
ISSUER IDENTIFICATION

YEAR-END DATE

[31/12/2018]

TAX IDENTIFICATION NUMBER:

[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. CAPITAL STRUCTURE

A.1. Complete the table below with details of the share capital of the company:

Date of last change	Share capital (€)	Number of shares	Number of voting rights
25/04/2012	169,299,600.00	225,732,800	225,732,800

Please state whether there are different classes of shares with different associated rights:

- [] Yes
[v] No

A.2. Please provide details of the company's significant direct and indirect shareholders at year end, excluding any directors:

Name or company name of shareholder	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
GRUPO PLANETA DE AGOSTINI, S.L.	0.00	41.70	0.00	0.00	41.70
RTL GROUP, S.A.	0.00	18.65	0.00	0.00	18.65
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	4.23	0.00	0.00	0.00	4.23

Breakdown of the indirect holding:

Name of direct shareholder	Name of indirect shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights
RTL GROUP, S.A.	UFA FILM UND FERNSEH, GMBH	18.65	0.00	18.65
GRUPO PLANETA DE AGOSTINI, S.L.	GRUPO PASA CARTERA, S.A.U.	41.70	0.00	41.70

State the most significant shareholder structure changes during the year:

Most significant movements

There have been no significant changes.

A.3. In the following tables, list the members of the Board of Directors (hereinafter “directors”) with voting rights in the company:

Name or company name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments		
	Direct	Indirect	Direct	Indirect		Direct	Indirect	
CARLOS FERNÁNDEZ SANCHIZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
NICOLAS DE TAVERNOST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total percentage of voting rights held by the Board of Directors							0.00	

Breakdown of the indirect holding:

Name or company name of director	Name of indirect shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments
No data					

A.4. If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Name of related party	Nature of relationship	Brief description
No data		

A.5. If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

Name of related party	Nature of relationship	Brief description
No data		

A.6. Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of proprietary directors.

Explain, as the case may be, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
No data			

A.7. State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the *Ley de Sociedades de Capital* ("Corporate Enterprises Act" or "LSC"). If so, describe these agreements and list the party shareholders:

- Yes
 No

Parties to the shareholders' agreement	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable
DE AGOSTINI COMMUNICATION, S.A., PLANETA CORPORACIÓN, S.R.L.	41.70	On 25 May 2005 Grupo Planeta de Agostini, S.L. (then Kort Geding, S.L.) announced a resolution to restructure the group, whereby the shareholders: (i) ratify the agreements signed in May 2003 with RTL (UFA Film); (ii) state their intention not to alter the arrangements for representation on the Board of Atresmedia individually through the acquisition of new shares; and (iii) make certain rules for adopting resolutions (proposed appointments, non-competition undertaking, steps to be taken in the event of any dispute among the parties, etc.). On 20 December 2005 De Agostini Communications, S.A. reported that De Agostini Invest, S.A. had been spun off and dissolved. Title to the Grupo Planeta-De Agostini, S.L. shares was transferred to De Agostini Communications, S.A. From 27 December 2016 onwards, commitments originally acquired by Grupo Planeta de Agostini, S.L. have been assumed by its wholly owned subsidiary Grupo Pasa Cartera, S.A.U.	Not applicable.
Parties to the shareholders' agreement	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable
UFA FILM UND FERNSEH, GMBH, GRUPO PLANETA DE AGOSTINI, S.L.	60.34	On 29 October 2003 Grupo Planeta - de Agostini, S.L (Kort Geding, S.L.) disclosed its shareholder agreement with RTL Group Communications, S.R.L. (UFA FILMS) and RTL Group, S.A.	Not applicable.

		<p>concerning: (i) shareholder stability of Atresmedia; (ii) granting of reciprocal rights to acquire shares/equity units; (iii) covenants as to control or otherwise of the company by third parties; (iv) management, and variable pay scheme and executive talent retention. On 27 June 2007, the parties signed an addendum, under which they: (i) rendered the shareholder agreement between them of unlimited duration, although either party may terminate from 30 June 2009 onwards, and (ii) ratified the content of the shareholder agreement, except clauses that no longer apply by reason of lapse of time or changes in the circumstances originally warranting their insertion. From 27 December 2016 onwards, commitments originally acquired by Grupo Planeta de Agostini, S.L. have been assumed by its wholly owned subsidiary Grupo Pasa Cartera, S.A.U.</p>	
--	--	--	--

State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

- Yes
 No

If any of the aforementioned agreements or concerted actions have been modified or terminated during the year, please specify expressly:

[There has been no change.]

A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores (“Spanish Securities Market Act” or “LMV”). If so, please identify them:

Yes
 No

A.9. Complete the tables below on the company’s treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares(*)	Total percentage of share capital
791,880		0.35

(*) through:

Name/company name of direct shareholder	Number of direct shares
No data	

Explain any significant changes during the year:

Explain significant changes

[No change over the year.]

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

The resolution now in effect on this matter was passed at the General Meeting of 2015 and applies until 2020.

The resolution reads as follows: “Authorisation for the Company to buy own shares.

To authorise the Company so that, directly or through any of its subsidiaries, it may acquire shares in Atresmedia Corporación de Medios de Comunicación, S.A. by any means allowed by law, including by means of a charge to profit for the year and/or to unrestricted reserves; and so that it may later dispose of such shares in accordance with articles 146, 509 and related items of the Spanish Companies Act (“LSC”). Delegation is made to the Board of Directors of the powers required to implement the resolutions adopted by the General Meeting in this respect.

The rules on acquisition of own shares are:

- The par value of shares acquired, combined with shares already held by Atresmedia Corporación de Medios de Comunicación, S.A. and its subsidiaries, may not exceed the statutory ceiling at the given time.
- No acquisition, comprising shares acquired earlier by the Company or by a person acting in his/her/its own name but on behalf of the Company, may bring equity to a figure below the sum of share capital and the legal reserve or reserves that are restricted under the Company’s articles. For these purposes, “equity” is the amount characterised as equity under the criteria applied to produce the financial statements, less profit taken directly to equity, and increased by share capital subscribed for but not paid in or called upon, and the par value and share premium on share capital subscribed for and carried on the books as a liability.
- Acquired shares must be fully paid in.
- The acquisition price must be not less than par value or more than twenty percent (20%) of the listed share price. Acquisition transactions must be compliant with the rules and practices of securities markets.

It is expressly authorised that shares acquired by the Company or its subsidiaries using this authority may be used, wholly or in part, as payment to beneficiaries of future remuneration schemes or as a result of the exercise of options for the benefit of staff, employees or directors of the Company. The purpose of this authorisation is stated expressly in accordance with article 146(1)(a) of the Spanish Companies Act. The Board is given a power in the broadest terms to use the authority under this resolution and perform and implement it in full.

The Board may delegate these powers to the Executive Committee, the Chief Executive Officer or any other person expressly authorised by the Board for that purpose, with such breadth as it thinks fit. Wherever appropriate, the Company’s Internal Code of Conduct on Matters Relating to Securities Markets must apply.

The duration of this authorisation is five years from the date of this General Meeting. The unperformed portion of the authorisation granted to the Board by the General Meeting of 24 March 2010 is left without effect.”

A.11. Estimated free float:

	%
Estimated free float	35.07

A.12. State whether there are any restrictions (article of associations, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company’s financial instruments.

- Yes
- No

Description of restrictions

The Company's articles contain no such restriction. However, article 36 of the Ley General de la Comunicación Audiovisual (Ley 7/2010 de 31 de marzo) ("Audiovisual Media Act") sets limits on ownership interests in more than one provider of audiovisual communication services so as to safeguard viewpoint diversity in the television market. In addition, the statute creates a system of authorisation for transactions involving the transfer of audiovisual communication licences coupled with a concession for exclusive radio spectrum use.

A.13. State if the shareholders have resolved at a meeting to adopt measures to neutralise a take-over bid pursuant to the provisions of Act 6/2007.

- Yes
 No

If so, please explain the measures approved and the terms under which such limitations would cease to apply:

A.14. State if the company has issued shares that are not traded on a regulated EU market.

- Yes
 No

If so, please list each type of share and the rights and obligations conferred on each.

B. GENERAL SHAREHOLDERS' MEETING

B.1. State whether there are any differences between the quorum established by the LSC for General Shareholders' Meetings and those set by the company and if so, describe them in detail:

- Yes
 No

B.2. State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

- Yes
 No

B.3. State the rules for amending the company’s Articles of Association. In particular, state the majorities required for amendment of the Articles of Association and any provisions in place to protect shareholders’ rights in the event of amendments to the Articles of Association.

The Company’s articles may be altered only at the General Meeting (item 19 of the Company’s articles). Alteration of the articles is governed by the Spanish Companies Act only; no special terms have been introduced.

The Spanish Companies Act imposes these requirements for alteration:

- The directors or shareholders proposing the alteration must submit a paper stating the reasons for it.
- The notice convening the relevant general meeting must clearly state what is to be altered.
- The notice of meeting must make reference to the right of any shareholder to inspect, at the registered office, the full text of the proposed alteration and the statement of reasons for it, and to demand that such documents be delivered to him or her free of charge. The resolution must be passed at the general meeting in accordance with articles 194 and 201 of the Spanish Companies Act.

The resolution must be memorialised in a notarial act in public form, which in turn must be entered in the *Registro Mercantil*, Spain’s Mercantile Register. After registration, the resolution will be published in the *Boletín Oficial del Registro Mercantil*, the gazette of the Mercantile Register.

B.4. Give details of attendance at General Shareholders’ Meetings held during the year of this report and the previous year:

Date of General Meeting	Attendance data				Total
	% physically present	% remote voting		Other	
		by proxy	Electronic voting		
18/04/2018	0.03	79.49	0.00	0.41	79.93
Of which, free float:	0.01	27.88	0.00	0.14	28.03

B.5. State whether any point on the agenda of the General Shareholders’ Meetings during the year has not been approved by the shareholders for any reason.

- Yes
 No

B.6. State if the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders’ Meetings, or on distance voting:

- Yes
 No

Number of shares required to attend General Meetings	400
Number of shares required for distance voting	1

B.7. State whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the General Shareholders' Meeting.

Yes

No

B.8. State the address and manner of access to the page on the company website where one may find information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

www.atresmediacorporacion.com

The website can be accessed directly at the url www.atresmediacorporación.com, where the Company's corporate website is hosted. The specific section "Shareholders and Investors" provides information on corporate governance and General Meetings. This website can also be accessed indirectly through the television content websites www.antena3.com and www.lasexta.com or the portal www.atresmedia.com.

C. COMPANY ADMINISTRATIVE STRUCTURE

C.1. Board of directors

C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general meeting	12

C.1.2 Please complete the following table on directors:

Name of director	Representative	Director category	Position on the Board	Date first appointed to	Last re-election date	Method of selection
JOSÉ CREUHERAS MARGENAT		Executive	CHAIRMAN	16/06/2003	22/04/2015	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
MAURIZIO CARLOTTI		Other non-executive	DEPUTY CHAIRMAN	16/06/2003	22/04/2015	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
SILVIO GONZÁLEZ MORENO		Executive	CHIEF EXECUTIVE OFFICER	25/04/2007	24/04/2013	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
PATRICIA ESTANY PUIG		Independent	LEAD INDEPENDENT DIRECTOR	22/04/2015	22/04/2015	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
CARLOS FERNÁNDEZ SANCHIZ		Proprietary	DIRECTOR	17/04/2018	17/04/2018	RESOLUTION GENERAL MEETING OF SHAREHOLDERS

MAURICIO CASALS ALDAMA		Proprietary	DIRECTOR	25/03/2009	22/04/2015	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
AURORA CATÁ SALA		Independent	DIRECTOR	25/03/2009	22/04/2015	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
MARCO DRAGO		Proprietary	DIRECTOR	16/06/2003	22/04/2015	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
MARÍA ENTRECANALES FRANCO		Independent	DIRECTOR	25/03/2009	22/04/2015	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
ELMAR HEGGEN		Proprietary	DIRECTOR	21/12/2005	18/04/2018	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
MÓNICA RIBÉ SALAT		Independent	DIRECTOR	20/04/2016	20/04/2016	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
NICOLAS DE TAVERNOST		Proprietary	DIRECTOR	29/10/2003	22/04/2015	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
Total number of directors			12			

State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name of director	Status of director upon departure	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	Proprietary	25/04/2012	25/04/2018	None	NO

JOSÉ MANUEL LARA GARCÍA	Proprietary	25/02/2015	18/04/2018	Audit and Control Committee	YES
-------------------------------	-------------	------------	------------	--------------------------------	-----

C.1.3. Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS		
Name or company name of director	Post in organisational chart of the company	Profile
JOSÉ CREUHERAS MARGENAT	CHAIRMAN	<p>Born in Barcelona in 1957, he is the current Chairman of Grupo Planeta and Atresmedia. He began his career at Grupo Planeta in 1984, where he held various senior positions during the expansion of the publishing business under the guidance of its founder, José Manuel Lara Hernández, and the then CEO, Fernando Lara Bosch. He played a key role in the design of the Group's growth and diversification strategy set in motion by the Lara family in the late 1990s. In 2003, the then Chairman, José Manuel Lara Bosch, appointed him Vice Chairman, which he remained until his appointment as Chairman on 13 February 2015. He is also a director at GRUPO PLANETA-DE-AGOSTINI, a joint venture created 30 years ago by GRUPO PLANETA and GRUPO DEAGOSTINI for business projects in publishing and the audiovisual field. He was formerly the chairman of EL TIEMPO CASA EDITORIAL, the leading communications group in Colombia. He is a member of the executive committee of the CÁMARA OFICIAL DE COMERCIO, INDUSTRIA, SERVICIOS Y NAVEGACIÓN DE ESPAÑA (Spain's Chamber of Commerce) and of the advisory boards of PATRONAL CATALANA FOMENT DEL TREBALL and BARCELONA GLOBAL. In addition, he is a trustee of the FUNDACIÓ CATALUNYA CULTURA, of the FERO FOUNDATION, founded by Dr José Baselga to pursue cancer research, and of the FUNDACIÓN CAROLINA. He is ATRESMEDIA's representative at the FUNDACIÓN AMIGOS DEL MUSEO NACIONAL CENTRO DE ARTE REINA SOFÍA and FAD (Fundación Ayuda contra la Drogadicción, Spain's leading charity in the fight against drug addiction).</p>
EXECUTIVE DIRECTORS		

Name or company name of director	Post in organisational chart of the company	Profile
SILVIO GONZÁLEZ MORENO	Chief Executive Officer	<p>He was born in Madrid in 1957. He graduated in Economics from the Universidad Autónoma de Madrid. He started his career in 1981 at SINTEL, a subsidiary of Telefónica, and later joined the Cadena COPE radio broadcasting company in 1983, where he worked as Finance Director and General Manager. In 1986 he joined Cadena SER, another radio broadcasting firm, as Finance Director; from 1989 to 1990 he was the company's General Manager. In 1990, he joined CANAL+ as CEO. In 1992 he returned to COPE as CEO, where he remained until 1997. In September of that year, he was appointed Deputy Director General of TELEMADRID. In April 1998 he took up a new position as Director General of ENTE PÚBLICO TELEVISIÓN MADRID, until February 2001, when he was recruited by ONO as General Manager. In June 2003 he joined the management team of ATRESMEDIA as General Manager. In July 2008 he was appointed to his current position of Chief Executive Officer.</p>
Total number of executive directors		2
Percentage of Board		16.67

