



**ANNUAL REPORT ON DIRECTOR  
REMUNERATION OF LISTED COMPANIES**

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish language version prevails.)

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**ISSUER IDENTIFICATION DETAILS**

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Year end-date:

[ 31/12/2020 ]

TAX ID (CIF):

[ A-78839271 ]

Company name:

[ **ATRESMEDIA CORPORACION DE MEDIOS DE COMUNICACION, S.A.** ]

Registered office:

[ AVENIDA ISLA GRACIOSA, 13 (S. SEBASTIAN DE LOS REYES) MADRID ]

**A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR**

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- A.1.** Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.

In any case, the following aspects must be reported, as a minimum:

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- Information on whether any external advisors took part in this process and, if so, their identity.

As provided for in regulations on director remuneration policies, the Company's policy is approved by the General Meeting at a proposal by the Board of Directors based on a favourable report by both the Board and the Appointments and Remuneration Committee.

The shareholders at the General Meeting held on 24 April 2019 approved the remuneration policy for 2019-2021, thereby repealing in advance the remuneration policy approved at the 2017 General Meeting, the application of which was originally scheduled for 2018, 2019 and 2020. At this same 2019 General Meeting, the shareholders also approved amendments to the articles in the By-laws relating to director remuneration, which was later replicated in the Regulations of the Board of Directors.

This simultaneous and integrated review of the company rules concerning the remuneration of the directors of Atresmedia Corporation was designed to ensure compliance by the remuneration system with current laws and regulations by accommodating the latest relevant recommendations and best corporate governance practices, while taking into account the special features of the Company.

The remuneration policy of Atresmedia Corporación draws on a detailed review of public data on director remuneration at comparable companies by size and activity. Comparative analysis was carried out to check the validity of the basic principles on which the current policy is based.

For the 2019 review of the entire system of director remuneration, the Company sought legal advice from the law firm CUATRECASAS.

- 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.

#### REMUNERATION OF EXECUTIVE DIRECTORS

In accordance with the Company's remuneration policy, executive directors receive variable remuneration, in cash and accrued annually, based on a percentage of their fixed remuneration. The amount depends on the level of achievement of the consolidated EBITDA target for the Group. This target is set each year by the Company's Board of Directors when drafting the budget. It is also subject to compliance with the duties inherent in directorships and the requirement of the executive director to continue to perform his or her duties for a year.

Variable remuneration is capped at 88% of fixed salary. Vesting of 50% of the bonus is contingent on the executive director continuing in his or her position as at 31 December of the year after the reference year for the calculation of the variable remuneration. This mechanism is designed to encourage the director's stability in the position and reinforce his or her commitment to the Company's financial objectives.

The existence of this cap on the annual bonus and how it is calculated - which, as indicated earlier, is directly and exclusively related to (i) the Group's consolidated EBITDA and (ii) the executive director's fixed salary - simplifies its determination. It is a simple, transparent and effective remuneration system that makes it easier for investors, advisors and the broader market to understand.

The three executive directors were also included in the long-term variable remuneration plan entailing the delivery of treasury shares approved by the shareholders at the General Meeting in 2016, with an accrual period that ended in 2018. In 2019, the first 50% of the plan was settled as scheduled, with the delivery of treasury shares. The remaining 50% was settled in 2020 for executive directors who satisfied the requirement to remain in office until year-end 2019.

- A total of 46,341 Atresmedia shares were awarded to the Chairman under the plan. A total of 23,171 shares were delivered in 2019 and 23,170 shares were delivered in 2020.
- A total of 69,512 Atresmedia shares were awarded to the Chief Executive Officer under the plan. A total of 34,756 shares were delivered in 2019 and the same number of shares were delivered in 2020.
- A total of 32,439 Atresmedia shares were awarded to the General Manager of Television under the plan. A total of 16,220 shares were delivered in 2019 and 16,219 shares were delivered in 2020.

However, under the current remuneration policy the Board may, in its own discretion and as an exception, increase remuneration to executive directors as long as such additional remuneration does not exceed their fixed annual remuneration and is the result of one-off, exceptional transactions on behalf of the company or, in view of the quality of outcomes, reflects the individual performance of a director or other matters requiring a qualitative assessment.

For variable remuneration of executive directors, there is the possibility of the Company not paying, or the director returning a percentage of the amount received, depending on when evidence warranting this occurs, when there is a manifest error in the data on which the calculation was made, the director has breached their duties or the requirement to remain in office for an additional year has not been met.

