of the impact on EBITDA and Cash Flow of the 2018-2020 Strategic Plan, using the operations that have taken place during this period as a reference for establishing the objectives, achievement of Cash Flow was 85.8%, while the EBITDA and value increase objectives would not have been met. This degree of compliance entailed the delivery of 471,900 gross shares to Mr. Mirat, equivalent to 21.45% of the theoretical shares that were allocated to Mr. Mirat in 2018 (2,200,000 shares).

At the request of the beneficiaries of this remuneration plan, the Board of Directors of PRISA resolved that the settlement and delivery of this deferred remuneration be delayed to the period between 1 January and 28 February 2022 (delivery which, according to the general conditions governing this remuneration plan, should be made in the 60-day period following the preparation of the 2020 financial statements). The settlement of this remuneration plan was made in February 2022 and the corresponding amount is not shown in the tables in section C of this Report, since it was not accrued in 2021.

B.7.3. Extraordinary incentives linked to key strategic transactions (sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and refinancing of Grupo Prisa's financial debt):

Regarding the two extraordinary remuneration incentives addressed to the former Chief Executive Officer of Prisa (and other executives) that were linked to the success of two relevant strategic transactions that were executed in 2020 (sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and refinancing of the financial debt of Grupo Prisa with its creditors), as already indicated in this Report, in 2021 Mr. Mirat has accrued the second 50% of the amount of such incentives which has been settled in July 2021 in the amount of €500,000 (included in heading C of this Report under "Other items"). The first 50% of these incentives (another €500,000) was paid in January 2021, but accrued in

2020 (as stated in the Remuneration Report for that year) and is therefore not included in the tables in section C of this Report.

Payment was made in cash, based on achievement scales on predefined target amounts. In the case of Mr. Mirat, the target amount for the refinancing transaction was €330,000 and the target amount associated with the sale of Santillana España was €670,000, making a total target amount, for the two incentives, of €1,000,000.

The amount that each participant could receive would range from 80% to 120% of the allocated target amount.

The conditions for receiving the incentives were as follows: i) formalisation and final execution of the sale of Santillana España and the refinancing agreements with the Company's main creditors, under the conditions approved by the Board of Directors, in both cases, with the individual contribution of the beneficiary and ii) maintenance of the labour or mercantile relationship with the Company. These conditions were met.

The Board, at the proposal of the ARCGC, had to determine the amount achieved by each participant on the basis of the overall assessment and their individual contribution. In the case of the refinancing incentive, in order to make this proposal, the ARCGC had to rely on the report of the external advisors of the operation to assess the operation as a whole and on a report justifying the individual contribution of each participant. Consequently, the Board could modify the target pool amount by 20% upward (120% of target) or 20% downward (80% of target). The valuation of the individualised allocation was to be performed after the transactions had been executed.

In January 2021, the Board, at the proposal of the ARCGC, agreed that the compliance ratio would be 100% of the two incentives, taking into account the qualitative assessment of the final conditions of the agreements reached in the transactions (in the case of the refinancing agreement, the assessment contained in the report of Lazard, external advisor of the transaction, was taken into account, and in relation to the sale of Santillana España, the report of Morgan Stanley, external advisor of the transaction, was taken into account, as well as the optimum contribution of the Chief Executive Officer in the transactions).

Payment was made as follows:

- i. A first payment (the amount of which is equal to 50% of the sum of the two Incentives) after the execution of the operations (which were closed on 31 December 2020). This first payment was made in January 2021.
- ii. A second payment (equivalent to the other 50%), six months after the closing of the operations. This second payment was linked to the performance of Prisa's shares compared to a group of comparable companies that were defined and could be paid after the end of the period for measuring the performance of the share. The Board of

Directors, when assessing the pay-out ratio, could take into account significant internal or external changes that would make it appropriate to determine a pay out ratio of up to 100%, even if the PRISA share had not outperformed the Comparison Group, under certain predefined assumptions. This payment was settled in July 2021.

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

No reduction or claim has been made for the return of variable components as no variable remuneration has been accrued or paid as a result of data that has subsequently been proven to be manifestly inaccurate.