PROPRIETARY NON-EXECUTIVE DIRECTORS		
Name or company name of director	Name of the significant shareholder represented or that has proposed their appointment	Profile
CARLOS FERNÁNDEZ SANCHIZ	GRUPO PLANETA DE AGOSTINI, S.L.	<p>Born in Barcelona in 1958. Graduated in Economics from the University of Barcelona. Career record: Marketing Director of INFORCASA (1982-1984), Managing Director of INFORCASA (1984-1986), Managing Director of RBA Revistas (1986-1991), Head of the collectibles division of EDITORIAL PLANETA DEAGOSTINI, S.A. (1991-1993), Managing Director of EDITORIAL PLANETA DEAGOSTINI, S.A. (1993-1996), Chief Executive Officer of EDITORIAL PLANETA DEAGOSTINI, S.A. (1996-2001), Chief Executive Officer of GRUPO PLANETA DEAGOSTINI, S.L. (2001-2004) and Chief Executive Officer of PLANETA CORPORACIÓN, S.R.L. (2004-2015). Since 2015 and currently he has been Executive Vice Chairman of PLANETA CORPORACIÓN, S.R.L. while holding the following positions in group companies: Chairman of GRUPO PLANETA DE AGOSTINI, S.L. (as representative of PLANETA CORPORACIÓN, S.R.L.); Executive Chairman of DEAPLANETA S.L and EDITORIAL PLANETA DEAGOSTINI S.A.U; Chairman and CEO of PLANETA NATHAN BRASIL S.L.; joint director at PLANETA SISTEMAS FORMACION S.L., PLANETA FABRIK VENTURES S.L., PROFESSIONAL DIRECT SALES SL., MIREN 2015 L., PLANETA DE AGOSTINI FORMACION INTERNACIONAL S.L., EAE EDP EDIFORMACION S.L., CENTRO SUPERIOR DE ALTOS ESTUDIOS INTERNACIONALES SL., EAE-OSTELEA FORMACION ONLINE S.L., ULISES INTERACTIVE S.L., ONTREO PLUS S.L., SERIAL READERS S.L., UNIVERSO ESTELAR S.L., PLANETA JUNIOR S.L., CIRCULO DE LECTORES S.A.U., PRISMA PUBLICACIONES 2002 S.L., PLANETA DE AGOSTINI FORMACION S.L.U., CENTRO LIBROS PAPF S.L. and director at LOGISTA LIBROS S.L.</p>
MAURICIO CASALS ALDAMA	GRUPO PLANETA DE AGOSTINI, S.L.	<p>Mauricio Casals holds a Degree in Law from the Universidad Central de Barcelona. He has developed his professional activities within the field of consultancy. Currently he is the Chairman of La Razón, and since 2009, he is also a member of the Board of Directors of Atresmedia Corporación.</p> <p>He is one of the members of the Board of Trustees of FUNDACIÓN TERESA DE ÁVILA and, as representative of LA RAZÓN, Mr. Casals is also member of the</p>

		Board of Trustees of FAD (Drug Addiction Aid Fund) and of the ESCUELA SUPERIOR DE MÚSICA REINA SOFÍA.
MARCO DRAGO	GRUPO PLANETA DE AGOSTINI, S.L.	<p>Born in Settimo Torinese, province of Turin, in 1946. He graduated in Economics and Business Studies from Bocconi University in Milan in 1969. In the same year he began his professional career when he joined DE AGOSTINI GEOGRAPHICAL INSTITUTE.</p> <p>Since 1997 he has held office as the Chairman of AGOSTINI SpA, the parent company of GRUPPO DE AGOSTINI, one of the largest family business groups in Italy. As CEO of the Editorial Group during the 80s and 90s, he was the driving force behind the company's exceptional growth in Italy and especially abroad. Since 2000, as part of a diversification strategy, he has led the Group's expansion in lotteries, games and services with LOTTOMATICA-GETCH; in the media with GRUPO ATRESMEDIA, in Spain (together with Grupo Planeta) and MIKADO FILM and MAGNOLIA in Italy; in the insurance sector with Toro, later acquired by the Generali Group; and in the financial sector with DEA CAPITAL. He is currently a director at two listed companies: INFORMATION GAME TECHNOLOGY PLC (New York) and DEA CAPITAL S.P.A. (Milan). Other positions: Chairman of the Board of Directors of B&D HOLDING SpA; Sole Director of BLU ACQUARIO PRIMA SpA; Vice Chairman of GRUPO PLANETA DE AGOSTINI; Chairman of DE AGOSTINI, SpA; and a director of AGOSTINI EDITORE, SpA and SAN FAUSTIN, S.A.</p>
ELMAR HEGGEN	RTL GROUP, S.A.	<p>Born in 1968. In 1992 he started his career at FELIX SCHOELLER GROUP, and later held the positions of Vice Chairman and General Manager of FELIX SCHOELLER DIGITAL IMAGING in the United Kingdom (1999). In 2000 he joined RTL GROUP CORPORATE CENTRE as Vice President of Mergers and Acquisitions. In 2003, he was appointed Vice President of Control and Investments. From July 2003 to December 2005, he served as Executive Vice President of Strategy and Control. Since 2006 he has been a member of the Management Committee of the RTL Group and since October of the same year he has been Corporate CFO and Head of the Corporate Centre of the RTL Group. In 2018, he was appointed Deputy Chief Executive Officer of RTL GROUP, S.A (listed company - Luxembourg) and took on responsibility for the M6 Group in France and RTL Belgium within the Executive Committee of the RTL Group. As Chief Financial Officer and Head of the Corporate Centre in the RTL Group, Elmar Heggen is in charge of the Group's Finance, Legal, M&A and IT areas, and is also responsible for the Group's Human Resources area, along with Group Chairman Bert Habets. Other positions held at RTL Group investees:</p> <p>Chairman of the Board of Directors of BROADCASTING CENTER EUROPE S.A. (Luxembourg); MÉDIA ASSURANCES S.A. (Luxembourg),</p>

		<p>AUDIOMÉDIA INVESTMENTS S.A., DUCHY DIGITAL S.A. (Luxembourg) and MEDIA REAL STATE, S.A. (Luxembourg); member of the Supervisory Board of RTL NEDERLAND HOLDING BV (Netherlands); director at RTL GROUP, S.A. (Germany), REGUS, PLC. (listed company - London), CLT UFA S.A. (Luxembourg), RTL Group Germany S.A., (Luxembourg), RTL 9 S.A., RTL Belgium S.A. (Belgium); RTL Belux S.A. (Luxembourg), Spotx INC (USA), U SCREENS AB, STYLE HAUL INC; BROADBAND TV CORP; BROADBAND TV (USA) INC.; 0971999 B.C. LTD; VISO ONLINE VIDEO PRODUCTION INC; TGN GAMES COMMUNITIES, IP France S.A. representing Immobilière Bayard d'Antin; S.A. (France); director at RTL GROUP SERVICES GMBH, UFA FILM UND FERNSEH GMBH, RTL GROUP VERMOGENSVERWALTUNG GMBH, RTL GROUP DEUTSCHLAND GMBH, RTL GROUP CENTRAL AND EASTERN EUROPE GMBH, RTL TELEVISION GMBH, RTL GROUP LICENSING ASIA GMBH (Germany) and Chairman of the Management Committee at MÉDIA PROPERTIES SARL (Luxembourg).</p>
--	--	--

PROPRIETARY NON-EXECUTIVE DIRECTORS

Name or company name of director	Name of the significant shareholder represented or that has proposed their appointment	Profile
NICOLAS DE TAVERNOST	RTL GROUP, S.A.	<p>Born in 1950. Graduated in Law from the University of Bordeaux and in Political Science from the Institut d'études politiques de Bordeaux. From 1974 to 1986, he was a senior official at the Ministry of Foreign Trade and the Ministry of Post and Telecommunications, and represented the French Chamber of Commerce and Industry in Zurich. He also served at the General Authority of Telecommunications and Public Services of the Video Communications Delegation. In 1986 he took up his new appointment as Head of Multimedia Operations at Lyonnaise des Eaux and, a year later, as General Manager at M6 (MÉTROPOLE TELEVISIÓN, S.A.). He has been the Chairman of M6 since 2000. He is a member of the Management Committee at BERTELSMANN, A.G. and of the Operations Management Committee at RTL GROUP, S.A. Other positions within the M6 and RTL groups: Permanent representative of (a) MÉTROPOLE TÉLÉVISION in his capacity as Chairman of: M6 PUBLICITÉ S.A.S., IMMOBILIÈRE M6 S.A.S., M6 BORDEAUX S.A.S., M6 INTERACCIONES S.A.S., M6 Web S.A.S. , M6 FOOT SAS, MANDARIN CINÉMA S.A.S. and FIDÉLITÉ FILMS; (b) M6 Web in his capacity as Chairman of I GRAAL S.A.; (c) MÉTROPOLE TÉLÉVISION as a director of SASP FOOTBALL CLUB DES GIRONDINS DE BORDEAUX, SOCIÉTÉ NOUVELLE DE DISTRIBUTION S.A., C. PRODUCTIONS S.A., EXTENSION TV S.A.S., IP FRANCIA SA, IP RÉGIONS S.A., SOCIÉTÉ D'EXPLOITATION RADIO CHIC-SERC S.A. and SOCIÉTÉ DE DÉVELOPPEMENT de RADIO DIFFUSIONSODERA S.A.; (d) MÉTROPOLE TÉLÉVISION as a member of the Multi4 S.A.S. Shareholders Committee; (e) MÉTROPOLE TÉLÉVISION as managing partner at SCI du 107, Avenue Charles de Gaulle, (f). IMMOBILIÈRE BAYARD D'ANTIN S.A. in his capacity as Director of MÉDIAMÉTRIE S.A. -Member of the Association Football Club des Girondins de Bordeaux. -Chairman and member of the</p>

		Supervisory Board of EDIRADIO S.A.-Member of the Board of Directors of RTL FRANCE RADIO S.A.S. Other positions outside the M6 and RTL groups: independent director at GL EVENTS S.A. (listed in France); independent director and Chairman of the Remuneration Committee of NATIXIS (listed in France) and director of the endowment fund RAISE and POLYGONE S.A.
PROPRIETARY NON-EXECUTIVE DIRECTORS		
Total number of proprietary directors		5
Percentage of Board		41.67

INDEPENDENT DIRECTORS	
Name or company name of director	Profile
PATRICIA ESTANY PUIG	Born in Barcelona in 1962. She holds bachelor's and master's degrees in business administration from ESADE and is a graduate of the international management programme of HEC Paris and the Advanced Management Program of Harvard Business School. She started her career at the Paris office of Andersen Consulting in 1985. From 1997 to 2004, she led the internationalisation and restructuring of a range of family owned businesses. She has more than 25 years of international experience in finance, having held senior positions at Lombard Odier (2008-2010), Consulnor Catalunya (2005-2008) and Credit Lyonnais in New York and London (1988-1993). Today, she is a Managing Director at J.P. MORGAN INTERNATIONAL UD., where she joined the Spanish office in 2010 to bolster the private banking business, having formerly worked at JP Morgan's structured finance (capital markets) division in London (1993-1996), with responsibility for Spain, France, Belgium and Portugal. In the community field, she is a founder and the current President of the QUIERO TRABAJO Foundation, whose purpose is to help women in vulnerable situations return to work. She was vice chair (2003-2007) and member of the management board (2000-2007) of ESADE Alumni, and a trustee of Fundacion ESADE (2014-2018). She has also served on the Board of Directors of FOMENT DEL TREBALL (2014-2018).
AURORA CATÁ SALA	She holds a degree in industrial engineering, and was awarded an MBA by IESE. She began her career in the financial services sector, first at Bank of America and later as Finance Director at Nissan Motor Ibérica until 1996, when she was appointed managing director of RTVE, Spain's state broadcasting corporation, in the Catalonia region. Next, she became CEO of Planeta in 2010, and was the managing director of Recoletos Grupo de Comunicación from 2003 until the firm was taken over by RCS, at which point she was appointed managing director of Unidad Editorial Sociedad de Revistas, and headed the RCS Group's development area in Latin America. She joined Seeliger y Conde in 2008 as a partner, where she continues to run the technology, media and telecommunications (TMT) and pharmaceutical industry practices. She is also a director at BANCO DE SABADELL, S.A.
MARÍA ENTRECANALES FRANCO	Graduated in Law from the Universidad Complutense de Madrid, and awarded a Master of International Law (Honours) degree by the London School of Economics and a Master's degree in NGO Management by ESADE 2000. Co-founder and honorary chair of the Fundación Balía por la Infancia, founded in 2001. In 2011 the Fundación Balía was awarded the IMPULSA prize by the Fundación Príncipe de Girona, and the UNICEF Spain prize in 2010 for successfully building a volunteer network. She combines her work at Fundación Balía with business initiatives: she is a co-founder of the Lateral restaurant chain and head of its corporate image area. She is a trustee of the Museo de Arte Contemporáneo de Barcelona and sits on the advisory board of the Fundación ARCO. In 2011 she was awarded the national woman executive prize in the "solidarity and humanitarian action" category.