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

Under the current remuneration policy, the remuneration items and amounts due to be accrued to external or non-executive directors in 2021 are unchanged with respect to the amounts foreseen for them in 2020, i.e., they will be the same as in 2020, but without the extraordinary and temporary 15% reduction for 2021, which was applied in 2020, both to the fixed portion and the per diems, as part of the Company's overall cost reduction carried out in response to the exceptional economic crisis caused by the COVID-19 pandemic (See section B-1 of this report).

Therefore, the amounts expected for 2021 will be as follows:

- a) Annual remuneration for each member of the Board of Directors of EUR 25,000 and allowance for attending Board meetings of EUR 2,000.

- b) Annual remuneration for each member of the Executive Committee of EUR 50,000 and allowance for attending Executive Committee meetings of EUR 2,500.
- c) For the Audit and Control Committee, there is an allowance of EUR 2,000 per meeting, with no fixed remuneration.
- d) For the Appointments and Remuneration Committee, there is an allowance of EUR 2,000 per meeting, with no fixed remuneration.
- e) Specific additional remuneration may be allocated for holding certain offices within the Board of Directors or any of its committees if the dedication and responsibility related to the position so warrant. The amount shall be determined in each specific case, subject to the overall maximum limit established. In 2020, however - as in previous years - no such specific remuneration was applied and there was no additional remuneration for members of the Board of Directors or any of its committees. Nor is any expected for 2021.

The remuneration policy provides for the possibility of the Board modifying the amounts referred to above, provided that the total annual remuneration of external directors does not surpass EUR 3,000,000. This cap has remained unchanged since 2006. This amount does not include any remuneration earned by an external director for the provision to the company of professional services outside his or her role as a director.

According to the remuneration policy, executive directors do not receive such remuneration, which is exclusive to external directors for the performance of their duties.

- 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.

1. The fixed annual remuneration of the Chairman of the Board in 2021 for discharging executive duties will be EUR 410,000.
2. The fixed annual remuneration of the Chief Executive Officer in 2021 for discharging executive duties will be EUR 1,100,000.
3. The fixed annual remuneration of the General Manager of Television in 2021 for discharging executive duties will be EUR 650,000.

- 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.

- The Chief Executive Officer's remuneration package includes life and disability insurance premiums paid by the company (up to EUR 15,000 a year) and medical insurance, which covers family members (spouse or person with a similar relationship and descendants to the first degree) as beneficiaries, with a maximum annual premium of EUR 20,000.
- The General Manager of Television's remuneration package includes life and disability insurance premiums paid by the company (up to EUR 10,000 a year) and medical insurance, which covers family members (spouse or person with a similar relationship and descendants to the first degree) as beneficiaries, with a maximum annual premium of EUR 15,000.

- 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.

#### I.- VARIABLE REMUNERATION OF THE THREE EXECUTIVE DIRECTORS IN CASH

In addition to their respective fixed annual remuneration, the three executive directors (Chairman, Chief Executive Officer and General Manager of Television) are entitled to cash bonuses if they achieve Group financial performance targets (as reported in the consolidated financial statements) for discharging their duties as directors and remaining in office for an additional year.

The maximum amount of the bonus is capped at 88% of fixed remuneration in cash. Full accrual of the bonus is subject to the executive director discharging their duties as directors and remaining in office for a year (as later specified). In addition, the amount depends on the level of achievement of the target set by the Board for EBITDA as reported in the Group's consolidated financial statements, in accordance with the following scale:

- (i) If the Group's EBITDA as reported in the company's financial statements is less than 60% of the amount in the budget approved by the Board of Directors for that year, no bonus is paid.
- (ii) If the Group's EBITDA as reported in the company's financial statements is equal to 60% of the amount in the budget approved by the Board for that year, a bonus equal to 40% of fixed cash remuneration is paid.
- (iii) If the Group's EBITDA as reported in the company's financial statements is equal to between 60% and 100% of the amount in the budget approved by the Board for that year, the amount of the bonus will be calculated proportionally, considering that (a) for a level of achievement of the target of 60%, the amount of the bonus will be equal to 40% of the fixed remuneration in cash, and (b) for a level of achievement of the target of 100%, the amount of the bonus will be equal to 80% of the fixed remuneration in cash.
- (iv) If the Group's EBITDA as reported in the company's financial statements is equal to between 100% and 110% of the amount in the budget approved by the Board for that year, there is no entitlement to any additional amount of bonus than in the preceding paragraph; i.e. the amount of the bonus will be equal to 80% of the fixed remuneration in cash.
- (v) If the Group's EBITDA as reported in the company's financial statements is equal to between 100% and 130% of the amount in the budget approved by the Board for that year, the amount of the bonus will be equal to the sum of (a) 80% of the fixed remuneration in cash, and (b) an amount of up to an additional 8% of the fixed remuneration in cash, calculated proportionally and starting from a level of achievement of the target of 110%. The full 8% will correspond to a level of achievement of 130% of the target.
- (vi) If the Group's EBITDA as reported in the company's financial statements exceeds 130% of the amount in the budget approved by the Board for that year, a bonus equal to 88% of the fixed cash remuneration is paid.