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

There are no long-term savings systems in favour of the directors in 2021.

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

Mr. Mirat rendered his services in several companies of the PRISA Group, through successive contractual relationships of different nature, from October 1997 to July 2021. The termination of the last two contracts of Mr. Mirat as Chief Executive Officer of PRISA and as Executive Chairman of Santillana, as well as the termination of the employment relationship that Mr. Mirat had with the Company, has been settled and terminated in the year 2021, which has given rise to the payment and/or recognition of the following remuneration items that were provided for both in Mr. Mirat's contracts with the Company and in the Remuneration Policy:

- a) Indemnity for the termination of the services agreement on 26 May 2021, equivalent to 18 months of fixed and variable annual remuneration: 1,200,000 euros (included in section C of this Report under "Indemnity").

For the calculation of this amount, the annual fixed remuneration of 500,000 euros (without the temporary reduction of 20% applied in the context of the Covid-19 crisis) and Mr. Mirat's annual variable reference remuneration

(target), which amounted to 300,000 euros gross, were taken into consideration.

- b) Employment indemnity for the termination of the employment relationships that Mr. Mirat had maintained with different entities of the PRISA Group since 20 October 2017: 381,145.18 euros gross (included in section C of this Report under "Indemnity").

This amount was already calculated and provided for in the Remuneration Policy.

- c) Supplemental indemnity: 35,588.64 gross, (included in section C of this Report under "Indemnity").

In accordance with the provisions of the Remuneration Policy, this amount is equivalent to the amount established as the maximum amount of the Social Security contributory unemployment benefit, for the maximum period established for such benefit.

- d) Three months' notice (for termination of the contract at the Company's request): 125,000 gross (included in section C of this Report under "Indemnity").

This amount was calculated on Mr. Mirat's annual fixed remuneration of €500,000 (without the temporary 20% reduction applied in the context of the Covid 19 crisis) and corresponds to the Company's unfulfilled notice period of 3 months.

- e) Annual variable remuneration corresponding to fiscal year 2021, in an amount proportional to the date of Mr. Mirat's resignation from the Company and calculated on the annual target amount (300,000 euros): 175,000 gross (included in section C of this Report under "Short-term variable remuneration").
- f) Settlement of accrued and unused vacation and bonus payments: 24,702 euros gross (included in section C of this Report under "Salary" and "Other items", respectively).
- g) Post-contractual non-competition covenant: 208,333 euros gross

In consideration for the post-contractual non-competition covenant provided for in Mr. Mirat's contract, Mr. Mirat will receive six monthly instalments of the gross annual salary (amounting to €500,000), payable in six monthly instalments of the same amount each over the term of the non-competition covenant (i.e., from August 2021 to January 2022, both months inclusive). Consequently, Mr. Mirat is entitled to receive a total amount of €250,000 payable in six monthly payments of 41,666.67 euros gross each, and it is the amount of five monthly payments (from August to December, both inclusive), that is, 208,333 euros, which he has accrued in 2021 (included in section C of this Report under "Other items").

It is noted for the record that the firm Uría & Menéndez advised the Company in the configuration of Mr. Mirat's contract as Executive Chairman of Santillana. Likewise, the Pérez-Llorca law firm advised the Company in connection with the economic conditions associated with the dismissal of Mr. Manuel Mirat Santiago as Executive Chairman of Santillana and the termination of his legal relationship with the Company.

B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

As already indicated in the "Background" of this Report, in 2021:

- i. Mr. Carlos Nuñez has joined the Company as Executive Chairman of PRISA Media and executive director of PRISA. His services agreement has been signed in May 2021 with PRISA Media, S.L.
- ii. Mr. Francisco Cuadrado has been appointed Executive Chairman of Santillana and executive director of PRISA. His services agreement has been signed in July 2021 with Grupo Santillana Educación Global, S.L.U.
- iii. Mr. Manuel Mirat was an executive director of PRISA until 27 July 2021. Mr. Mirat assumed the responsibilities of Chief Executive Officer of PRISA from September 2017 until June 2021 and Executive Chairman of Santillana from 29 June until 27 July 2021, for which purpose he entered into the corresponding services agreement, in May 2021, with Grupo Santillana Educación Global, S.L.U.