MÓNICA RIBÉ SALAT	<p>She holds a degree in law from the Universidad de Barcelona and a master's degree in marketing from ESADE.</p> <p>A qualified insurance broker, she is now reading for a degree in business science at the Universitat Oberta de Catalunya. She has completed several postgraduate programmes, including insurance management at Universidad Pompeu Fabra and BHPB (Building a High Performance Board) at IESE. She has more than 25 years of experience in the insurance industry. She is the CEO of Ribé y Salat, the third largest insurance broker in Spain, a director at CBP Solutions Spain and a director and secretary to the board at CBP Protección de Pagos. In the civil society domain, she is a member of the board of ADECOSE, the Spanish association of insurance brokers. She is a member of YPO - Young President's Organisation, a mentor at Mujeres con Impacto (Fundación Ship2B) and a trustee of the Fundació Catalana de l'Esport.</p>
Number of independent directors	4
Percentage of Board	33.33

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

In this case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or company name of director	Description of the relationship	Statement of the Board
No data		

OTHER EXTERNAL DIRECTORS			
Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:			
Name or company name of director	Reason	Company, director or shareholder to whom the director is related	Profile
MAURIZIO CARLOTTI	<p>Maurizio Carlotti neither is nor represents a major shareholder, and therefore is not a proprietary director. He was an executive director until 27 July 2017, however. For this reason, he does not qualify as an independent director. Therefore, in accordance with Article 529 <i>duodecies</i> of the Companies Act, he should be characterised as “Other External”.</p>	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	<p>Born in Venice in 1953. He began his career in 1979 as Director General of the local TELEVENEZIA broadcasting company. Later, he held managerial positions at advertising agencies until in 1986 he joined PUBLITALIA, a subsidiary of the FININVEST group, where he was Deputy General Manager, in charge of marketing and sales. In 1994 he joined the TELECINCO (MEDIASET) group, where he was Chief Executive Officer of PUBLIESPAÑA, Director General of TELECINCO and Chief Executive Officer of the group, a position he held until 1998, when he was appointed Chief Executive Officer of TELECINCO with direct responsibility for Media and Content, until he moved to the De Agostini group in 2000. In June</p>

			2003 he was appointed Chief Executive Officer of ATRESMEDIA CORPORACIÓN after GRUPO PLANETADEAGOSTINI became a major shareholder. Since July 2008 and currently, he holds office as Vice Chairman of ATRESMEDIA CORPORACIÓN.
Total number of other external directors		1	
Percentage of Board		8.33	

State any changes in status that has occurred during the period for each director:

Name of director	Date of change	Previous Status	Current status
No data			

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of directors for each category			
	2018	2017	2016	2015	2018	2017	2016	2015
Executive					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	4	4	4	3	100.00	100.00	100.00	66.60
Other external					0.00	0.00	0.00	0.00
Total	4	4	4	3	33.33	30.77	30.77	25.00

C.1.5 State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

- Yes
 No
 Partial policies

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why. Remarks

Description of policies, objectives, measures and how they have been implemented, including results achieved

The Company does not have a diversity policy as such, but it does have a Policy for the selection of directors that was approved by the Board of Directors within the regulatory framework of the Companies Act (article 529 bis). That policy requires the Board of Directors to ensure that director selection processes encourage diversity of gender, experience and qualifications and are not tainted by implied biases that might lead to any form of discrimination. In particular, such processes must facilitate the selection of women directors, and must follow the guiding principles and recommendations of the Code of Good Governance for Listed Companies. In accordance with its selection policy, the Company looks to the following points: diversity of knowledge and experience of directors, their ability to dedicate sufficient time to doing their job, and their specialisation in specific key fields (finance, law, audiovisual management, etc); absence of actual or potential conflicts of interest; and a personal commitment by each director to further the interests of the company.

To increase the number of women directors, our selection policy sets a target of 30% representation to be achieved by 2020, which has already been met and exceeded early, as women directors now account for 33.3% of the total Board.

The current policy for the selection of directors stresses the importance of achieving a balance in the membership of the Board. This is the best safeguard of its ability to operate effectively as a venue for reflection and debate while enjoying broad-ranging powers to adopt the right decisions for the Company. However, the policy does not expressly refer to age or disability as variables to be considered.

C.1.6 Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between men and women:

Explanation of means

The Appointments and Remuneration Committee set itself the goal of supporting the recruitment of women directors over the medium term in accordance with Recommendation 14 of the Good Governance Code. This goal was reflected in the director selection policy adopted by the Board in 2015, which set a target of 30% of the board being women directors by 2020.

In 2016, a new independent woman director was appointed to the Board. Hence, by year-end, women directors account for 30.8% of the Board, and the director selection policy target was achieved ahead of schedule.

In 2018, as the number of directors was reduced from 13 to 12, the number of female directors represented 33.33% of the total Board.

The Company will continue to apply the policy so that selection procedures do not obstruct the appointment of women directors and qualified women candidates are properly included.

The Appointments and Remuneration Committee ensures that Atresmedia's selection procedures are not vitiated by implicit biases that might involve any form of discrimination and, specifically, obstruct the selection of women directors. The Committee must report to the Board on any gender diversity issue that may arise in the process of selecting new directors. No such issue has arisen so far.

In the event that there are few or no female directors in spite of any measures adopted, please explain the reasons that justify such a situation:

Explanation of means

Not applicable.

C.1.7 Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors; in particular, as it relates to the goal of ensuring that the number of female directors represents at least 30% of the total membership of the Board of Directors by the year 2020.

The Appointments and Remuneration Committee annually verifies the correct application of the Policy for the selection of directors. In 2018, the Committee supervised and reported favourably on the changes that have taken place in the company's Board, which are as follows:

- Early removal of José Lara García as proprietary director nominated by GRUPO PLANETA DE AGOSTINI and appointment of Carlos Fernández Sanchiz, at the proposal of the same major shareholder, to fill the vacancy.
- Re-election of Elmar Heggen as proprietary director proposed by the shareholder RTL GROUP, S.A.
- Abrogation of the seat on the Board previously held by IMAGINA MEDIA AUDIOVISUAL (represented by Josep María Benet Ferrán) with a consequent reduction in the number of Directors.

In all cases, the principles and criteria of the current selection policy have been applied. The policy sets the medium-term goal of a greater presence of women on the Board, as explained in section C.1.5 above.

Furthermore, the Company has included in the Management Report accompanying the 2018 financial statements (which is submitted for approval by the

Board of Directors on the same date as this corporate governance report) a statement of non-financial information, in response to the requirements established in *Ley 11/2018* of 28 December 2018 on non-financial reporting and diversity, approved on 13 December 2018, amending the Commercial Code, the Companies Act, and the Accounts Audit Act, in matters of non-financial reporting and diversity.

The statement of non-financial information includes the results of application of the diversity principles of our policy, alongside the usual indicators on the different types of director, gender, nationality, training and skills.

The latest appointment of a woman director to the Board was made in 2016. The Appointments and Remuneration Committee verified that this policy was followed in the course of the selection process, assessed the skills and expertise of selected candidates and identified the required aptitudes to fulfil specific functions. No discrimination was permitted. The Appointments and Remuneration Committee proposed to the Board the appointment as an independent director of Mónica Ribé Salat. The Committee wrote the rationale for this nomination, which, having been approved by the Board, was laid before shareholders in conjunction with the draft text of the appointment at the general meeting of 2016, together with an account of Ms Ribé's track record and professional profile.

The two directors appointed or re-elected at the 2018 ordinary general meeting of shareholders are proprietary directors, so matters such as experience, skills and relationship with the significant shareholder proposing their appointments have prevailed.

C.1.8 If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name of shareholder	Reason
No data	

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

- Yes
 No

C.1.9 State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Name of director or committee	Brief description
JOSÉ CREUHERAS MARGENAT	Powers of institutional representation.
SILVIO GONZÁLEZ MORENO	All the powers vested in the Board except those that are non-delegable under the law or the Company's articles.
EXECUTIVE COMMITTEE	Powers of approval of transactions of special importance due to their high value or unique features.

C.1.10 Identify any members of the Board who are also directors or officers in other companies in the group of which the listed company is a member:

Name of director	Name of group member	Post	Does the director have executive powers?
SILVIO GONZÁLEZ MORENO	ATRESMEDIA CINE, S.L.U.	Representative of Sole Director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	ANTENA 3 MULTIMEDIA, S.L.U.	Representative of Sole Director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	ANTENA 3 NOTICIAS, S.L.U.	Representative of Sole Director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	ATRES ADVERTISING, S.L.U.	Representative of Sole Director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	SMARTCLIP LATAM, S.L.	Representative of Sole Director (ATRES ADVERTISING)	YES
SILVIO GONZÁLEZ MORENO	SMARTCLIP HISPANIA, S.L.U.	Representative of Sole Director (ATRES ADVERTISING)	YES
SILVIO GONZÁLEZ MORENO	ATRESMEDIA MÚSICA, S.L.U.	Representative of Sole Director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	ATRESMEDIA STUDIOS, S.L.U.	Representative of Sole Director (ATRESMEDIA)	YES

SILVIO GONZÁLEZ MORENO	FLOOXPLAY, S.L.U.	Representative of Sole Director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	MÚSICA APARTE, S.A.U.	Representative of Sole Director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	UNIPREX, S.A.U.	Representative of Sole Director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	6&M PRODUCCIONES Y CONTENIDOS AUDIOVISUALES, S.L.U.	Representative of Sole Director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	ANTENA 3 TELEVISION DIGITAL TERRESTRE DE CANARIAS, S.A.U.	Representative of Sole Director (UNIPREX)	YES
SILVIO GONZÁLEZ MORENO	UNIPREX TELEVISIÓN, S.L.U.	Representative of Sole Director (UNIPREX)	YES
SILVIO GONZÁLEZ MORENO	INVERSIÓN Y DISTRIBUCIÓN GLOBAL DE CONTENIDOS, S.L.U.	Representative of Sole Director (UNIPREX)	YES
SILVIO GONZÁLEZ MORENO	UNIPREX TELEVISIÓN DIGITAL TERRESTRE DE ANDALUCÍA, S.L.	Representative of the sole director (UNIPREX)	YES

C.1.11 List any legal-person directors of your company who are members of the Board of Directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Name of director	Name of listed company	Post
No data		

C.1.12 State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

- Yes
 No

Explanation of the rules and identification of the document where this is regulated

The rules adopted by Atresmedia are set out in article 34 of the Board Regulations, and are as follows: no director may simultaneously be a director at more than four listed companies or eight companies in total (whether or not listed) which: (i) do not belong to the Atresmedia group or (ii) to the group of the shareholder that nominated him or her as a director of Atresmedia. The rules by which the maximum number of directorships that may be held is calculated are set out in detail in paragraph (3)(a) of that article.

However, based on a report produced by the Appointments and Remuneration Committee, the Board may authorise a director to hold additional executive positions beyond those limits if it can be shown that this does not prevent him or her from diligently performing his or her duties. The authorisation must be disclosed in the Annual Corporate Governance Report and on the Company's website.

C.1.13 State total remuneration received by the Board of Directors:

Board remuneration in financial year (thousand euros)	4,277
Amount of vested pension interests for current members (thousand euros)	
Amount of vested pension interests for former members (thousand euros)	

C.1.14 Identify senior management staff who are not executive directors and their total remuneration accrued during the year:

Name / company name	Position
FRANCISCO JAVIER BARDAJÍ HERNANDO	Head of Atresmedia Televisión
FERNANDO COSTI PÉREZ	Chief Audit Executive
MANUEL DE LA VIUDA FERNÁNDEZ DE HEREDIA	Head of Legal Affairs
JOSÉ MIGUEL GARCÍA- GASCO MARTÍNEZ	Head of Atresmedia Publicidad

Name / company name	Position
ARTURO LARRAÍNZA GARIJO	Head of Strategy
MIKEL LEJARZA ORTIZ	Head of Atresmedia Cine
ANTONIO MANSO MARCOS	Chief Financial Officer
JAVIER NUCHE SANZ	Head of Atresmedia Diversificación
RAMÓN OSORIO DE REBELLÓN VILLAR	Head of Atresmedia Radio
PATRICIA PÉREZ GONZÁLEZ	Head of Corporate Affairs
Total senior management remuneration (thousand euros)	
	4,443

C.1.15 State whether the Board rules were amended during the year:

Yes

No

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors: the competent bodies, steps to follow and criteria applied in each procedure.

Selection and appointment (article 12 of the Board Regulations)

Nominees to directorships must satisfy the requirements under the law and the Company's articles. They must be competent, skilled and reputable, and have the knowledge and expertise appropriate to the office. When selecting directors we apply the criteria set out in the director selection policy, which was adopted by the Board. The main objective of the policy is that the Board have a balanced composition in the light of detected requirements. The selection process is designed to favour diversity as to track records, areas of expertise and gender.

A director need not be a shareholder. The office of director is barred to persons who attract any of the prohibitions or conflicts of interest set out in laws and regulations or in the Board Regulations. Appointments to the Board rest with the shareholders at a General Meeting, in accordance with the Spanish Companies Act and the Company's articles.

If any vacancy arises, the Board may use the co-optation system to appoint a person who is to fill the vacancy until the next General Meeting is held.

A director may be an individual or a corporation. The corporation must in turn appoint a single individual for the ongoing exercise of the duties that attach to the office. That individual must satisfy the legal requirements prescribed for directors and will be subject to the same duties as, and will be jointly and severally liable with, the director that is a corporation. Nomination of an individual to represent a director that is a corporation is subject to a report to be issued by the Appointments and Remuneration Committee.

Revocation of a representative will not be effective until a replacement is appointed.

The proposal for the appointment or re-election of independent directors must be made by the Appointments and Remuneration Committee. In the remaining cases, the Board itself is tasked with making such proposals.

The proposal must be accompanied by a Board report stating the grounds of its decisions, assessing the aptitudes, experience and merits of the proposed candidate, and which will be attached to the minutes of the General Meeting or of the Board itself. The proposed appointment or re-election of any director must also be preceded by a report from the Appointments and Remuneration Committee.

Between the call of General Meeting and the date on which the meeting is held, the Company must publish, on an on-going basis, at least the following information on its website regarding the people proposed for appointment, ratification or re-election: a) identity and track record; b) other remunerated activities performed; c) the director class for which such people are proposed, highlighting, where appropriate, the shareholder they represent; d) the date of their first appointment as director, and of any subsequent re-elections; e) shares of the Company, and share options held by them, and f) the appointment proposal and suitability report referred to earlier. If the candidate is a corporation, the information must include these same particulars for the individual who is intended to be appointed as representative.

Re-election (Article 13(1) of the Regulations)

The directors shall exercise their duties during the period established in the Company's articles (four years), and may be re-elected one or more times for periods of equal duration.

Assessment (Article 15(2) of the Regulations)

The Chairman of the Board is responsible for organising and coordinating with the chairpersons of the related Committees the periodic assessment of the Board, and, where appropriate, that of the Chief Executive Officer or of the lead executive.

Removal (Article 14 of the Regulations)

Directors will no longer hold their offices when so decided by the General Meeting, when they tender their resignation to the Company or once their term of office has elapsed.

The directors must offer their resignation to the Board of Directors and execute the related resignation in the cases detailed in the following section C.1.21 of this Report.

The Board of Directors will refrain from proposing the dismissal of any independent director before the end of the statutory term for which he/she was appointed, unless there are justified reasons, in the opinion of the Board and subject to a prior report from the Appointments and Remuneration Committee. Just cause will be deemed to exist when the director occupies new posts or assumes new obligations preventing him/her from devoting sufficient time to performing director functions, when he/she breaches the duties inherent in his/her post or when any of the circumstances arise preventing him/her from becoming an independent director.

The Board of Directors will propose the dismissal of the remaining directors before the end of the statutory term for which they were appointed, when there are justified reasons, in the opinion of the Board, subject to a prior report from the Appointments and Remuneration Committee.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the Company’s shareholder structure, in order to meet the proportionality criterion set out in the Regulations.

When a director, Secretary or Deputy Secretary to the Board of Directors leaves his/her post before the end of his/her term of office, he/she must explain the reasons in a letter submitted to all the Board members, without prejudice to the fact that this cessation is notified as a Significant Event to the CNMV, and that the reason for the cessation is explained in the Annual Corporate Governance Report. In particular, in the event that the resignation is due to the fact that the Board has adopted significant or reiterated decisions with respect to which the director, Secretary or Deputy Secretary have evidenced serious reservations which have led them to resign, such circumstances will be stated in the resignation letter addressed to the Board of Directors.