The EBITDA figures taken into account when determining the company's results for calculation of the bonus will be those appearing in the (consolidated and audited) annual financial statements of each period.

Entitlement to the bonus will require:

- a. For an amount equal to 50% of the bonus, the executive director must continue in office until 31 December of the reference year for the calculation; and
- b. For the remaining 50%, the executive director must continue in office until 31 December of the year after the reference year in the calculation (i.e. 12 months after the date indicated in the previous paragraph). As an exception, and subject to the rules explained above, this percentage of the bonus shall also be deemed to have been accrued if the directorship ended prior to the reference date by reason of the director's death.

The bonus will be paid, provided all the conditions of entitlement are met, on the following dates:

1. The first 50% in the first quarter of the year after the reference year for the calculation of the bonus, within one (1) month after the Board authorises for issue the annual consolidated financial statements used in calculating the bonus; and
2. The remaining 50% in the first quarter of the second year after the reference year for the calculation of the bonus, except in the event of death.

The Appointments and Remuneration Committee is in charge of overseeing compliance by directors with the duties inherent in their directorship and reporting any potential breach to the Board of Directors.

In accordance with these criteria and taking into account the respective fixed remuneration of the three executive directors, the amount of their annual variable remuneration in cash may range from EUR 0 to EUR 360,800 in the case of the Executive Chairman, EUR 0 to EUR 968,000 in the case of the Chief Executive Officer and EUR 0 to EUR 572,000 in the case of the General Manager of Televisión.

## II.- VARIABLE REMUNERATION OF EXECUTIVE DIRECTORS IN COMPANY SHARES

The three executive directors were included among the beneficiaries of the variable remuneration scheme with delivery of shares approved by shareholders at the General Meeting held on 20 April 2016, which has since terminated.

50% of the shares finally allotted to each executive director was delivered in April 2019 on approval of the 2018 financial statements by shareholders at the General Meeting. The remaining 50% of the shares was delivered in February 2020, since they had satisfied the requirement to remain in office until year-end 2019.

As explained in the 2019 Report on remuneration of directors, the executive directors were entitled to receive the following number of Atresmedia Corporación shares (which represented 33.6% of the maximum number possible under the plan).

- Executive Chairman: 46,341 shares.
- Chief Executive Officer: 69,512 shares.
- General Manager of Televisión: 32,439 shares.

## III.- CLAWBACK OF VARIABLE REMUNERATION

The executive directors forfeit all rights and, where applicable, must return to the company, proportionally, any remuneration received as (i) variable remuneration in cash or (ii) share-based remuneration in the event of (a) a reissue of the company's separate or consolidated annual financial statements; or (b) failure to comply with the duties inherent in the position.

Therefore, depending where evidence affecting the settlement of the variable remuneration arises and whether it has actually been paid, the director shall cease, proportionally, to receive it, or must reimburse, proportionally, the amount already received.

The amounts affected are all gross remuneration items accrued by reason of the results of the year in respect of which the financial statements were reissued, in the circumstances of section (a) above; or accrued in respect of the year in which an executive director failed to perform his or her duties, as provided for in section (b).

- 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.

There are no long-term saving schemes for directors.

- 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.

For the Executive Chairman, there is no type of payment or severance pay in the situations described in this section.

Where the company decides to terminate the Executive Chairman's contract, it must give notice of three (3) months. This notice period may, however, be substituted, partially or fully, by severance pay equal to the fixed remuneration in cash related to the period for which notice was not given. If it is the Chairman who decides to terminate the contract, he must give the same three (3) months' notice.

The contracts with the Chief Executive Officer and the General Manager of Television (hereinafter referred to as the "executive directors") include the indemnities provided for in the company's remuneration policy, with the following scope:

(a) Non-competition period: one (1) year from the termination of the contract. For this undertaking, the executive director will receive a total gross amount equal to one year of total salary (fixed remuneration and variable remuneration in cash received in the last twelve (12) months). Payment will be made during the non-competition period in twelve (12) equal payments.

In the event of non-compliance by the executive director, the payments will cease and he or she must return to the company the amounts received in this connection plus an indemnity in an amount equal to the total compensation agreed of one year of total salary (fixed and variable remuneration in cash) equal to the amount received by the executive director in the last twelve (12) months before the contract termination, without prejudice to any claims for damages that this could give rise to.