Mr. Mirat's contractual relationship with the Company ended in July 2021.

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

No additional remuneration whatever has been earned by the directors as consideration for services rendered other than those inherent in the position.

Notwithstanding the foregoing and as already stated in this Report, before Mr. Francisco Cuadrado was appointed Executive Chairman of Santillana and director of PRISA (which occurred on 27 July 2021), he had been providing his services in Santillana as Global Director of Education, in consideration for which he has earned fixed remuneration and annual variable remuneration, for the period from 1 January to 31 July 2021 (although Mr. Cuadrado was appointed Executive Chairman of Santillana on 27 July 2021, the new economic conditions associated with that position were not effectively applied until 1 August 2021). These considerations do not constitute a payment derived from his status as a director of the Company, and therefore are not taken into account for the purposes of this Report.

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

There are no advances, loans or guarantees granted by the Company to its directors.

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

In relation to executive directors, the amount and nature of the remuneration in kind accrued in 2021 is detailed below:

i) Life and accident insurance policy:

The amounts of the annual premium for 2021 corresponding to the life and accident insurance policy were as follows:

- Mr. Carlos Nuñez: 219.86 euros for life insurance and 38.40 euros for accident insurance.

Life insurance amount insured for the year 2021 was 400,000 euros.

- Mr. Francisco Cuadrado: 1,642.68 euros for life insurance and 41.49 euros for accident insurance.

Life insurance amount insured for the year 2021 was 881,528 euros.

- Mr. Manuel Mirat: 1,303.85 euros for life insurance and 139.12 euros for accident insurance.

Life insurance amount insured for the year 2021 was 1,250,000 euros.

ii) Private health insurance policy:

- Carlos Nuñez: The amount of the premium corresponding to the health insurance policy was 2,616.95 euros.

- Francisco Cuadrado: The amount of the premium corresponding to the health insurance policy was 1,495.40 euros.

- Manuel Mirat: The amount of the premium corresponding to the health insurance policy was 3,364.65 euros.

On the other hand, it is noted that Messrs. Nuñez, Cuadrado and Mirat have made use, in the exercise of their respective functions, of a Company vehicle, in accordance with Grupo PRISA's vehicle fleet policy, although this is not considered to be remuneration in kind.

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

PRISA has not made any payments to a third party entity in which the directors may provide services, the purpose of which is to remunerate their services in the company.

B.16. Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the "Other concepts" heading in Section C.

There are no other categories of remuneration.

C. DETAIL OF THE INDIVIDUAL REMUNERATION CORRESPONDING TO EACH OF THE DIRECTORS

Name	Type	Accrual period fiscal year 2021
JOSEPH OUGHOURLIAN	Non-Executive Chairman (Proprietary Director)	From 01/01/2021 through 31/12/2021
ROSAURO VARO RODRIGUEZ	Non-Executive Deputy Chairman (Independent Director)	From 01/01/2021 through 31/12/2021
BEATRICE DE CLERMONT-TONNERRE	Lead Director (Independent Director)	From 01/01/2021 through 31/12/2021
ROBERTO ALCÁNTARA ROJAS	Proprietary Director	From 01/01/2021 through 31/12/2021
AMBER CAPITAL UK LLP (REPRESENTED BY MIGUEL BARROSO AYATS)	Proprietary Director	From 01/01/2021 through 31/12/2021
MARIA TERESA BALLESTER FORNES	Independent Director	From 01/01/2021 through 31/12/2021
FRANCISCO CUADRADO PÉREZ	Executive Director	From 27/07/2021 through 31/12/2021
CARMEN FERNANDEZ DE ALARCÓN	Proprietary Director	From 29/06/2021 through 31/12/2021
MARIA JOSE MARIN REY-STOLLE	Independent Director	From 23/02/2021 through 31/12/2021
CARLOS NUÑEZ MURIAS	Executive Director	From 24/05/2021 through 31/12/2021
MANUEL POLANCO MORENO	Proprietary Director	From 01/01/2021 through 31/12/2021
TERESA QUIRÓS ÁLVAREZ	Independent Director	From 30/11/2021 through 31/12/2021
KHALID BIN THANI ABDULLAH AL THANI	Proprietary Director	From 01/01/2021 through 31/12/2021
JAVIER SANTISO GUIMARAS	Independent Director	From 01/01/2021 through 31/12/2021
DOMINIQUE D'HINNIN	Independent Director	From 01/01/2021 through 30/11/2021
MANUEL MIRAT SANTIAGO	Executive Director	From 01/01/2021 through 27/07/2021
JAVIER DE JAIME GUIJARRO	Independent Director	From 01/01/2021 through 23/02/2021