C.1.17 Explain how the annual evaluation of the Board has given rise to significant changes in its internal organisation and to procedures applicable to its activities:

Description of changes

The Secretary to the Board performed an analysis on the measures and proposals included in the 2018 Action Plan that formed part of the 2017 assessment report. This internal analysis concluded that there had been a very high degree of compliance with and application of the 2018 Action Plan proposals.

Actions carried out under the Plan during the year were as follows: (i) the planning of the Audit and Control Committee’s activities includes a continuous training plan, aimed at Committee members - two training sessions were held this year on specific issues of special importance for the exercise of the Committee’s powers; (ii) the involvement of the Board of Directors and the Audit and Control Committee in corporate responsibility matters is now much closer, with more continuous monitoring of strategic issues and implementation of the general corporate responsibility policy, and specifically the 2018-2020 Master Plan. Directors have received more information on actions carried out; (iii) assistance and support to directors has been enhanced, especially for new appointees, to help them quickly and effectively grasp the range of activities of the Atresmedia Group, its organisational structure, management team and internal rules, thus enabling them to fulfil the duties and responsibilities of office.

Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas

The Board of Directors, in accordance with Recommendation 36 of the Good Governance Code, has decided to engage an external consultant every three years to assist in the evaluation. In 2017 the Board appointed Deloitte Advisory, S.L. for the evaluation, while in 2018 the review was carried out internally.

In 2019, the evaluation was also carried out internally, with coordination and technical assistance from the Office of the Secretary of the Board of Directors. The evaluation scrutinises the functioning of the Board as a collegial body,

including its committees, the diversity of the Board's membership and skills, the performance of the Company's Chairman, CEO and Secretary to the Board, and the performance and contribution of each director, with a special focus on the heads of the Board committees.

The evaluation examined and considered:

- 1) 2018 Action Plan.
- 2) The documentation for 2018 (minutes, notices of meeting, delegations of powers, etc.)
- 3) 3) The results of directors' individual evaluation questionnaires.
- 4) Annual reports on the structure, functioning and activity of the Board of Directors and of the Board committees, prepared and approved by the bodies to which they refer, except that of the Board, which is prepared by the Appointments and Remuneration Committee and submitted to the Board for approval.

These reports are structured as follows: internal rules, powers and duties, membership, functioning and key activities in the year. They specifically deal with the changes affecting each collegial body, regulatory developments, and the committees' activities, as embodied in their decisions and resolutions.

The outcome of the assessment is published in a comprehensive report which contains an Action Plan for 2019, with specific verifiable proposed measures, supported by an earlier report by the Appointments and Remuneration Committee and adopted on the day of this corporate governance report.

C.1.18 Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

Not applicable.

C.1.19 State the situations in which directors are required to resign.

According to article 14 of the Board Regulations, directors must tender their resignation to the Board and formally step down from office, if considered appropriate by the Board:

- a) When executive directors no longer hold the executive or management offices to which their appointment as directors was linked.
- b) When the shareholder represented by proprietary directors transfers its whole shareholding or reduces its shareholding to a threshold that requires a reduction in the number of its proprietary directors. C) When an independent director is affected by supervening circumstances that preclude his/her classification as an independent.
- d) When any of the conflicts of interest or prohibitions set out by the legislation in force arise.
- e) When directors are severely reprimanded by the Appointments and Remuneration Committee as a result of a breach of their duties.
- f) When the circumstances of directors might damage the Company's good standing and reputation. In this connection the director must immediately inform the Board of any criminal proceedings in which he or she is a defendant and of any later developments in court.

g) When a director is indicted or tried for a criminal offence, the Board will examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not he or she should continue in office. The Board must disclose all such information, stating appropriate reasons where necessary, in the Annual Corporate Governance Report.

As an exception, the above will not apply in the events otherwise triggering resignation set out in (a), (b) and (c) if the Board, in response to a report from the Appointments and Remuneration Committee, believes there is reason for the director to remain in office, although the supervening circumstances may have some effect on the director's classification.

C.1.20 Are qualified majorities other than those established by law required for any specific decision?

Yes

No

If so, please describe any differences.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the Board of Directors.

Yes

No

C.1.22 State whether the Articles of Association or the Board Rules establish any limit as to the age of directors:

Yes

No

C.1.23 State whether the Articles of Association or the Board Rules establish any term limits for independent directors other than those required by law:

Yes

No

C.1.24 State whether the Articles of Association or Board Rules establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if any limit regarding the category of director to whom votes may be delegated and whether a director is required to delegate to a director of the same category. If so, please briefly describe the rules.

Under article 28 of the Board Regulations, directors must attend all meetings unless absence is justified on reasonable grounds. When a director cannot attend a meeting, he or she may give a proxy to another director, in writing and for each meeting specifically, stating voting instructions. Non-executive directors may only give proxies to other non-executive directors. One and the same director may hold more than one proxy appointment. However, the office of the Secretary to the Board endeavours to ensure that appointments are not unduly concentrated with one director if several directors are unable to attend.

C.1.25 State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the chairman present. Meetings where the chairman sent specific proxy instructions are to be counted as attended. In calculating this number, proxies granted with specific instructions shall be considered attendance.

Number of Board meetings	11
Number of Board meetings without the chairman	0

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0
--------------------	---

Please specify the number of meetings held by each committee of the Board during the year:

Number of meetings held by the AUDIT AND CONTROL COMMITTEE	5
Number of meetings APPOINTMENTS AND REMUNERATION COMMITTEE	2
Number of meetings of the EXECUTIVE COMMITTEE	11

C.1.26 State the number of meetings held by the Board of Directors during the year in which all of its directors were present.

Number of meetings attended in person by at least 80% of directors	8
% of attendance over total votes during the year	87.76
Number of meetings in situ or representations made with specific instructions of all directors	8
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	97.80

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

- Yes
 No

Identify, if applicable, the person/s who certified the individual and consolidated financial statements of the company for preparation by the Board:

C.1.28 Explain any measures established by the Board of Directors to prevent the individual and consolidated financial statements prepared by the Board from being submitted to the General Shareholders' Meeting with a qualified audit opinion.

The Board Regulations (article 23(1)(f)) entrusts the Audit and Control Committee with the duty of ensuring that the Board submits the financial statements to the General Meeting without reservations or a qualified opinion in the audit report. In exceptional cases in which reservations or qualifications arise, both the Chairman of the Audit and Control Committee and the auditors have to provide shareholders with a clear explanation of the content and scope of the qualifications.

The Audit and Control Committee is regularly attended by the Chief Finance Officer and the Chief Audit Executive who can thus directly address all queries from directors regarding matters dealt with by the Committee.

Moreover, the Committee regularly requires the presence of external auditors at some of the meetings scheduled in the year - with the adequate level of responsibility and representativeness of the audit firm - and in any case, with respect to the half-yearly review and the conclusions of the preliminary and final audit work. At these meetings, the conclusions reached by the external auditors as a consequence of their engagement are announced in advance and

analysed, to take the required measures and to avoid the need to include any potential reservation, mention or qualification in the auditors' report. Members of the Audit and Control Committee receive relevant information on the auditor's findings and are able to raise questions and engage in such discussion as they think fit with the external auditor.

The Chair of the Audit and Control Committee immediately informs the Board of the content of its meetings. After the meetings, all directors receive a copy of the Committee minutes.

In addition, in 2018 the external auditor attended a Board meeting to expand upon the information provided to directors on the review work and audit they had conducted and their main findings. Directors were then able to pose questions to the external auditor as they thought fit.

C.1.29 Is the secretary of the Board also a director?

Yes

No

If the secretary is not a director, please complete the following table:

Name / company name of secretary	Representative
MANUEL DE LA VIUDA FERNÁNDEZ DE HEREDIA	

C.1.30 State, if any, the concrete measures established by the entity to ensure the independence of its external auditors, financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

In 2016, the Board of Directors resolved to amend its Regulations, specifically article 23, to adapt it to the amendment of article 529 *quaterdecies* of the Spanish Companies Act, which came into force in June 2016, and which was introduced by Ley 22/2015 (Spain's statute on auditing).

The Audit and Control Committee is tasked with establishing appropriate relations with the external auditor in order to receive information and examine the audit plan and address all matters that may threaten its independence, as well as any other issues related to the audit process. This Committee is also charged with granting the required authorisation, when necessary, to provide services other than prohibited services, in line with applicable independence laws and regulations, and with performing or supervising the other notifications envisaged in auditing legislation and standards, verifying that the Company's senior management takes into account its recommendations.

At all events:

- a) The Audit and Control Committee establishes relations with the external auditor to receive all the information that may potentially represent a threat to its independence.

- b) Each year, the Audit and Control Committee receives a declaration from the external auditors regarding their independence vis-à-vis the Company or entities directly or indirectly related to it, together with detailed, itemised information on additional services of any kind and the related fees received from these entities, by the external auditor or by persons or entities related to them, in accordance with the audit laws and regulations then prevailing.
- c) The Audit and Control Committee has taken steps to ensure compliance with current rules on the provision of non-audit services, audit business concentration limits and the rest of rules in place to assure auditor independence.
- d) The Company discloses any change of auditor as price-sensitive information filed with CNMV, Spain's securities market regulator. Where applicable, the Company attaches to that filing a statement on any disagreement with the outgoing auditor.
- e) The Audit and Control Committee has the power to examine the circumstances that motivated the external auditor to resign, in the event this occurs.

On an annual basis, the Audit and Control Committee issues a report in which it expresses an opinion on whether the independence of the auditor has been compromised. The report contains a reasoned assessment of all additional services provided, considered individually and as a whole, other than statutory audit, placed in relation to the rules on independence and the laws, regulations and standards governing account auditing.

The notes to the financial statements and this Corporate Governance Report provide information on the audit and other services provided by the external auditor in the year.

C.1.31 State whether the company changed its external auditor during the year. If so, please identify the incoming and outgoing auditor:

- Yes
- No

If there were any disagreements with the outgoing auditor, please provide an explanation:

- Yes
- No

C.1.32 State whether the audit firm provides any non-audit services to the company and/or its Group and, if so, the fees paid and the corresponding percentage of total fees invoiced to the company and/or Group:

- Yes
- No

C.1.33 State whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the chairman of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations.

- Yes
- No

C.1.34 State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	3	3
	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company has been audited (%)	15.80	15.80

C.1.35 State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

Yes
 No

Explanation of procedure

Under the procedure set out in article 27 (4) of the Board Regulations, each director receives the agenda proposed by the Chairman, with an appropriately detailed statement of the business to be dealt with. The notice of meeting must include the documents to be submitted at the Board meeting, except when, in the Chairman's opinion, in exceptional cases and for security reasons, it is more appropriate that such documentation be examined only at Company headquarters.

Furthermore, article 33(3) of the Board Regulations specifies that it is each director's obligation to obtain all the information that he or she deems necessary or advisable at the time for the proper performance of his/her duties. Specifically, every director must diligently keep him or herself informed about the Company's progress and affairs. For this purpose, each director is invested with extensive powers to demand information on any aspect of the Company to the extent he/she deems necessary or advisable for the proper exercise of his/her functions. This right to information extends to subsidiaries within the Atresmedia Group, and must be exercised in good faith.

For these purposes, the Company will also provide the support required for new directors to acquire prompt and sufficient knowledge of the Company and of its corporate governance rules. An orientation programme has been introduced for this purpose (see C.1.20). Likewise, the Company may establish refresher programmes aimed at directors when the circumstances so advise. One such programme is now in progress for the members of the Audit and Control Committee.

The Secretary to the Board regularly drafts notices on regulatory developments and legal matters of interest to directors: insurance coverage, directors' liability, corporate governance, etc.

In order not to disrupt the Company's normal course of business, the right to information must be channelled through the Chairman, or the Secretary to the Board, who will deal with directors' requests and directly provide them with information or putting them in touch with the Company officers or employees considered appropriate for each case.

Likewise, the Secretary of the Board must adopt the necessary measures to ensure that the Board is always aware of the matters dealt with and the decisions made by the Executive Committee and the other Committees. Accordingly, the Secretary must ensure that all directors receive copies of the minutes of Executive Committee and other Committee meetings.

Finally, so as to be properly informed in aid of the suitable exercise of their office, directors regularly receive information on significant changes in shareholder structure and the opinions of major shareholders, investors and credit rating agencies about the Company and its Group.

C.1.36 State whether the company has established rules whereby directors must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation. If so, provide details:

- Yes
 No

Explain the rules

Under article 14(2)(f) of the Board Regulations, a director must tender his or her resignation to the Board and, if the Board sees fit, formally step down, if that director is involved in circumstances that might harm the good standing and reputation of the Company. In this connection the director must immediately inform the Board of any criminal proceedings in which he or she is a defendant and of any later developments in court.

C.1.37 State whether any member of the Board of Directors has notified the company that he or she has been tried or notified that legal proceedings have been filed against him or her, for any offences described in Article 213 of the LSC:

- Yes
 No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

[None.]

C.1.39 Identify individually for director, and generally in other cases, and provide detail of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of beneficiaries	1
Type of beneficiary	Description of agreement
Chief Executive Officer, senior management and employees	The Chief Executive Officer shall be indemnified in the event of dismissal without cause or change of control of the company. The indemnity shall be one year's full salary. In the case of the Chief Executive Officer, the shareholders approve the arrangement at a General Meeting as part of the General Remuneration Policy. Senior management and employees: This type of clause is not widespread. In exceptional cases, following individual negotiation and driven by the special interest the employer might have in hiring a specific professional, a special indemnity regime may be established, that can be temporary or permanent, and in which the particular circumstances of the contract and its future termination are taken into account and assessed. As a rule, a public takeover bid is never in itself a ground for termination of employment, and thus does not trigger indemnities.

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group. If they have, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this: Board of Directors

	Board of Directors	General Shareholders' Meeting
Body authorising the severance clauses	√	

	Yes	No
Are these clauses notified to the General Shareholders' Meeting?	√	

C.2. Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

AUDIT AND CONTROL COMMITTEE		
Name	Post	Category
MÓNICA RIBÉ SALAT	CHAIR	Independent
ELMAR HEGGEN	DEPUTY CHAIRMAN	Proprietary
AURORA CATÁ SALA	MEMBER	Independent
MARÍA ENTRECANALES FRANCO	MEMBER	Independent
CARLOS FERNÁNDEZ SANCHIZ	MEMBER	Proprietary
% of executive directors	0.00	
% of proprietary directors	40.00	
% of independent directors	60.00	
% of other external directors	0.00	

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

Its existence is envisaged in the Company's articles (article 42), which also establish the composition, functioning and powers and duties, as further specified by the Board Regulations (article 23).