Whether or not the non-competition clause is enforced and the remuneration is paid depends exclusively on the company and its assessment of competition or not of effective interest of an industrial competitor, so the company may waive the non-competition agreement and related payment without any consequences.

(b) For contract termination and change of shareholders: In the event the executive director's contract is terminated unilaterally by the company without the executive director having committed any serious and culpable breach (of his or her duties as director or contractual obligations) justifying the termination, the executive director will be entitled to severance pay equal to two years of total gross salary (fixed and variable remuneration in cash received in the last twenty-four (24) months).

The executive director has the right to terminate his or her contract voluntarily with the same severance - equivalent to two years of total gross salary (fixed and variable remuneration in cash received in the last twenty-four (24) months) - in the event of a change in control of the company.

If the company decides to terminate the executive director's contract, it must give three (3) months' notice, which may, however, be replaced, in whole or in part, by an indemnity equal to fixed cash remuneration for the period of notice not given, which would be added to any other indemnity due to the executive director.

- Indicate the conditions that contracts of executive directors performing senior management functions must 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 compensation 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 Executive Chairman has a permanent contract, although it terminates if he resigns from this position, for any reason, without giving rise to the award of any type of severance pay. Either party may decide to terminate the contract early, with three months' notice (which may be replaced, in whole or in part, by cash compensation equivalent to the remuneration for that period of notice) and without any additional requirement or compensation for termination. The other two executive directors' contracts are permanent. The remaining issues are addressed in the preceding section.

- 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 proprietary director Mauricio Casals Aldama provides regular advisory services to the Atresmedia Group other than the services inherent in his position as director. The amount of fees payable in 2021 in this connection is estimated at EUR 593.00.

In 2020, remuneration paid to Mr Casals for services rendered to the company was reducing by approximately 50% from the amount included in his contract. This reduction in his professional remuneration came at the director's own initiative. He voluntarily agreed to a considerable reduction in his annual remuneration for 2020 because of the economic crisis caused by the COVID-19 pandemic and the extraordinary cost-cutting policy implemented in general throughout the company during the year.

No other external director is expected to provide any services other than those inherent to their position.

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

There are no other remuneration items of this kind, or that are similar or comparable to advance payments, loans or guarantees.

- 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.

There is no supplementary remuneration other than items explained in previous sections paid by the company or another Group company.

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

- A new policy or an amendment to the policy already approved by the General Meeting.
- 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.
- 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 explained in section B7 below, item 7 of the agenda of the General Meeting held on 29 April 2020 included a proposal to amend the Company's Director Remuneration Policy, originally in force for 2019 to 2021. However, on 23 April 2020, the Board of Directors notified -through an inside information notice submitted to the CNMV under record number 180- of its decision to withdraw this item from the meeting agenda, along with the proposed distribution of 2019 profit.

The Board of Directors expects shareholders at the 2020 General Meeting to approve a new remuneration policy for directors for 2021-2023 which extends the current policy but also includes a long-term remuneration scheme for Atresmedia Group directors and executives. The Appointments and Remuneration Committee has begun assessing the proposed amendment and expects to approve it March, coinciding with the call of the General Meeting.

Key features of the new long-term variable remuneration scheme are the same as those expected to be approved in 2020, but include certain technical and conceptual improvements to bring them more into line with the recommendations in the Good Governance Code. At the date of approval of this report, the main features of the policy would be:

Period of achievement of three years;  
Early determination of the overall maximum amount of remuneration payable;  
Payment in cash and in company shares;  
Settlement period in two consecutive years, of 50% each, and with the requirement of the director remaining in office for the second payment;  
Targets related to profitability, diversification of revenue sources and indicative ESG targets;  
Good Leaver and Bad Leaver Clause;  
Malus and clawback clauses.

**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.atresmediacorporacion.com/gobierno-corporativo/normativa-interna/>

[https://www.atresmediacorporacion.com/documents/2017/04/20/E3F4C267-F868-4623-AB36-6DF22C58ED28/politica\\_de\\_remuneraciones\\_2019-2021.pdf](https://www.atresmediacorporacion.com/documents/2017/04/20/E3F4C267-F868-4623-AB36-6DF22C58ED28/politica_de_remuneraciones_2019-2021.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.**

The outcome of the consultative vote on the Annual Report on Director Remuneration for 2019 was that a majority of shareholders in attendance or represented at the General Meeting held on 24 April 2020, at first call, voted in favour of the report.



Specifically, 95.513% of share capital presented or represented at the General Meeting voted in favour of this annual report, 4.454% voted against, and 0.033% abstained.