C.1 Complete the following tables on the individual remuneration earned by each director during the year (including remuneration for executive functions)

C.1.a) Remuneration earned at the Company to which this report relates:

i) Remuneration earned in cash (€k)

Name	Fixed remuneration	Per diems	Remuneration for belonging to a board committee	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance	Other items	Total fiscal year 2021	Total fiscal year 2020
JOSEPH OUGHOURLIAN	200	0	0	0	0	0	0	0	200	104
ROSAURO VARO RODRIGUEZ	56	0	36	0	0	0	0	0	92	1
BEATRICE DE CLERMONT TONNERRE	56	0	57	0	0	0	0	0	113	77
ROBERTO ALCÁNTARA ROJAS	50	0	0	0	0	0	0	0	50	60
AMBER CAPITAL UK LLP (REPRESENTED BY MR. MIGUEL BARROSO)	50	0	17	0	0	0	0	0	67	77
MARIA TERESA BALLESTER FORNES	56	0	16	0	0	0	0	0	72	77
FRANCISCO CUADRADO PEREZ	0	0	0	0	0	0	0	0	0	0
CARMEN FERNANDEZ DE ALARCÓN	23	0	8	0	0	0	0	0	31	0
MARIA JOSE MARIN REY-STOLLE	47	0	26	0	0	0	0	0	73	0
CARLOS NUÑEZ MURIAS	0	0	0	0	0	0	0	0	0	0
MANUEL POLANCO MORENO	50	0	24	0	0	0	0	0	74	85

TERESA QUIRÓS ÁLVAREZ	5	0	3	0	0	0	0	0	8	0
KHALID BIN THANI ABDULLAH AL THANI	50	0	0	0	0	0	0	0	50	60
JAVIER SANTISO GUIMARAS	56	0	40	0	0	0	0	0	96	2
DOMINIQUE D'HINNIN	51	0	38	0	0	0	0	0	89	94
MANUEL MIRAT SANTIAGO	0	0	0	224	175	0	1,742	728	2,869	969
JAVIER DE JAIME GUIJARRO	8	0	4	0	0	0	0	0	12	93

ii) Table of movements of share-based remuneration systems and gross profit on vested shares or financial instruments

Name	Name of the Plan	Financial instruments at the beginning of the fiscal year 2020		Financial instruments granted during the fiscal year 2020		Financial instruments vested during the fiscal year				Instruments accrued and not exercised	Financial instruments at the end of the fiscal year 2020	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent shares/vested shares	Price of vested shares	Gross profit on the vested shares or financial instruments (€k)	No. instruments	No. instruments	No. equivalent shares
MANUEL MIRAT SANTIAGO	Medium-term Incentive Plan 2018-2020	471,900	471,900	0	0	0	0	-	-	0	471,900	471,900

Remarks
i) "PRISA Media Incentive Plan 2022-2024": In accordance with the provisions of the Remuneration Policy, the Executive Director of PRISA Media may be the beneficiary of a medium-term incentive plan linked to the creation of value for PRISA Media in the medium term. The Board of Directors of PRISA at its meeting held on 21 December 2021 has approved a medium-term incentive plan, of which the Executive Director of PRISA Media is the beneficiary, which is linked to the

achievement of certain quantitative financial targets included in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023 and 2024 and which is payable in shares. This plan is pending approval by PRISA's Shareholders' Meeting.