The main duties of the Committee are: to report to the shareholders at General Meeting on the matters within its scope of concern; to supervise the effectiveness of the Company's internal control, internal audit and risk management systems, and to discuss with the auditor any significant weaknesses in the internal control system identified during the performance of the audit; to supervise the functions of the internal control and risk management division; to supervise and monitor the internal audit unit; to supervise the preparation and presentation of the mandatory financial reporting on the Company and its Group; to ensure that the Board of Directors submits the accounts to the General Meeting without reservations, restrictions or qualifications in the auditors' report; to submit to the Board the selection, appointment, re-election and replacement proposals regarding the external auditor; to establish the appropriate relations with the external auditor to receive information on the audit plan and its independence; to inform the Board of all matters envisaged by law, the Company's articles and the Board Regulations and, in particular, with respect to: interim financial reporting; acquisition of holdings in special purpose vehicles or in tax havens; related-party transactions; annual corporate governance report; to establish and supervise a mechanism enabling employees to notify irregularities, especially of a financial and accounting nature; and to supervise compliance with the corporate governance rules, codes of conduct and the corporate social responsibility policy.

Rules of organisation and procedure:

The Committee comprises at least three and no more than five non-executive directors, appointed by the Board, having regard to the accounting and/or auditing expertise of at least one of the directors. Most of its members must be independent.

They cease to be Committee members when they cease to be directors, or following a resolution of the Board of Directors. The Chairman of the Audit and Control Committee is independent and his/her term of office is four years. He or she may be re-elected one year after his/her departure. The Committee's Secretary can be the Secretary to the Board or the Deputy Secretary to the Board. In the event of absence, this role falls to the Committee member appointed by those present at the meeting.

The Committee meets when called by the Chairman once every quarter and whenever requested by three or more Committee members, by the Chairman of the Board or by the Chief Executive Officer.

The Committee is validly constituted if the number of members present in person or by proxy exceeds those absent. Resolutions are passed by a simple majority of those present. The Chairman has the casting vote.

Executive directors may attend Committee meetings when so agreed by its members and any Company employee or executive may also be convened to a meeting. The

Head of Corporate Affairs attends at least once a year for the approval of the Annual Corporate Responsibility Report. Committee meetings are regularly attended by the Chief Financial Officer and the Chief Audit Executive, who brief directors on the matters within their remit. In 2018, the Head of Regulatory Affairs and Institutional Relations was also invited to report on the expected development of audiovisual sector regulations and the concomitant risks.

An authorised representative of the external auditor also attends the meetings, when the Committee considers it necessary and, in any case, when presenting the half-yearly results and preparing the financial statements. The Committee may seek assistance from external advisers.

Minutes are drawn up of the meetings, which are submitted to the directors. The Committee provides an account of its activity at the first full Board meeting following each of its meetings.

In 2018 the Committee focused mainly on the following tasks: Review prior to approval by the Board of Directors of the reports on related-party transactions, the interim financial statements and reports for the CNMV, the 2017 financial statements and the management report, as well as the 2017 audit carried out by KPMG Auditores, S.L.; review of the 2017 Annual Corporate Governance Report; approval of the report on the independence of the external auditor in 2017; approval of the 2017 activity report; approval of non-audit services and authorisation for recurring services; monitoring of the general corporate responsibility policy and assessment of its degree of compliance; analysis of the implementation of the annual internal audit plan; approval of the 2018-2019 internal audit plan; monitoring of risk management and control projects; monitoring of application of corporate governance policy; supervision of the activities of the Regulatory Compliance Committee; monitoring of the tax authority's inspection now underway; decision that the company avail itself of the special scheme for company groups for the purposes of value added tax; approval of a plan on the Committee's concerns and activities for 2018; appointment of Mónica Ribé as Committee Chair, replacing Aurora Catá, by reason of Ms Catá having completed her four-year term.

Training sessions were held on: (i) the main risks affecting the Atresmedia Group, with analysis of their potential impact on the financial statements; and (ii) the issues that the Audit Committee should raise with the external auditor.

Identify the directors who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of directors with experience	MÓNICA RIBÉ SALAT / ELMAR HEGGEN / AURORA CATÁ SALA / CARLOS FERNÁNDEZ SANCHIZ	
Date of appointment of the chairperson	28/02/2018	
APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Post	Category
MARÍA ENTRECANALES FRANCO	CHAIRMAN	Independent
NICOLAS DE TAVERNOST	DEPUTY CHAIRMAN	Proprietary
MAURICIO CASALS ALDAMA	MEMBER	Proprietary
AURORA CATÁ SALA	MEMBER	Independent
MÓNICA RIBÉ SALAT	MEMBER	Independent
% of executive directors	0.00	
% of proprietary directors	40.00	
% of independent directors	60.00	
% of other external directors	0.00	

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The existence of the Committee is required by item 43 of the Company's articles, which prescribes the rules of membership, operation and powers and duties, as implemented by the Board Regulations (article 25).

Functions:

- Submit to the Board proposals as to appointment of independent directors and report on nominations of the rest of directors.
- Report on the Board's requirements in the direct selection policy.
- Assess aptitudes and experience with a view to appointment to the Board.
- Set a target for the underrepresented gender on the Board and create guidance on how to fulfil that target. Make provision for the succession of the Company's Chairman and CEO and, as appropriate, submit proposals to the Board in aid of an orderly and planned succession.
- Report on the rules and standards that govern the activities of the management organs.
- Report on proposed appointments and terminations in senior management and the respective contracts.
- Propose to the Board a policy on remuneration of directors and senior management
- Report on and propose the individual remuneration and contract terms of executive directors.
- Review the remuneration policy applicable to directors and senior executives.
- Endeavour to ensure that the external advice provided to the Committee is independent.
- Verify the information on remuneration to directors and senior executives reported in corporate documents.
- Brief the Board on the annual report on directors' remuneration.
- Select the external consultant who is to conduct an assessment of the Board.

Organisation and functioning:

- Formed by at least three and no more than five directors, all of whom must be nonexecutive.
- Committee members are appointed by the Board from among directors, having regard to their expertise and track record and the purposes of the Committee. A majority of Committee members are independent directors.
- The Chairman of the Committee must be an independent director, and is appointed for a term of no more than four years, although he or she may be re-elected for further four-year terms. The Secretary must be the Secretary or the Deputy Secretary to the Board.
- If the Secretary is absent from a meeting, the office falls to the Committee member appointed by those present.
- The Committee is properly constituted if the number of members present in person or by proxy is greater than those absent. The Chairman has the casting vote.
- Committee meetings may be attended by executive directors and any Company employee or executive if expressly so decided by the members. The Committee annually calls upon the Corporate Director General so that he or she may brief the members on the implementation of the policy on variable pay to executives and directors.
- The Committee meets when convened by the Chairman when he or she thinks fit, and when so demanded by at least three members, or by the Chairman of the Board, or by the CEO.
- The Chairman reports to the Board on the business dealt with at meetings. All directors receive copies of the minutes of this Committee.

Main activities in 2018:

Brief to the Board on the report on directors' remuneration in 2017; report on the continuing satisfaction by independent directors of the conditions for retaining independent status; approval of the Committee's own activity report and proposal for the 2017 report of the Board; approval of the results of the assessment of the Board and its

committees in 2017 set out in the report and Action Plan for 2018; report on the results of the variable remuneration system for executives in 2017; progress report on the long-term variable remuneration plan for directors and executives through delivery of Company shares; report on the proposals for appointment (Carlos Fernández Sanchiz), removal (José Manuel Lara García) and re-election (Elmar Heggen) of directors, all of them proprietary, by the shareholders at a general meeting, and on the proposal to determine the number of directors of the Company, to be set at twelve; resignation of Patricia Estany Puig from the Committee; nomination of Mónica Ribé Salat to fill the vacancy; appointment of María Entrecanales Franco as Committee Chair; report on the re-election of Elmar Heggen and the appointment of Carlos Fernández Sanchiz as members of the Audit and Control Committee, the latter to replace José Lara García (whose appointment as director had been revoked by the shareholders).

EXECUTIVECOMMITTEE		
Name	Post	Category
JOSÉ CREUHERAS MARGENAT	CHAIRMAN	Executive
MAURIZIO CARLOTTI	VICE CHAIRMAN	Other external
SILVIO GONZÁLEZ MORENO	MEMBER	Executive
EXECUTIVECOMMITTEE		
Name	Post	Category
MARCO DRAGO	MEMBER	Proprietary
PATRICIA ESTANY PUIG	MEMBER	Independent
NICOLAS DE TAVERNOST	MEMBER	Proprietary
% of executive directors	33.33	
% of proprietary directors	33.33	
% of independent directors	16.67	
% of other external directors	16.67	

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Committee was created under article 39 of the Company's articles, which also specifies the rules on the membership, functioning and powers and duties of the Committee, which are described in further detail in articles 20 and 21 of the Board Regulations. As with the remaining Board committees, where nothing is specifically prescribed for the Executive Committee, the rules of functioning of the Board apply to the extent they are compatible with its type and function.

As a rule, the Executive Committee meets on the same day as the Board of Directors, and on a preliminary basis, since its main activity consists of preparing the Board of Directors' meetings. Only exceptionally does the Committee adopt resolutions: in exercise of the powers delegated to it or as part of the process of intervention and supervision in decisions of special importance and without prejudice to the generic delegation of powers to the managing director.

A qualified majority of two thirds of directors is required to be appointed and dismissed as a member of the Executive Committee, under article 39 of the Company's articles and article 20 of the Board Regulations. Such members are appointed by the Board of Directors from among the Company's directors.

The Committee must be formed by no fewer than three (3) and no more than nine (9) directors, pursuant to article 20 of the Board Regulations. The exact number of members integrating this Committee at each moment will be determined by the Board, considering its size, optimum operability and the maximum effectiveness of the Executive Committee and the number of members of the remaining Committees.

Due to their position, Executive Committee members include the Chairman of the Board (who is also its Chairman, as stipulated in section 3 of article 20) and the CEO. On 14 December 2016, the independent director Patricia Estany Puig joined the Executive Committee. Since that date, she has occupied the post of Lead Director, to which she was appointed under article 15(3) of the Board Regulations and article 529 septies of the Spanish Companies Act, following the change of director class of the Chairman, who currently has the status of executive director (besides being a proprietary director).

The Committee Secretary is the Secretary to the Board, or, in his/her absence, the Deputy Secretary, who does not have voting rights, unless he/she is also a director and member of the Executive Committee.

The Executive Committee must meet, subject to notice given by its Chairman, when so required in the interests of the Company, and, regularly, once a month, unless the Chairman does not consider it necessary.

The Committee is validly constituted if a majority of members are present in person or by proxy. The Committee adopts its resolutions by a simple majority of members present in person or by proxy. Proxies may be given only to other members of the Executive Committee. In the case of a tie, the Chairman will have the casting vote.

The main task of the Executive Committee performed in 2018 was the preparation of Board meetings.

However, in accordance with the internal operating protocol approved by the Board in 2017 for its intervention in matters of special importance, the Executive Committee, at a meeting in June, ratified an urgent decision of the Chief Executive Officer on business strategy. That decision was subsequently analysed and confirmed at the meeting of the Board held on the same day.

All directors receive copies of the approved minutes of Executive Committee meetings.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	2018		2017		2016		2015	
	Number	%	Number	%	Number	%	Number	%
AUDIT AND CONTROL COMMITTEE	3	60.00	3	60.00	3	60.00	2	20.00
APPOINTMENTS AND REMUNERATION COMMITTEE	3	60.00	3	60.00	3	60.00	2	20.00
EXECUTIVE COMMITTEE	1	16.67	1	16.67	1	16.67	0	0.00

C.2.3 State, where applicable, the existence of any regulations governing Board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

No specific regulations exist with respect to Board committees. Such rules are included in the Board Regulations, which establish the powers and duties, membership, etc. of such committees, and which are available for consultation on the CNMV website and on the corporate website.

In the areas relating to the organisation and functioning of the committees that are not expressly envisaged in the Board Regulations, as stated therein, the rules established in relation to the Board are applied, provided that they are compatible with the nature and function of the committee in question.

Each Board committee annually approves a report on its membership, functioning and activity during the year, and subsequently briefs the Board of Directors. The reports are published on the corporate website and are taken as reference for the Board of Directors' evaluation of the committees.

In December 2018, the Audit and Control Committee, following the recommendations of the CNMV Guide for Audit Committees, improved the planning of its activities by adopting an Annual Plan for 2019 which will allow it to monitor the fulfilment of its tasks and the performance of its duties and responsibilities.

D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1. Describe, if applicable, the procedure for approval of related-party and intragroup transactions.

Related-party and intragroup transactions must be approved by the Board. The Audit and Control Committee produces a prior report describing the related-party transaction: the type of transaction, specific features, amount and parties involved. The prior favourable report by the Audit and Control Committee for related-party transactions must include all related-party and intragroup transactions, unless:

- the transaction is concluded under a standard contract that applies across a wide range of clients;
- the transaction is concluded at a price or rate that is fixed as a general rule by the party acting as the supplier of the goods or services involved; - the value of the transaction does not exceed one percent (1%) of the Company's annual revenue.

The Audit and Control Committee's report is issued - and approved by the Board - on a quarterly basis, and always precedes the release of the annual and/or interim financial statements. Affected directors or those linked to affected shareholders must abstain from voting.

The Finance Division and the Internal Audit and Control Division regularly - and at least on a quarterly basis - check that all related-party and intragroup transactions are fully identified, correctly classified, and measured in accordance with prevailing laws, regulations and standards.

In 2015, a specific protocol was approved by the Regulatory Compliance Committee, which submitted the mandatory information to the Audit and Control Committee, for analysis and supervision of related-party transactions.

This protocol regulates the special procedures that must be followed in relation to related-party transactions in terms of an analysis of their arm's length conditions, and the control and monitoring mechanisms implemented at Atresmedia in this regard.

This protocol applies and is complied with by the whole Atresmedia Group. It was fully notified to all the areas affected by its effective application.

Following the recommendations of the CNMV's Good Governance Code, the Audit and Control Committee prepares an annual report on related-party transactions, which is approved by the Board and published on the company website.