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

**B.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 Board of Directors, at its meeting held on 29 April 2020, decided to reduce the remuneration of external directors as an austerity measure as part of the exceptional cost-cutting measures implemented due to the extraordinary consequences of the COVID-19 pandemic and its foreseeable impact on the economy and the company, considering in addition Atresmedia's specific situation and the overall situation of the advertising market at that time. The reduction agreed was 15% of the fixed remuneration of external directors for their status as such and of members of board committees, as well as the per diem allowances for attending meetings.

The Board of Directors also agreed that this - extraordinary and circumstantial - reduction in their remuneration would cease to apply from January 2021 if the EBITDA for 2020 finally allowed the application of the annual variable remuneration in cash scheme for executive directors, in the related proportion based on the EBITDA achieved, as provided for in the remuneration policy in force, as explained previously.

**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 and 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 and 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 calculation of variable remuneration in cash for executive directors applied in the company is linked to EBITDA each year so it is aligned with the interests of shareholders, preventing potential exposure to excessive risks requiring additional or complementary control measures.

Furthermore, the vesting of 50% of this variable remuneration is subject, as already explained, to fulfilment of the requirement for executive directors to remain in office for an additional year, thus reinforcing their commitment to the company's long-term objectives and interests. The possibility that this variable remuneration may be negatively affected by directors' failure to comply with the duties inherent their office reinforces their link to the company's reputation and the effectiveness of its corporate governance model.

As a counterbalance and to ensure long-term decision-making, the company has approved an internal protocol governing the involvement of the Executive Committee in matters that are particularly relevant for Atresmedia Group given their nature, amount or risk. The scope of action attributable to the Executive Committee in these cases is outlined in this internal protocol and includes certain businesses and exceptional matters for the company, in which the Executive Committee is called on to act ex-ante for their approval and as an additional control measure. All this is without prejudice to the powers held by the company's Chief Executive Officer, which are in no case limited, and that, in the event of extraordinary or urgent need, this control and oversight by the Executive Committee may be ex-post.

In addition, the company's shareholder structure provides a natural hedge against the potential for excessive risk-taking by the management team. The existence of two main shareholders with combined ownership of 60.35% of the share capital and total representation of six (6) proprietary directors (one of whom, the Chairman, is also an executive director) of out twelve (12) directors is a key element for ensuring that the long-term vision and strategy outweigh the potential risks of an excessively short-term approach to management. The composition of the Executive Committee should also be highlighted: the two main shareholders have a representation of three (3) proprietary directors (with one of them, the Chairman, also having the status of executive director) out of a total of five (5) directors. The lead independent director is a member of the Committee; hence the only Committee member who is an executive director in a strict and unqualified sense is the Chief Executive Officer.

This composition of the Board of Directors and the Executive Committee is per se the best way to ensure long-term value creation for shareholders, thereby reducing potential exposure to excessive risks.

Director conflicts of interest are regulated in section v) of the paragraph on directors' duty of loyalty contained in article 34 "Duties of directors and scope of their responsibilities" in the Regulations of the Board of Directors. It establishes the requirement that directors must avoid any situations that may conflict with the interests of the company, refraining from certain actions and notifying the Board of Directors of any situations of conflict of interests that they or related parties may directly or indirectly have.

In addition, the Code of Conduct is applicable to all Atresmedia Group employees. It outlines the situations in which an employee's personal interests may conflict directly or indirectly with the interests of Atresmedia Group in order to avoid situations that could be considered a conflict of interest and entail excessive risk for the company.

**B.3. Explain how the remuneration accruing and vested during the year complies with the provisions of the current remuneration policy.**

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.

Remuneration accrued and vested in 2020 by the executive directors was in accordance with the remuneration policy in force, with both fixed and variable elements being aligned to the policy in terms of amount and criteria for accrual.

**I.- EXECUTIVE CHAIRMAN**

The remuneration of the Chairman for 2020 is as follows:

- Fixed remuneration of EUR 410,000;
- Variable remuneration for 2020 (50%) accrued and vested at 31 December 2020, which will be paid in the first quarter of 2021, after verification of achievement of the qualitative and quantitative objectives, of EUR 100,581;
- Variable remuneration for 2019 (50%) vested at 31 December 2020, after complying with the requirement of remaining in office at that date, of EUR 106,381. This will be paid in the first quarter of 2021.

At 31 December 2019, entitlement vested of beneficiaries to receive the second and final tranche of shares under the 2016-2018 plan for variable remuneration in shares. The shares were delivered on 27 February 2020, with the Chairman receiving 23,170 shares. The closing share price on that date was EUR 3.10.