Mr. Nuñez will be allocated a theoretical number of shares equivalent to €500,000 gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered. The calculations will be made considering the average stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA's share price.

ii) At the Ordinary Shareholders' Meeting held on 25 April 2018, a medium-term Deferred Remuneration plan was approved for the period 2018 to 2020, consisting of the delivery of shares in the Company linked to the performance of the market price of the share and the achievement of some objectives. That plan was addressed to the CEO of PRISA and to certain executives, who may receive a specific number of ordinary shares in the Company after a reference period of 3 years, provided certain pre-established requirements are met. In 2018, the Company assigned a number of "theoretical shares" (Restricted Stock Units or RSUs) to each beneficiary and set some objectives (different from share market price) that must be met to be able to benefit from the incentive, which will serve as a reference for determining the final number of shares to be delivered, if any.

After analysing the degree of achievement of the objectives, Cash Flow compliance was 85.8%, while the EDITDA and value increase objectives were not met. This degree of compliance entailed the delivery of 471,900 gross shares to Mr. Mirat, equivalent to 21.45% of the theoretical shares that were allocated to Mr. Mirat in 2018 (2,200,000 shares).

At the request of the beneficiaries of this remuneration plan, the Board of Directors resolved that settlement and delivery of this Deferred Remuneration be delayed until January 2022 (according to the general conditions regulating this remuneration plan, that delivery should be made within 60 days after the 2020 accounts are prepared).

The settlement was made in February 2022, through the delivery of 306,735 shares to Mr. Mirat (net amount in shares after application of the corresponding tax withholdings). The cash equivalent for the 471,900 gross shares is €274,174 and the cash equivalent for the 306,735 net shares is €178,213. The cash equivalent of the shares has been calculated on the basis of the share price on the day on which the Executive Committee adopted the decision to proceed with the settlement (25 January 2022).

iii) Long-term savings systems

Director	Remuneration for vesting of rights under savings systems

Name	Contribution of the year by the company (€k)				Amount of cumulative funds (€k)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights					
	Year t	Year t-1	Year t	Year t-1	Year t		Year t-1	
					Systems with vested economic rights	Systems with non-vested economic rights	Systems with vested economic rights	Systems with non-vested economic rights

iv) Detail of other items

name	Item	Amount
MANUEL MIRAT SANTIAGO	Vacation accrued and not taken	17
MANUEL MIRAT SANTIAGO	Extraordinary incentive for 2020 operations	500
MANUEL MIRAT SANTIAGO	Life, accident and health insurance	3
MANUEL MIRAT SANTIAGO	Noncompetition clause	208

C.1. b) Remuneration earned by Company directors for membership of Boards at other group companies:

i) Remuneration accrued in cash (€k)

Name	Fixed remuneration	Per diems	Remuneration for belonging to Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance	Other items	Total fiscal year 2021	Total fiscal year 2020
FRANCISCO CUADRADO PÉREZ	0	0	0	198	148	0	0	3	349	0
CARLOS NUÑEZ MURIAS	0	0	0	242	168	0	0	3	413	0
MANUEL POLANCO MORENO	17	0	0	0	0	0	0	0	17	42
MANUEL MIRAT SANTIAGO	0	0	0	42	0	0	0	5	47	0

Remarks
The remuneration received by Mr. Francisco Cuadrado prior to his appointment as executive director of PRISA (in July 2021) for his previous responsibilities at Santillana has not been taken into account. Although Mr. Cuadrado was appointed Executive Chairman of Santillana on 27 July 2021, the new economic conditions associated with such position were not effectively implemented until 1 August.

ii) Table of movements of share-based remuneration systems and gross profit on vested shares or financial instruments