D.2. Describe any transactions which are significant, either because of the amount involved or subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name/company name of significant shareholder	Name / company name of group company or entity	Nature of the relationship	Type of transaction	Amount (thousands of euros)
GRUPO PLANETA DE AGOSTINI, S.L.	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual	Receipt of services	6,789
GRUPO PLANETA DE AGOSTINI, S.L.	ATRES ADVERTISING, S.L.U.	Contractual	Receipt of services	1,516
GRUPO PLANETA DE AGOSTINI, S.L.	ATRESMEDIA CINE, S.L.U.	Contractual	Receipt of services	4
GRUPO PLANETA DE AGOSTINI, S.L.	UNIPREX, S.A.U.	Contractual	Receipt of services	4
GRUPO PLANETA DE AGOSTINI, S.L.	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual	Rendering of services	824
GRUPO PLANETA DE AGOSTINI, S.L.	ATRESMEDIA CINE, S.L.U.	Contractual	Rendering of services	554
GRUPO PLANETA DE AGOSTINI, S.L.	ANTENA 3 NOTICIAS, S.L.U.	Contractual	Rendering of services	283
GRUPO PLANETA DE AGOSTINI, S.L.	UNIPREX, S.A.U.	Contractual	Rendering of services	34

GRUPO PLANETA DE AGOSTINI, S.L.	UNIPREX TELEVISIÓN, S.L.U.	Contractual	Rendering of services	5
GRUPO PLANETA DE AGOSTINI, S.L.	ATRES ADVERTISING, S.L.U.	Commercial	Rendering of services	5
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual	Receipt of services	68,647
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	ATRES ADVERTISING, S.L.U.	Contractual	Receipt of services	414
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	UNIPREX TELEVISIÓN, S.L.	Contractual	Receipt of services	412
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	ATRESMEDIA CINE, S.L.U.	Contractual	Receipt of services	38
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	ATRES ADVERTISING, S.L.U.	Commercial	Rendering of services	136,221
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	SMARTCLIP HISPANIA, S.L.U.	Commercial	Rendering of services	8,149

Name/company name of Name of company within the group	Name / company name of group company or entity	Nature of the relationship	Type of transaction	Amount (thousands of euros)
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	UNIPREX, S.A.U.	Contractual	Rendering of services	6,928
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual	Rendering of services	845
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	SMARTCLIP MEXICO S.A.P.I. DE C.V.	Commercial	Rendering of services	254
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	ATRESMEDIA CINE, S.L.U.	Contractual	Rendering of services	33
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	UNIPREX TELEVISIÓN, S.L.U.	Contractual	Rendering of services	2
RTL GROUP, S.A.	SMARTCLIP HISPANIA, S.L.U.	Commercial	Receipt of services	1,022
RTL GROUP, S.A.	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual	Receipt of services	123

RTL GROUP, S.A.	SMARTCLIP MEXICO S.A.P.I. DE C.V.	Commercial	Receipt of services	19
RTL GROUP, S.A.	SMARTCLIP COMUNICACAO, LTDA	Commercial	Receipt of services	8
RTL GROUP, S.A.	SMARTCLIP HISPANIA, S.L.U.	Commercial	Rendering of services	2,453
RTL GROUP, S.A.	ATRES ADVERTISING, S.L.U.	Commercial	Rendering of services	2,350
RTL GROUP, S.A.	SMARTCLIP COMUNICACAO, LTDA.	Commercial	Rendering of services	345
RTL GROUP, S.A.	SMARTCLIP MEXICO, S.A.P.I. DE C.V.	Commercial	Rendering of services	326
RTL GROUP, S.A.	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual	Rendering of services	1

D.3. Describe any transactions that are significant, either because of their amount or subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name / company name of directors or managers	Name of related party	Relationship	Type of transaction	Amount (thousands of euros)
MAURIZIO CARLOTTI	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual (advisory services)	Receipt of services	285
MAURICIO CASALS ALDAMA	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual (advisory services)	Receipt of services	586

D.4. Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any event, note any intragroup transaction conducted with entities established in countries or territories which are considered tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousands of euros)
No data		N/A

D.5. State the amount of any transactions conducted with other related parties that have not been reported in the previous sections.

Name of entity within the group	Brief description of the transaction	Amount (thousands of euros)
No data		N/A

D.6. List the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or its group, and its directors, senior executives or significant shareholders.

The mechanisms relating to conflicts of interest of directors are regulated by the Board Regulations, specifically in article 34(3). The Regulations state that directors must notify the Board of any direct or indirect conflict with Company interests.

Should such conflict be the consequence of a transaction between the director and the Company, this transaction may only be performed with the prior authorisation of the Board itself, which, in turn, will have required a decision to have been made in this connection by the Appointments and Remuneration Committee.

In the event of conflict, the director involved will abstain from intervening in the deliberation and decision-making process on the transaction generating the conflict. The directors affected by the conflict of interest may not delegate their vote at the relevant Board meeting and must be absent from the meeting room when the Board votes on and discusses the matter. The Annual Corporate Governance Report will disclose all the conflicts of interest in which the Company's directors are involved.

The directors must also notify any actual or potential conflict of interest that they or their related parties (as defined in article 231 of the Spanish Companies Act) may have with the Company. This information must be included in the notes to the financial statements of each year.

If a director or any other person affected by the Internal Rule of Conduct (IRC) in the area of Security Markets is involved in a possible conflict of interest, the applicable mechanism is disclosed in such rule. In 2016, Atresmedia approved a new IRC to adapt its content to the new regulations on market abuse. The affected party must inform the Regulatory Compliance Committee as soon as possible, through a computer system installed for this purpose, of any situations that may potentially give rise to conflicts of interest as a result of his/her activities outside the Atresmedia Group, his/her family relationships, his/her personal assets or any other circumstances related with:

- a) financial intermediaries operating with the ATRESMEDIA Group;
- b) professional or institutional investors that have a significant relationship with the Atresmedia Group; c) significant equipment or material suppliers; and
- d) providers of professional services or external advisers, including those that provide legal, consulting or audit services.

As to major shareholders, article 8(2) of the Board Regulations gives the Board the power to approve transactions between the Company and directors, major shareholders or shareholders represented on the Board or their related parties (related-party transactions), except for related-party transactions that meet the requirements set out in section D .1 above.

Approval by the Board of a related-party transaction must be endorsed by a favourable report issued by the Audit and Control Committee, which must assess the transaction on the basis of equality of treatment of shareholders and arm's length terms. In this regard, the Audit and Control Committee prepared an annual report on related-party transactions in 2018. This report was submitted to the ratification and approval of the Board.

The annual public disclosures include a summary of the significant transactions concluded by the Company with its directors and major shareholders.

D.7. Is there more than one company in the group listed in Spain?

- Yes
 No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's Risk Management and Control System, including tax compliance risk.

The Atresmedia Group's risk management and control system is reviewed and updated regularly in response to how the Group's businesses perform and evolve, to risks that actually materialise, to changes in the law, and to how the organisation itself changes and evolves.

Atresmedia's Risk Management and Control System, which is under the ultimate oversight of the Board, is a tool that assists Management in its decision-making processes, and helps the management team to make the right decisions and address risk effectively. We identify and implement controls and action plans targeting known risks; this enhances our ability to create value and minimises the impact of losses that actually materialise.

Risk analysis and control touches on all the Group's activities and involves all our organisational units. This means that risk management is a corporate system in which the entire organisation is on alert. The system is headed and overseen by the Board, yet some of its functions are delegated to the Audit and Control Committee. Risk management also brings into play the coordinating role of the Compliance Committee, and support from the Legal Affairs, Internal Audit and Finance and Process Control areas.

The main aim of the Risk Management and Control System is to identify risks, perform frequent assessments and define and apply specific control procedures to mitigate such risks. The specific objectives of the Risk Management and Control System are:

1. ensure consistency and uniformity when specifying, identifying and measuring risks in all the Group's businesses;
2. apply suitable controls in accordance with a testing schedule, measure their effectiveness and document the outcome;
3. improve the system continuously by evaluating controls and identifying new potential risks on a scheduled basis. The controls required for the new risks are then specified and implemented;
4. define and communicate policies, protocols and procedures to Group business units, offering users guidelines issued by the Group's control and governing bodies;
5. comply with laws, regulations and standards applicable to the Group's activities.

Based on the general objectives defined for Atresmedia's Risk Management and Control System, the key components are specified below:

- i. Setting targets: annually reviewing and setting new targets for the Group and for each of its business units, as well as an acceptable risk level, based on the Group's overall strategy and on internal and external events.
- ii. Internal control environment: frequently performing a re-assessment of the system to verify, on the one hand, the manner in which Group employees perceive risks, and checking the efficiency and functioning of the controls reducing the risks and the implementation of action plans and, on the other hand, reviewing the procedural environment. An assessment is performed of the effectiveness and design of the controls implemented in order to put into place new controls or mitigate impacts. The risks are frequently re-assessed to verify that they are effectively controlled.
- iii. Compliance: the Atresmedia Group has created a Compliance System that ensures compliance with all applicable laws, regulations and standards, both internal (policies, protocols and procedures) and external. The System supervises compliance with such regulations through specific controls.
- iv. Processes: the main processes and sub-processes of the different businesses of the Atresmedia Group are specified to identify the risks having the greatest impact on each business process, the existing controls, and the improvement requirements for each of the processes and subprocesses.
- v. Organisation: risks and controls affecting the entire Group have been specified, as well as risks and controls that affect only certain organisational units. The heads of each organisational unit monitor the risks and controls specific to their organisation.

Further information on the Company's Risk Management and Control System is provided in the APPENDIX attached to this report.

With regard to tax risks, aside from the controls inherent in the Risk Management and Control System, in 2015, a Corporate Tax Policy was approved by the Board of Directors, subject to review and approval of the Compliance Committee and of the Audit and Control Committee, which regulates the basic principles that govern Atresmedia's corporate tax policy, as well as best practices applied to tax matters. These practices consist of compliance with all applicable regulations, collaboration with the tax authorities when required, and avoiding opaque structures and transactions or use of tax havens.

Likewise, a Procedural Protocol regarding Particularly Significant Tax Transactions was approved by the Compliance Committee and duly notified to the Audit and Control Committee. This Protocol defines the specific procedure that must be followed with respect to the transactions that, due to their type and/or amount, require an additional, itemised analysis by the Tax Area.

E.2. Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk.

The Risk Management and Control System is a corporate system in which the whole of the Atresmedia Group participates, with different levels of responsibility and participation. Through control assessments, all organisational and business units are actively involved in the System.

Atresmedia's key responsibilities relating to the risk management and control system are:

BUSINESS UNITS AND CORPORATE UNITS

Responsible for controls, assessment and oversight.

Must comply with external and internal laws, regulations, codes and standards (policies, standards and procedures).

FINANCE DEPARTMENT

- Responsible for most financial controls and for the system of internal control over financial reporting (ICFR)
- Compliance with policies and standards relating to budgets, financial statements, accounting and financial reporting
- Responsible for controls over tax risks

LEGAL AFFAIRS/OFFICE OF THE SECRETARY TO THE BOARD

- Responsible for most of the compliance and corporate governance controls

COMPLIANCE COMMITTEE

- Collegial body that oversees the Group's compliance with laws and regulations
- Responsible for overseeing the Code of Conduct, the Whistleblower Channel and the Internal Code of Conduct on the Securities Market
- Chaired by a qualified and independent professional

CRIME PREVENTION SYSTEM / CRIME PREVENTION OFFICER

- Responsible for implementing and monitoring the Group's crime prevention compliance system.
- Responsible for providing advice to managers and directors on all issues that could have criminal consequences.

– INTERNAL AUDIT AND PROCESS CONTROL

- Coordinates and manages the risk management and control system.
- Regularly reviews identified risks and coordinates risk assessment by the relevant officers.
- Designs policies and procedures and identifies new controls.
- Verifies application of controls and reports to the Audit and Control Committee.

The Audit and Control Committee oversees the functioning of the system, the assessment of new risks, and the information to be disclosed in annual and half-yearly financial statements.

The Audit and Control Committee is also the body responsible for reporting to the Board on the risk management and control system so that, as the case may be, it may approve or alter action plans, set in motion new measures to be implemented and oversee assessment of newly identified risks.

E.3. State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives

Atresmedia has a complete risk map that enables all risks to be identified, both from the surroundings, and those relating to the activity and business performed and others specific to the Company.

The system covers all risks (external and inherent to the business; financial and non-financial – strategic, operational, IT, legal, social, environmental, and reputational) and the regulations applicable to each. It also establishes the controls and procedures that prevent the materialisation of these risks. The entire prevention and response mechanism is reflected in Atresmedia's risk map.

The main risks that might affect the achievement of the business aims of the Atresmedia Group can be classified as follows:

COMPLIANCE: Compliance risks. These risks arise from regulatory changes in the market domains that affect the industries where the Group operates: mainly, regulatory changes in the audiovisual sector (advertising standards, rules on competition and new entrants, use of the radio spectrum, etc).

STRATEGIC: Arising from external factors which may trigger changes in the Company's aims, such as regulatory changes, shifts in competition, changes in relations with shareholders and investors, changes in financial markets and other factors.

The main impact arises from the macro economic and political environment in the markets where the Group operates, chiefly Spain. The performance of the wider economy powerfully shapes the advertising market: the sector depends on the health of the economy as a whole.

In addition, we continuously assess and analyse the competition as to number of competitors and their strategies within the segments where the Group operates.

The strategic plan, reviewed annually, examines all these risks and sets out action plans to mitigate them.

OPERATIONAL:

- Advertising space sales: the Group has available relevant and updated information with which to analyse changes in demand in the advertising industry, and moves ahead of developments by creating comprehensive communication plans for our clients. We analyse the environment and the audiovisual sector to put in place a marketing strategy that is engaged in an ongoing interaction with the market and with programming goals and content schedules.
- Programme production: Production projects are approved and carried out in accordance with a programming strategy that relies on an analysis of expectations, viewership targets and business returns. To minimise the adverse effect of any viewership or business underperformance, we create pilots and carry out viewer and advertiser expectation surveys.

- Broadcast rights acquisition: we research general trends and programming forecasts, product suitability, broadcast capacity, estimated viewership, consistency with channel targets, price trends and authorised budgets.
- Purchasing and contracting in general: We use a procurement management tool to approve any purchase or expenditure by the Group. A Procurement Committee assesses and authorises any purchases that require oversight and authorisation.

FINANCIAL: Financial risk relates to changes in exchange rates, because a significant proportion of broadcast rights purchases take place in foreign currency, chiefly US dollars. The risk is mitigated by exchange rate hedges entered into by the Atresmedia Group.

TECHNOLOGICAL: Major technological change is taking place in the TV and film industry. Technological development is increasingly swift and intense, and users' TV viewing habits are shifting as a result. The Atresmedia Group is making a powerful effort to distribute its content through all available platforms so as to offer our products to all users.

REPUTATIONAL: The Atresmedia Group has high public exposure by reason of its wide range of corporate brands and the programmes it produces. The Group, as a media operator, reaches millions of people every day. Hence reputational risk is vital, and is closely followed and controlled by Group officers. We continuously monitor any news

or information that might affect the reputation of the Atresmedia Group, any Group business and/or entity or any programme and/or presenter on such programme, so as to assess the materialisation of any reputational risk that might impair the Group image.

The Atresmedia Group has a Code of Conduct approved by the Board. The Code lends visibility to the overall conduct framework within Atresmedia, thus enabling oversight. It also specifies and guides conduct and the personal and collective commitment of all Atresmedia employees, external partners, executives and directors. The Code is mandatory for all persons within the Atresmedia Group and/or its suppliers and service providers.

FINANCIAL REPORTING (ICFR): Atresmedia has mechanisms in place to measure the key indicators and magnitudes of the business to support agile and efficient decision-making on business processes and the quantifiable aspects of strategy, structure and financial capability.