**II.- CHIEF EXECUTIVE OFFICER**

The remuneration of the Chief Executive Officer for 2020 is as follows:

- Fixed remuneration in cash of EUR 1,100,000;
- Remuneration in kind (life and health insurance) of EUR 19,521.
- Variable remuneration for 2020 (50%) accrued and vested at 31 December 2020, which will be paid in the first quarter of 2021, after verification of achievement of the qualitative and quantitative objectives, of EUR 269,852;
- Variable remuneration for 2019 (50%) vested at 31 December 2020, after complying with the requirement of remaining in office at that date, of EUR 428,120. This will be paid in the first quarter of 2021.

He received 50% of the 2018 variable remuneration vested at 31 December 2019 in the first quarter of 2020 amounting to EUR 440,000.

In addition, at 31 December 2019, entitlement vested of beneficiaries to receive the second and final tranche of shares under the 2016-2018 plan for variable remuneration in shares. The shares were delivered on 27 February 2020, with the Chief Executive Officer receiving 34,756 shares. The closing share price on that date was EUR 3.10.

**III.- GENERAL MANAGER OF TELEVISIÓN**

The remuneration of the General Manager of Televisión for 2020 is as follows:

- Fixed remuneration in cash of EUR 650,000;
- Remuneration in kind (life and health insurance) of EUR 8,889;
- Variable remuneration for 2020 (50%) accrued and vested at 31 December 2020, which will be paid in the first quarter of 2021, after verification of achievement of the qualitative and quantitative objectives, of EUR 159,458;
- Variable remuneration for 2019 (50%) vested at 31 December 2020, after complying with the requirement of remaining in office at that date, of EUR 253,982. This will be paid in the first quarter of 2021.

By complying with the requirement of remaining in office until 31 December 2019, the Chief Executive Officer received 16,220 Atresmedia shares in February 2020; i.e. the remaining 50% of shares he was entitled to under the 2016-2018 variable remuneration plan in shares. The closing share price on that date was EUR 3.10.

50% of the annual short-term variable remuneration is deferred for one year. Vesting is contingent on the executive director remaining at in the company, which reinforces his commitment to Atresmedia Corporación's medium- and long-term strategic objectives, guiding his performance in an appropriate and competitive way in the interests of the company.

**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 against, if any:

	Number	% of total
Votes cast	162,594,661	72.03

  

	Number	% of votes cast
Votes against	7,242,320	4.45
Votes in favour	155,298,293	95.51
Abstentions	54,048	0.03

Remarks

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

The fixed components accrued by the directors (excluding for performing executive duties or advisory or specific duties by the director not inherent in the position) in 2020 did not change with respect to the fourteen (14) previous years (from April 2006), and, therefore, they have the same system, comprising fixed remuneration for membership of management organs and per diem allowances for attending meetings, in accordance with the following amounts:

1. Annual remuneration for each member of the Board of Directors of EUR 25,000 and allowance for attending Board meetings of EUR 2,000.
2. Annual remuneration for each member of the Executive Committee of EUR 50,000 and allowance for attending Executive Committee meetings of EUR 2,500.
3. For the Audit and Control Committee, there is an allowance of EUR 2,000 per meeting, with no fixed remuneration.
4. For the Appointments and Remuneration Committee, there is an allowance of EUR 2,000 per meeting, with no fixed remuneration.

In 2020, the Executive Committee and the Board of Directors held eleven (11) meetings; the Audit and Control Committee held six (6) meetings, and the Appointments and Remuneration Committee held three (3) meetings.

However, as explained in section B1 above, these amounts were applied until April 2020, when the Board of Directors decided to apply a 15% reduction in the remaining months of the year to all the remuneration indicated. This included a reduction in per diem allowances from then and a proportional reduction in the fixed annual remuneration for the rest of 2020.

**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 2020, the salaries due to the three executive directors were determined in accordance with the existing remuneration policy and with their respective contracts, which were the same as those applied the previous year.

**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:

- 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.

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.

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

Explain the short-term variable components of the remuneration systems:

The variable remuneration of the three executive directors is determined in accordance with the level of achievement of the EBITDA target approved by the Board of Directors in the annual budget. See previous sections of this Report.

No additional multi-year variable remuneration scheme is currently in force. The 2016-2018 plan requiring the beneficiaries to remain in office until 31 December 2019, concluded in 2020. Among members of the Board of Directors, the three executive directors (the Chairman, the Chief Executive Officer and the General Manager of Television) were the only beneficiaries of that long-term variable remuneration consisting of the delivery of treasury shares.