Name	Name of the Plan	Financial instruments at the beginning of the fiscal year t		Financial instruments granted during the fiscal year t		Financial instruments vested during the fiscal year				Instruments accrued and not exercised	Financial instruments at the end of the fiscal year t	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent/vested shares	Price of vested shares	Gross profit on vested shares or financial instruments (€k)	No. instruments	No. instruments	No. equivalent shares
Director 1	Plan 1											
	Plan 2											

iii) Long-term savings systems

	Remuneration for vesting of rights under savings systems
Director 1	

Name	Contribution of the year by the company (€k)				Amount of cumulative funds (€k)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights					
	Year t	Year t-1	Year t	Year t-1	Year t		Year t-1	
					Systems with vested economic rights	Systems with non-vested economic rights	Systems with vested economic rights	Systems with non-vested economic rights

iv) Detail of other items

Name	Item	Amount of remuneration
FRANCISCO CUADRADO PÉREZ	Life, accident and health insurance	3
CARLOS NUÑEZ MURIAS	Life, accident and health insurance	3
MANUEL MIRAT SANTIAGO	Life, accident and health insurance	2
MANUEL MIRAT SANTIAGO	Vacation accrued and not taken	3

C.1. c) Summary of remuneration (€k):

Summary should include the amounts relating to all the remuneration items included in this report that have been earned by the director, in thousands of euros.

Name	Remuneration earned at the Company					Remuneration earned at the Company					Total year 2021 Company + Group
	Total remuneration in cash	Gross profit on vested shares or financial instruments	Remuneration from savings systems	Remuneration for other items	Company total fiscal year 2021	Total remuneration in cash	Gross profit on vested shares or financial instruments	Remuneration from savings systems	Remuneration for other items	Total fiscal year 2021 group	
JOSEPH OUGHOURLIAN	200	0	0	0	200	0	0	0	0	0	200
ROSAURO VARO RODRIGUEZ	92	0	0	0	92	0	0	0	0	0	92
BEATRICE DE CLERMONT TONNERRE	113	0	0	0	113	0	0	0	0	0	113
ROBERTO ALCÁNTARA ROJAS	50	0	0	0	50	0	0	0	0	0	50
AMBER CAPITAL UK LLP (REPRESENTED BY MR. MIGUEL BARROSO)	67	0	0	0	67	0	0	0	0	0	67
MARIA TERESA BALLESTER FORNES	72	0	0	0	72	0	0	0	0	0	72
FRANCISCO CUADRADO PÉREZ	0	0	0	0	0	349	0	0	0	349	349
CARMEN FERNANDEZ DE ALARCÓN	31	0	0	0	31	0	0	0	0	0	31
MARIA JOSE MARIN REY-STOLLE	73	0	0	0	73	0	0	0	0	0	73
CARLOS NUÑEZ MURIAS	0	0	0	0	0	413	0	0	0	413	413

MANUEL POLANCO MORENO	74	0	0	0	74	17	0	0	0	17	91
TERESA QUIRÓS ÁLVAREZ	8	0	0	0	8	0	0	0	0	0	8
KHALID BIN THANI ABDULLAH AL THANI	50	0	0	0	50	0	0	0	0	0	50
JAVIER SANTISO GUIMARAS	96	0	0	0	96	0	0	0	0	0	96
DOMINIQUE D'HINNIN	89	0	0	0	89	0	0	0	0	0	89
MANUEL MIRAT SANTIAGO	2,869	0	0	0	2,869	47	0	0	0	47	2,916
JAVIER DE JAIME GUIJARRO	12	0	0	0	12	0	0	0	0	0	12
Total:	3,896	0	0	0	3,896	826	0	0	0	826	4,722

Remarks
<p>i) The amount of the total remuneration of the directors, specified in the previous table (4,675 thousand euros) follows the accrual criteria established in the CNMV's "Circular 1/2020, establishing the model of annual report on remuneration of directors of listed corporations", and differs in 94 thousand euros from the total amount of directors' remuneration specified in the Notes to the Financial Statements and in the Half-Year Financial Information of PRISA of fiscal year 2021 (4,769 thousand euros), because that amount relates to the accounting provision of the expense. The difference in the amount is broken down as follows:</p> <ul style="list-style-type: none"> • 2021 annual variable remuneration (accounting expense amounting to 428 thousand euros); • Medium-Term Incentive Plan 2020-2023 Santillana (accounting expense amounting to 247 thousand euros); • Medium Term Incentive 2018-2020 (accounting expense amounting to 322 thousand euros); • Post-contractual non-competition agreement of Mr. Manuel Mirat (accounting expense for the full amount, that is, 250 thousand euros) <p>ii) Within the global remuneration of the Board of Directors includes that pertaining to Javier de Jaime Guijarro, Manuel Mirat Santiago and Dominique D'Hinnin, up to the time of their cessation as a directors in February, July and November 2021, respectively,</p> <p>iii) With respect to the director Amber Capital, the overall remuneration accrued includes both the period during which it was represented by Mr. Fernando Martínez Albacete on the Board of Directors of PRISA (January-March 2021), and the remuneration accrued while it was represented by Mr. Miguel Barroso (March-December 2021).</p>