E.4. State whether the entity has a risk tolerance level, including tolerance for tax compliance risk.

Atresmedia has set a risk tolerance level within the Risk Management and Control System in each business, based on two main criteria:

- process potentially affected by the risk; level of affected operations/performance.

The system regularly assesses the extent to which specified processes and organisations are exposed to identified risks.

Risks are assessed on the following basis:

- Inherent risk: the risk that exists in the absence of any action to modify its probability or impact.
- Residual risk: the risk that remains even after adoption and implementation of a response to that risk.

We then assess all risks on the basis of estimated impact probability, having regard to two criteria:

- Impact: categorised on the basis of the adverse impact that materialisation of the risk would have on business performance or continuity. Probability: we assess the likelihood that the risk will materialise independently of whether or not controls are adequate and reduce the risk to acceptable levels.

Based on our regularly reviewed risk assessment criteria, risks are classified using risk matrices.

The risk assessment process goes through the following stages:

- 1) Determining the level of risk tolerance. Risk tolerance is determined case by case on the basis of two criteria: the processes that could potentially be affected by the risk and level of results likely to be impacted
- 2) Assessing the level of risk exposure. Depends on whether the risk is residual or inherent. Inherent risks are those that exist in the absence of actions to control their probability of occurrence and impact, while residual risks are those that remain even after the controls have been accounted for.
- 3) Risk assessment based on their impact (in view of the negative impact the risk would have were it to materialise) and probability (probability of occurrence is estimated independently of the controls).

Once the assessment has been completed, in the light of the results the system sets in motion an additional and exhaustive monitoring process for any risks that finally materialise or are more likely to do so.

The Atresmedia Group has created a series of response plans for the different risks identified.

E.5. State which risks, including tax compliance risks, have materialised during the year.

[The response to this section is in the APPENDIX to this report.]

E.6. Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise.

The Atresmedia Group has created a series of response plans for the different risks identified. Risks that materialise or are more likely to materialise are covered by an additional exhaustive monitoring process by the management of the organisational or business unit and by the senior management of the Group. Existing alerts are monitored to identify any threat that might raise the criticality of identified risks.

Responses to existing risks are classified into 4 areas: + – Avoid

- Accept
- Reduce
- Share

Based on the analysis of the risk response adopted, and on the degrees of materialisation of the risks arising, action plans are implemented that define the measures to be taken based on the scenario envisaged when the risk materialises. Action plans are undertaken by the Group's business areas, and the entire organisation is involved in managing the risks faced by the Group.

These scenarios emerge from a range of forecasts in the following domains: – Regulatory environment

- Competition
- Advertising market
- Technology
- Business
- Trends among communities and users - Wider economic environment

We have in place a range of operational and supervisory committees to create alerts and support close interdepartmental communication so as to identify risks promptly and create action plans immediately when more than one area is affected.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (ICFR) of your company.

F.1. Control environment of the entity.

Report on at least the following, describing their principal features:

F.1.1 The bodies and/or departments that are responsible for (i) the existence and maintenance of an adequate and effective ICFR; (ii) their implementation; and (iii) their supervision.

Atresmedia's current internal control system is applied uniformly throughout the entire organisation and encompasses a duly documented normative environment.

The body responsible for the supervision of the Internal Control over Financial Reporting (ICFR) system is the Audit and Control Committee, which has the support of the Internal Audit and Process Control Division and the Finance Department for implementation and maintenance.

In 2012, new Board Regulations were approved to adapt their content to the legal reforms in relation to the powers, duties and functioning of Board Committees. In 2016, amendment of the Regulations was approved, specifically, articles 22 and 23, to adapt them to the modification of article 529 quaterdecies of the Spanish Companies Act, which entered into force in June 2016, introduced by Ley 22/2015, Spain's statute on account auditing.

The scheme of powers, duties and structure of the Audit and Control Committee in relation to ICFR was updated. Specifically, the Audit and Control Committee's powers and duties in respect of ICFR include:

- Supervision of the integrity, preparation and presentation of the regulated financial reporting relating to the Company and, where appropriate, to the Group, reviewing compliance with regulatory requirements, adequate definition of the consolidation scope and correct application of accounting policies.
- Regular supervision of the internal control and risk management systems, in order that the main risks are adequately identified, managed and notified, discussing with the auditor or audit firm any significant weaknesses of the risk control system detected in the course of the audit.
- Oversight of the independence and effectiveness of the internal audit function; proposing the selection, appointment, re-election and removal of the internal audit service head, and the estimate for that service; receiving periodic information on its activities; and verifying whether senior management has taken into account the conclusions and recommendations of its reports.

In addition, the Compliance Committee assumes, among other functions, that of providing support and coordination in conjunction with Internal Audit and Process Control in the monitoring and supervision of Internal Control over

Financial Reporting (ICFR) rules, approval in the implementation of the Code of Conduct and the implementation and monitoring of the functioning of the Whistleblowing Channel.

The Finance Department is responsible for implementing ICFR through the Accounting and Consolidation, Billing, and Management and Administration Control areas. These areas use information from other areas and management systems, and must ensure correct transfer of information among different management systems and adequate accounting record entry in the financial management system (SAP).

Likewise, the Investor Relations area specifically ensures that all information sent to the markets and to investors is clear and understandable and coincides - despite differences of presentation - with the financial information in the related financial statements.

Internal Audit works with the Financial Department on supervising the correct functioning of ICFR and on defining and implementing the controls required to ensure and guarantee the reliability of the information.

In this regard, numerous controls have been defined in Atresmedia's Risk Management and Control System relating to Internal Control over Financial Reporting (ICFR), which are regularly assessed by the organisational areas responsible for the ICFR.

F.1.2 State whether the following are present, especially if they relate to the creation of financial information:

- Departments and/or mechanisms in charge of: (i) design and review of corporate structure; (ii) clear definition of lines of responsibility and authority with an adequate distribution of tasks and functions; and (iii) assurance that adequate procedures exist for proper communication throughout the entity.

The organisational structure of the Atresmedia Group is proposed by the CEO when it affects the first executive level, and is approved by the Appointments and Remuneration Committee.

Senior officers and the heads of each organisational unit/business unit define the organisation of the remaining executive levels and resources of each unit, in coordination with the Group's Corporate Management (Human Resources area).

The lines of authority of the Atresmedia Group in the different processes for the preparation of financial reporting are shown in the organisation chart of the Group, as are the different organisational areas/business units.

The main responsibility for financial reporting rests with the Finance Department of the media Group, which is structured as follows:

- Accounting, Administration and Consolidation
- Management Control
- Cash Management, Billing and Collections
- Investor Relations

The Internal Audit and Process Control and Legal Advisory areas are responsible for defining the main processes, protocols and procedural steps at the Atresmedia Group, and for notifying them, subject to the supervision and approval of the Compliance Committee, to the whole organisation for compliance.

The organisational changes and, where appropriate, new employee recruitments at top executive level are notified by Corporate Management to the whole organisation through specific email notices.

- Code of conduct, the body approving this, degree of dissemination and instruction, including principles and values, (state if there is specific mention of transaction recording and creation of financial information), a body charged with analysing breaches and proposing corrective actions and sanctions.

The Code of Conduct forms part of Atresmedia's corporate responsibility and good governance policies, whose determination and ultimate oversight rest with Atresmedia's Board of Directors.

The Atresmedia Group's Code of Conduct was approved by the Board, after review by the Compliance Committee and the Audit and Control Committee. The Board of Directors is responsible for directing and supervising all matters related to effective compliance with this code, as well as for the obligation to adopt and implement the measures that may be necessary to align the Code with the rest of the regulatory and procedural elements of corporate governance, with which it shares the same values and objectives.

The Code of Conduct contains the general guidelines that should be followed by all Atresmedia employees relating to basic principles of behaviour, relations with and between employees, internal control and prevention of fraud and commitment to the market, the Company and the community.

With respect to the preparation and publication of financial reporting, article 7.4.3 of the Code of Conduct stipulates Atresmedia's undertaking to provide information transparency, understood as a commitment to transmit reliable information to markets and to the Company, which enables them to form a true and fair view of its activities, strategy and economic, social and environmental performance. Likewise, it is bound to immediately communicate any information that is relevant for investors using the channels established by the CNMV.

This regulation stipulates that Atresmedia's employees must report the information in a true, complete and understandable manner. In no case will they knowingly provide incorrect, untrue or inaccurate information that may mislead the person receiving it. Likewise, the Code of Conduct includes the obligation to reflect all Atresmedia transactions clearly and accurately in the Company's accounting records. Specifically, all accounts must be correctly reflected in these records, together with the transactions performed and all the expenses incurred. In general, the Code stipulates that Atresmedia's employees will abstain from any practice that contravenes the undertaking to clearly and accurately reflect the transactions in Atresmedia's records, and the Company will take special care in terms of the reliability of the information entered into Atresmedia's IT systems.

Likewise, in article 7.4 on Transparency and Confidentiality, it is stated that the obligations and rigour in the processing of personal and business data constitutes necessary support to obtain a climate of mutual trust through the adequate protection and safekeeping of the information held and the permanent commitment to inform customers, employees and external partners, the market and the Company in a complete, objective and true manner. It also states that the deliberate falsification, manipulation or use of false information constitutes fraud.

The ultimate responsibility with regard to the interpretation and application of the Code of Conduct rests with the Compliance Committee

- This Committee is, inter alia, responsible for managing and supervising compliance, for supporting Internal Audit in the management of the Internal Control over Financial Reporting (ICFR) system, and for coordinating management

of the specific communication channel that was implemented at Atresmedia to receive the communications of employees in the areas relating to the effective and correct comprehensive application of all these regulations within the Group: Whistleblowing Channel.

Whistleblowing Channel. In the hierarchy, the Compliance Committee is accountable to the Board of Directors, although some information is submitted to the Audit and Control Committee (for the matters that specifically relate to this Committee) or to the CEO (for matters related with management).

The Chief Compliance Officer and Chairman of the Compliance Committee is appointed by the Board, on the proposal of the Audit and Control Committee. He/she must fulfil technical, professional and personal requirements and have adequate training and professional experience, and hierarchical independence in the organisation of the Atresmedia Group.

Currently, the Atresmedia Group's Code of Conduct has been communicated to all Group employees through a specific notification for this purpose, in which all the main aspects and the obligations that must be met by all the Group employees in relation to the Code were specified and explained.

The Code of Conduct was published on the corporate website, www.atresmediacorporacion.com, and on the Group Intranet within the Compliance and Control section, so that it is available for reference at any time to Group employees and related parties.

- Whistleblower channel, that allows notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, reporting, as the case may be, if this is of a confidential nature.

The Atresmedia Group has in place a Whistleblowing Channel that enables all Group employees to report, easily and confidentially, any action which they believe to be inappropriate in the light of the Code of Conduct or any other applicable laws, regulations or standards.

The Whistleblowing Channel can also be used if irregularities are detected in financial reporting processes or significant weaknesses come to light in the Internal Control over Financial Reporting (ICFR) system, or to report discrimination or workplace or sexual harassment or any other form of conduct that is illegal or otherwise contrary to the policies and values of Atresmedia.

The Compliance Committee is the collegial body responsible for managing the channel.

- The Chief Compliance Officer and Chairman of the Compliance Committee, who is a duly qualified professional, with professional experience and prestige, and independent from the Group's hierarchical and executive structure. This position is currently held by Pedro Ramón y Cajal Agüeras.
- Head of Corporate Affairs
- Chief Financial Officer
- Chief Audit Executive
- Head of Legal Affairs
- Head of Regulatory Affairs and Institutional Relations

The Whistleblowing Channel is monitored on an operational basis by the Chief Compliance Officer and by the Compliance Officer for Crime Prevention on a joint basis.

The Compliance Committee must report regularly to the Audit and Control Committee on issues identified and investigated by means of the Whistleblowing Channel.

- Training and periodic refresher programmes for staff involved in the preparation and revision of financial information, as well as assessment of the ICFR (Internal Control System for Financial Information), that covers at least accounting rules, audits, internal control and risk management.

The Atresmedia Group regularly provides the employees involved in the preparation and review of financial reporting with the necessary training for the proper performance of their duties through a series of training schemes designed for this purpose.

All employee training plans are integrated within the Atresmedia Group's Training Plan, which is prepared and reviewed annually by Human Resources, based on the general training objectives defined at Group level by each organisational area/business unit, depending on the specific training requests and needs identified.

On an annual basis the Finance Department staff members in charge of financial reporting and ICFR assessment undertake fresh training in accounting practices and standards, new developments in tax regulations, and risks and controls.

Regular communication actions are carried out facing all employees on new developments and matters of interest in connection with the Risk Management and Control System and the Compliance and Crime Prevention Model.

In 2018, specialised courses were run on the new financial reporting rules that have come into force, and specifically on new developments in the application of IFRS 9, 15 and 16. The training was taught to small groups, with an eminently practical approach aimed at assessing the impact on the Atresmedia Group and adapting financial reporting processes and controls.

F.2. Assessment of financial information risks

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including error and fraud risk, as regards:

- Whether the process exists and is documented.

The Atresmedia Group has in place a risk identification system and a system of related controls throughout the entire process of financial information production and reporting.

The Group thus has review mechanisms in place that reduce the risk that financial information is misstated to the market. Consequently, a process does exist to identify reporting errors or fraud, but it is established with regard to each of the processes related with the Internal Control over Financial Reporting (ICFR) system. In this regard, all the

processes that may have an effect on any of the Group's financial statement items were identified, establishing a scale of impacts for the most significant items of such financial statements. The following processes have been identified as having the highest impact on ICFR:

Advertising sales

Outside production

In-house production

Billing and collections

Procurement/payments and expenditure

Financial management

Reporting: analysis of accounting standards and commercial and reporting rules, production of separate financial statements, consolidation and production of consolidated financial statements

Corporate affairs

Risks relating to financial reporting in connection with these processes have been identified, as have the controls put in place to mitigate them. Accordingly, Atresmedia has developed a risk identification system in financial reporting and a series of controls enabling these risks related with the ICFR to be mitigated.

- If the process covers all of the objectives of financial information, (existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations), whether it is updated and with what frequency.

Atresmedia has identified all the processes and organisational units that have an effect on ICFR. The risks related with ICFR are identified and assigned to the corresponding processes and organisational units.

The Internal Control over Financial Reporting system (ICFR) of Atresmedia is included within the Risk Management and Control System described in detail in section H with reference to risks and controls surrounding financial reporting.

Risks are assessed annually as to the following contingent errors:

-Cut-off

-Existence

- Completeness
- Presentation
- Records
- Validity
- Measurement

The controls identified for each of the risks related with ICFR are classified on the basis of whether they are designed to prevent or detect errors and fraud in financial reporting. The controls are regularly assessed during the year.