Meanwhile, item 7 of the agenda of the General Meeting held on 29 April 2020 included a proposal to amend the Company's Director Remuneration Policy, which would be force for 2019 to 2021. Subsequently, on 23 April 2020, the Board of Directors notified -through an inside information notice submitted to the CNMV under record number 180- of its decision to withdraw this item from the meeting agenda, along with the proposed distribution of 2019 profit. This was all the result of the economic crisis and uncertainty caused by the COVID-19 pandemic.

The Board of Directors expects to approve a new director remuneration policy in 2021 which it will submit for approval by shareholders at the General Meeting. The new policy will include a long-term variable remuneration plan for directors and executives (similar to the one mentioned above, which was originally planned for the 2020 General Meeting). Any decisions on these matters would be taken at the March meetings, i.e. at the time the decision is taken to call the General Meeting and decide on the agenda and the proposals the Board of Directors will submit to the General Meeting.

Section A-2 of this report describes the main features of this long-term remuneration plan as currently drafted.

As explained above, in April 2019 the Chairman was included in the common system applicable for the annual variable remuneration of executive directors. As a result, in 2019 he accrued the variable remuneration for that year, of which 50% vested in 2020.

In 2020, the Chief Executive Officer also received annual variable remuneration in cash for the results obtained in 2018, entailing a percentage of his fixed remuneration and linked to the target EBITDA. Vesting of 50% of the amount is subject to an additional requirement of continuing to perform his duties for a year and, accordingly, is settled during the year after the reference year for the EBITDA achieved. He also received variable remuneration in cash for the results obtained in 2019, equal to a percentage of his fixed remuneration and linked to the EBITDA target proposed by the Board of Directors and approved by shareholders at the General Meeting based on a completely favourable report by the external auditor.

The General Manager of Television also received variable remuneration in cash in 2020 for the results obtained in 2018, equal to a percentage of his fixed remuneration and linked to the EBITDA target proposed by the Board of Directors and approved by shareholders at the General Meeting based on a completely favourable report by the external auditor.

Explain the long-term variable components of the remuneration systems:

There was no long-term remuneration system in force in 2019.

**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.

The data for 2018 and 2019 used to determine the ordinary variable remuneration settled in 2020 were approved by shareholders at the General Meeting based on a fully favourable report by the external auditor, without no clear inaccuracies uncovered subsequently. Therefore, the circumstances did not arise requiring the hypothetical application of the contractual clawback or malus clauses for annual variable remuneration.

Also, the financial statements for 2016, 2017 and 2018, which were linked to long-term variable remuneration in the form of delivery of treasury shares, were approved by the shareholders at the respective General Meetings based on a favourable report by the company's external auditor, without any inaccuracy having been revealed that might trigger a reduction or return of the shares received.

**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 plans with these characteristics.

**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.

No payment of this type was made in 2020.

**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.

There were no changes in the contracts of the three executive directors in 2020.

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

See section A.1.

**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 is no remuneration of this kind.

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

In the case of the Chief Executive Officer, the company bears the cost of two insurance policies: one for health coverage (up to a maximum amount of EUR 20,000 a year, which includes direct family members as beneficiaries) and a life and disability insurance policy (with a maximum cost of EUR 15,000 a year).

In the case of the General Manager of Television, the company bears the cost of the same two insurance policies: a health insurance policy (for a maximum amount of EUR 15,000 a year, which includes direct family members as beneficiaries) and a life and disability insurance policy (with a maximum cost of EUR 10,000 a year).

**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.

There is no remuneration of this type.

**B.16.** Explain any item of remuneration other than the foregoing, whatever its nature or the group company paying it, especially when this is considered a related party transaction or its settlement distort the true and fair picture of the total remuneration accrued by the director.

There are no other items of remuneration.

**C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR**

Name	Type	Period of accrual in 2020
JOSÉ CREUHERAS MARGENAT	Executive Chairman	From 01/01/2020 to 31/12/2020
SILVIO GONZÁLEZ MORENO	Chief Executive Officer	From 01/01/2020 to 31/12/2020
JAVIER BARDAJÍ HERNANDO	Executive Director	From 01/01/2020 to 31/12/2020
MAURICIO CASALS ALDAMA	Proprietary Director	From 01/01/2020 to 31/12/2020
AURORA CATÁ SALA	Independent Director	From 01/01/2020 to 31/12/2020
MARCO DRAGO	Proprietary Director	From 01/01/2020 to 31/12/2020
MARÍA ENTRECANALES FRANCO	Independent Director	From 01/01/2020 to 31/12/2020
PATRICIA ESTANY PUIG	Independent Director	From 01/01/2020 to 31/12/2020
CARLOS FERNÁNDEZ SANCHIZ	Proprietary Director	From 01/01/2020 to 31/12/2020
ELMAR HEGGEN	Proprietary Director	From 01/01/2020 to 31/12/2020
MÓNICA RIBÉ SALAT	Independent Director	From 01/01/2020 to 31/12/2020
NICOLAS DE TAVERNOST	Proprietary Director	From 01/01/2020 to 31/12/2020