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation (in thousand €)								
	Year 2021	% variation 2021/2020	Year 2020	% variation 2020/2019	Year 2019	% variation 2019/2018	Year 2018	% variation 2018/2011	Year 2017
Executive Directors									
FRANCISCO CUADRADO PÉREZ	349	0	0	0	0	0	0	0	0
CARLOS NUÑEZ MURIAS	413	0	0	0	0	0	0	0	0
MANUEL MIRAT SANTIAGO	2,916	200.93%	969	91.50%	506	-41.03%	858	164%	325
External Directors									
JOSEPH OUGHOURLIAN	200	92.31%	104	-13.33%	120	0	120	-25.47%	161
ROBERTO ALCÁNTARA ROJAS	50	-16.67%	60	-23.08%	78	-16.13%	93	-53.03%	198
AMBER CAPITAL UK LLP (REPRESENTED BY MR. MIGUEL BARROSO)	67	-12.99%	77	-6.10%	82	51.85%	54	0	0
MARIA TERESA BALLESTER FORNES	72	-6.49%	77	108.11%	37	0	0	0	0
BEATRICE DE CLERMONT TONNERRE	113	46.75%	77	57.14%	49	0	0	0	0
CARMEN FERNANDEZ DE ALARCÓN	31	0	0	0	0	0	0	0	0
MARIA JOSE MARIN REY- STOLLE	73	0	0	0	0	0	0	0	0
MANUEL POLANCO MORENO	91	-28.35%	127	-15.33%	150	-79.59%	735	-55.07%	1,636
TERESA QUIRÓS ÁLVAREZ	8	0	0	0	0	0	0	0	0
KHALID BIN THANI ABDULLAH AL THANI	50	-16.67%	60	-14.29%	70	-9.09%	77	-11.49%	87
DOMINIQUE D'HINNIN	89	-5.32%	94	-22.95%	122	-6.15%	130	-41.96%	224
JAVIER SANTISO GUIMARAS	96	4,700%	2	0	0	0	0	0	0
ROSAURO VARO RODRIGUEZ	92	9,100%	1	0	0	0	0	0	0
JAVIER DE JAIME GUIJARRO	12	-87.10%	93	5.68%	88	25.71%	70	536.36%	11
Consolidated results of the company	-81,566	-51%	-166,392	-1,165%	15,629	337%	3,577	-92%	44,732
Average employee remuneration	43	0%	43	0%	43	0%	43	0%	43

Remarks
The calculation of the average remuneration of the employees has been carried out taking into account the criteria established in Circular 3/2021 of the CNMV, that is, it represents the ratio between the amount of the remuneration accrued by the staff in each year, determined pursuant to the accounting regulations applicable in the preparation of the consolidated and audited annual accounts for each year (discounting, where appropriate, the remuneration of directors) and the weighted average number of employees (excluding directors) calculated on a full-time equivalent basis. When calculating this ratio, all employees of PRISA or any of its subsidiaries at some point in each financial year have been included. The figures have been taken from the audited consolidated annual accounts.

D. OTHER INFORMATION OF INTEREST

If there are any material aspects relating to directors' remuneration that have not been addressed elsewhere in this report and which are necessary in order to provide a more comprehensive and reasoned view of the remuneration structure and practices of the company, provide a brief explanation.

This annual remuneration report was approved by the Board of Directors at its meeting held on 28 March 2022.

Indicate whether there are any directors who voted against or abstained from voting to approve this Report.

YES ☐ NO ☒