C.1. Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total in 2020	Total in 2019
JOSÉ CREUHERAS MARGENAT				410	207				617	560
SILVIO GONZÁLEZ MORENO				1,100	698				1,798	1,911
JAVIER BARDAJÍ HERNANDO				650	413				1,063	687
MAURICIO CASALS ALDAMA	22	25						300	347	646
AURORA CATÁ SALA	22	31							53	59
MARCO DRAGO	22	40	44						106	120
MARÍA ENTRECANALES FRANCO	22	36							58	61
PATRICIA ESTANY PUIG	22	44	44						110	125
CARLOS FERNÁNDEZ SANCHIZ	22	30							52	55
ELMAR HEGGEN	22	26							48	33
MÓNICA RIBÉ SALAT	22	36							58	63
NICOLAS DE TAVERNOST	22	48	44						114	115

Remarks

See section D on "Total 2019" data. The amounts shown in this column are 50% of the 2018 variable remuneration and the first 50% of the 2019 variable remuneration, both of which had vested at 31 December 2019.



ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of plan	Financial instruments at start of 2020		Financial instruments granted during 2020		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2020	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
No data												

Remarks

iii) Long-term saving schemes

Name	Remuneration from vesting of rights to savings schemes
No data	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	2020	2019	2020	2019	2020	2019	2020	2019
No data								

Remarks

iv) Details of other items

Name	Item	Amount of remuneration
SILVIO GONZÁLEZ MORENO	Life/health insurance	20
JAVIER BARDAJÍ HERNANDO	Life/health insurance	9

Remarks

b) Remuneration of company directors for seats on the boards of other group companies:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total in 2020	Total in 2019
No data										

Remarks

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of plan	Financial instruments at start of 2020		Financial instruments granted during 2020		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2020	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
No data												

Remarks

iii) Long-term saving schemes

Name	Remuneration from vesting of rights to savings schemes
No data	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	2020	2019	2020	2019	2020	2019	2020	2019
No data								

Remarks

[ ]

iv) Details of other items

Name	Item	Amount of remuneration
No data		

Remarks

[ ]

c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

Name	Remuneration accruing in the Company					Remuneration accruing in group companies					Total in 2020, company + group
	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from saving schemes	Other items of remuneration	Total in 2020, company	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from saving schemes	Other items of remuneration	Total in 2020, group	
JOSÉ CREUHERAS MARGENAT	617				617						617
SILVIO GONZÁLEZ MORENO	1,798			20	1,818						1,818
JAVIER BARDAJÍ HERNANDO	1,063			9	1,072						1,072
MAURICIO CASALS ALDAMA	347				347						347
AURORA CATÁ SALA	53				53						53
MARCO DRAGO	106				106						106
MARÍA ENTRECANALES FRANCO	58				58						58
PATRICIA ESTANY PUIG	110				110						110
CARLOS FERNÁNDEZ SANCHIZ	52				52						52
ELMAR HEGGEN	48				48						48

**ANNUAL REPORT ON DIRECTOR  
REMUNERATION OF LISTED COMPANIES**

Name	Remuneration accruing in the Company					Remuneration accruing in group companies					Total in 2020, company + group
	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from saving schemes	Other items of remuneration	Total in 2020, company	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from saving schemes	Other items of remuneration	Total in 2020, group	
MÓNICA RIBÉ SALAT	58				58						58
NICOLAS DE TAVERNOST	114				114						114
TOTAL	4,424			29	4,453						4,453

Remarks

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**D. OTHER INFORMATION OF INTEREST**

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If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

The amounts shown in the column "Total 2019" in section C.1(a)(i) do not match the total reported in the 2019 annual report on the remuneration of directors.

This is because after analysing (i) Principle 25, which inspired recommendation 59 of the Good Governance Code of listed companies, amended in June 2020; (ii) the instructions of Circular 1/2020, of 6 October, for completing the director remuneration report and; (iii) the CNMV report on the 2019 director remuneration reports, the Company considers that 50% of the annual variable remuneration of executive directors must be understood to be subject to a malus clause. Therefore, that it cannot be considered vested until a year after the end of the accrual period.

This annual remuneration report was approved by the Board of Directors of the company in its meeting on:

24/02/2021

Indicate whether any director voted against or abstained from approving this report.

Yes

No