To determine the significance and probability of the risk of material misstatement in financial reporting, the Atresmedia Group examines the following parameters:

- Complexity of transactions and the applicable rules and standards
- Transaction volume and quantitative significance of affected items
- Complexity of calculation
- Need to use estimates or projections
- Need to use expert judgement
- Qualitative significance of the information

- The existence of a process to identify the scope of consolidation that takes account, inter alia, of any complex corporate structures and conduit entities or special purpose vehicles.

In the case of the Atresmedia Group, the companies within the scope of consolidation for the consolidated financial statements of the Atresmedia Group are identified. However, a specific company identification process does not exist due to the absence of complexity in the Group's corporate organisation.

- If the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

In the case of the Atresmedia Group, the companies within the scope of consolidation for the consolidated financial statements of the Atresmedia Group are identified.

Any change in the scope of consolidation due to an investment, disposal or alteration is known to the Finance Department, the Legal Affairs Department and Internal Audit. The information on the Atresmedia Group corporate structure is updated at each reporting date to assess whether any change has occurred.

In addition, in connection with shareholdings that are consolidated with the Atresmedia Group, a procedure is in place whereby account movements at Group companies are reported to the Finance Department:

- For investees controlled by Atresmedia, via the reporting and consolidation processes carried out by the Finance Department.
- For investees not controlled by Atresmedia, via the reporting and information supply processes agreed by those entities with the Group's Finance Department.

- The governing body within the company that supervises the process.

The ICFR system is supervised by the Audit and Control Committee. To perform such supervision, it has the assistance of the Compliance Committee and, in particular, of the Finance Department and of the Internal Audit and Process Control Department, which have performed the identification work and assessed the risks associated with ICFR.

F.3. Control activities.

Report on whether the company has at least the following, describing their main characteristics:

F.3.1 Review and authorisation procedures for financial information published by the stock markets and a description of the ICFR, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including financial closing procedures and the specific review of judgements, estimates, valuations and relevant forecasts.

Within the GRC System, a series of specific controls related to IFRS are in place and fully identified. Different people are responsible for the preparation and oversight of all financial reporting.

These controls ensure that each of the officers must perform a series of control actions that ensure the comprehensive and integrated correction of all information published at the given time.

The Atresmedia Group has established a series of procedures for the preparation and review of the financial statements and the accounting close. The Finance Department has established a series of steps and procedures that must be complied with by the areas concerned in order to perform the accounting close and prepare the financial statements.

In addition, a series of procedures and protocols have been defined at Group level, which aim to minimise any risk related with ICFR and ensure the published information is reliable. The main related procedures and protocols are:

- Procedure to manage the procurement of goods and services
- Customer management procedure: troubleshooting, non-performing accounts, customer blocking and unblocking
- Procurement Committee and Investment Committee procedures
- Power of attorney management procedure
- IT security procedure
- Protocol for approval and filing of price-sensitive information disclosures with the CNMV - Protocol for filing financial statements with the CNMV
- Protocol for producing online files containing Group companies' financial statements and submitting them to the Mercantile Register

The Finance Department reviews and checks each month-end accounting close before reporting it to Senior Management and the CEO, who review and approve the figures ahead of submission to the Executive Committee and/or the Audit and Control Committee.

On a quarterly basis, with the assistance of the Finance Department and Internal Audit, the Audit and Control Committee oversees the process and sends its conclusions to the Board, which is the organ responsible for adoption of the financial statements before disclosure to the Comisión Nacional del Mercado de Valores (CNMV, Spain's securities market regulator); this process is conducted through the Secretary to the Board.

Control activities are mainly aimed at preventing, detecting, mitigating, compensating for, and correcting contingent errors or errors that have been discovered on time before the reporting and publication of the financial information.

F.3.2 Internal IT control policies and procedures (access security, change controls, their operation, operational continuity, and segregation of duties, among others) which support relevant processes within the company and relate to the creation and publication of financial information.

The Atresmedia Group applies some of the controls specified to mitigate ICFR risks via the officers responsible for them and/or semi-automated controls executed on IT systems.

Many of the functions that support the relevant steps in the preparation of financial information are semi-automated in the management and reporting systems - mainly SAP R3 - implemented at the Group.

A range of procedures are in place to control and review all transfers of information among the Group's management systems so as to ensure suitable integration with the SAP transactional financial system. The application of the controls and the related documentary evidence are recorded in the GRC System.

On a monthly basis, all the information transfers between systems are specifically reviewed and are specifically reconciled if any incident arises in the automatic transfer of information between systems.

Controls have been designed and put in place regarding access and user profiles for the IT and communication systems that have an impact on financial reporting and accounting closes, which guarantee security of access to data and programs, control over changes, correct operation of changes and continuity. An IT security corporate policy exists which guarantees secure access to management and reporting systems and monitors any error and/or problem that may arise.

A policy involving profiles and segregation of functions has been defined, which is periodically reviewed by the Systems Department, the Finance Department, Internal Audit and Process Control.

F.3.3 Internal control policies and procedures intended to guide the management of subcontracted activities and those of third parties, as well as those aspects of assessment, calculation or evaluation entrusted to independent experts, which may materially affect financial statements.

The Atresmedia Group has defined a procedure to acquire goods and services, and a Procurement Committee, which regulates the arrangement of services with third parties. These controls ensure that independence exists with regard to the supplier engaged and that the service is arranged at market prices.

The Atresmedia Group has internal control policies and procedures in place to supervise the management of the activities subcontracted to third parties, and to monitor the evaluation, calculation and appraisal matters entrusted to independent experts, which may have a material effect on the financial statements.

F.4. Information and communication.

Report on whether the company has at least the following, describing their main characteristics:

F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

The Audit and Control Committee is the body charged with analysing, discussing and presenting the most significant accounting policies and methods. In the Atresmedia Group, these methods are mainly related with:

- Consumption of rights and programmes
- Recognition of provisions for contingent liabilities - Measurement of financial investments

Furthermore, all regulatory changes relating to accounting, auditing and corporate risk management are communicated to the Audit and Control Committee by Internal Audit and the Finance Department.

The external auditor, the Finance Department and Internal Audit maintain constant and smooth communication that enables any accounting, tax or other development to be analysed that may have an impact on the financial statements, as well as any potential doubts to be anticipated and dealt with regarding accounting entries arising from the interpretation of accounting policies and methods.

During 2018, the Audit and Control Committee held training sessions aimed at analysing the criteria for measurement and recognition under the most relevant captions of the financial statements, and the most significant risks that may affect financial reporting.

F.4.2 Measures for capturing and preparing financial information with consistent formats for application and use by all of the units of the entity or the group, and which contain the main financial statements and notes, as well as detailed information regarding ICFR.

The Atresmedia Group has at its disposal the mechanisms to capture and prepare its financial information using homogeneous formats and applications, such as the SAP-R3 (Accounting) and CONTROLER (Consolidation) applications that are used by all units and subsidiaries of the Group.

Furthermore, the different business units use management systems that are integrated in SAP R3, in such a way that the upload of information is performed via interfaces and clearly defined processes - many of which are automated; the necessary controls are in place and supervisory and review processes are carried out by the Group's Finance Department.

F.5. Supervision of system performance

Describe at least the following:

F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function that has among its mandates support of the committee and the task of supervising the

internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible prepares the assessment reports on its results, whether the company has an action plan describing possible corrective measures, and whether its impact on financial reporting is considered.

As described in earlier sections, the Audit and Control Committee is the body responsible for the supervision of the policies and procedures, the preparation and completeness of the financial information, adequate determination of the consolidation scope and correct application of accounting principles. The powers and duties of the Audit and Control Committee regarding this topic are to:

- regularly check internal control and risk management systems;
- oversee the independence and effectiveness of the internal audit function;
- adopt the internal audit plan, which includes ICFR review objectives;
- oversee the Risk Management and Control Model and, in particular, the GRC System, the tool used by the Atresmedia Group to manage its model;
- review, analyse and discuss financial reporting with internal staff in charge of producing and reviewing the information and with external auditors;
- oversee the overall ICFR model and ensure that it functions properly so that the financial information reported is correct; and
- oversee ongoing assessment of ICFR.

To carry out its role the Audit and Control Committee sometimes seeks the support of Internal Audit and the Finance Department.

The Internal Audit and Process Control area has been given the function of supervising the internal control system by the Audit and Control Committee. This area carries out periodic reviews of business cycles at Group and subsidiary level, and proposes corrective action plans that are communicated to the Atresmedia Group's Senior Management and to the Audit and Control Committee.

Certain evaluations and measurements of assets, mainly related to the recovery of long-term assets (goodwill, intangible assets, tax assets) that, due to their complexity, require specific and separate consideration and which are analysed in detail by the Audit and Control Committee. When the measurement of such assets calls for financial projections, assumptions and judgements, the Audit and Control Committee discusses the matter before communicating its conclusions to the Board of Directors on how these values should be stated in financial reporting.

F.5.2 If there is a procedure by which the account auditor (in accordance with the contents of the Normas Técnicas de Auditoría (NTA) - "Auditing Standards"), internal auditor and other experts may communicate with senior management and the audit committee or senior managers of the company regarding significant weakness in internal control identified during the review of the annual accounts or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses found.

The external accounts auditor, the Finance Department and the Internal Audit and Process Control Division meet, in accordance with the meetings schedule established and/or if any relevant matter exists, with the Audit and Control Committee and informs it of the main aspects detected in the review area and of the functions commissioned to each of these departments.

The external auditor attends Audit Committee meetings at least three times a year to submit the results of its review engagement for the relevant period and to discuss with Committee members the main findings of the audit.

The external auditor's conclusions identify any weaknesses in the Group's internal control system and provide an assessment of their materiality. At subsequent meetings attended by the external auditor, the auditor reports on the action plans set in motion to resolve identified weaknesses and states whether these remain significant or have been definitively rectified by means of modified or newly introduced control procedures.

In 2018, the external auditor attended a Board meeting to discuss with directors the key findings of its review of financial reporting and the related recommendations and suggested improvement plans. The work done in the course of the auditing process throughout the year is also scrutinised.

The Audit and Process Control Division has periodically informed the Audit and Control Committee about the evolution and progress of the action plans to be implemented progressively in relation to the ICFR.

F.6. Other relevant information.

All relevant information is provided in the previous sections.

F.7. External auditor's report.

Disclose:

If the ICFR information submitted to the markets has been subject to review by the external auditor, in which case the entity shall include its report as an attachment. If not, reasons why should be given.

The ICFR information is not covered by the external auditors' report. However, the external auditor has access to the Group's Risk and Control System and accordingly, to all the ICFR mechanisms, and may assess its functioning to the extent required for its audit work and to obtain its conclusions.

G. EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Unified Code of Good Governance.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to judge the company's actions. General explanations are not acceptable.

1. That the Articles of Association of listed companies do not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of shares on the market.

Complies Explanation

2. That when the parent company and a subsidiary are listed on the stock market, both should publicly and specifically define:

- a) The respective areas of activity and possible business relationships between them, as well as those of the listed subsidiary with other group companies.

- b) The mechanisms in place to resolve any conflicts of interest that may arise. Complies Complies partially Explanation Not applicable

3. That, during the course of the ordinary General Shareholders' Meeting, complementary to the distribution of a written Annual Corporate Governance Report, the chairman of the Board of Directors makes a detailed oral report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:

- a) Changes that have occurred since the last General Shareholders' Meeting.

- b) Specific reasons why the company did not follow one or more of the recommendations of the Code of Corporate Governance and, if so, the alternative rules that were followed instead.

Complies Complies partially Explanation

4. That the company has defined and promoted a policy of communication and contact with shareholders, institutional investors and proxy advisors that complies in all aspects with rules preventing market abuse and gives equal treatment to similarly situated shareholders.

And that the company has made such a policy public through its web page, including information related to the manner in which said policy has been implemented and the identity of contact persons or those responsible for implementing it.

Complies [X] Complies partially [] Explanation []

5. That the Board of Directors should not propose to the General Shareholders' Meeting any proposal for delegation of powers allowing the issuance of shares or convertible securities without pre-emptive rights in an amount exceeding 20% of equity at the time of delegation.

And that whenever the Board of Directors approves any issuance of shares or convertible securities without pre-emptive rights the company immediately publishes reports on its web page regarding said exclusions as referenced in applicable company law.

Complies [X] Complies partially [] Explanation []

6. That listed companies which draft reports listed below, whether under a legal obligation or voluntarily, publish them on their web page with sufficient time before the General Shareholders' Meeting, even when their publication is not mandatory:

- a) Report regarding the auditor's independence.
- b) Reports regarding the workings of the audit committee and the appointments and remuneration committee.
- c) Report by the audit committee regarding related-party transactions
- d) Report on the corporate social responsibility policy.

Complies [X] Complies partially [] Explanation []

7. That the company reports in real time, through its web page, the proceedings of the General Shareholders' Meetings.

Complies [X] Explanation []

8. That the audit committee ensures that the Board of Directors presents financial statements in the audit report for the General Shareholders' Meetings which do not have qualifications or reservations and that, in the exceptional circumstances in which qualifications may appear, that the chairman of the audit committee and the auditors clearly explain to the shareholders the content and scope of said qualifications or reservations.

Complies [X] Complies partially [] Explanation []

9. That the company permanently maintains on its web page the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies [X] Complies partially [] Explanation []

10. That when a verified shareholder has exercised his right to make additions to the agenda or to make new proposals to it with sufficient time in advance of the General Shareholders' Meeting, the company:
- a) Immediately distributes the additions and new proposals.
 - b) Publishes the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors.
 - c) Submits all of these items on the agenda or alternative proposals to a vote and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against.
 - d) That after the General Shareholders' Meeting, a breakdown of the results of said additions or alternative proposals is communicated.

Complies [X] Complies partially [] Explanation [] Not applicable []

11. That, in the event the company intends to pay for attendance at the General Shareholders' Meeting, it establish in advance a general policy of long-term effect regarding such payments.

Complies [] Complies partially [] Explanation [] Not applicable [X]

12. That the Board of Directors completes its duties with a unity of purpose and independence, treating all similarly situated shareholders equally and that it is guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, and the promotion of continuity and maximisation of the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and in engaging in conduct based on good faith, ethics and a respect for commonly accepted best practices, it seeks to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers,

clients and other stakeholders, as well as the impact of its corporate activities on the communities in which it operates and the environment.

Complies [X] Complies partially [] Explanation []

13. That the Board of Directors is of an adequate size to perform its duties effectively and collegially, and that its optimum size is between five and fifteen members.

Complies [X] Explanation []

14. That the Board of Directors approves a selection policy for directors that:

- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the needs of the Board of Directors.
- c) Favours diversity in knowledge, experience and gender.

That the resulting prior analysis of the needs of the Board of Directors is contained in the supporting report from the appointments committee published upon a call from the General Shareholders' Meeting submitted for ratification, appointment or re-election of each director.

And that the selection policy for directors promotes the objective that by the year 2020 the number of female directors accounts for at least 30% of the total number of members of the Board of Directors.

The appointments committee will annually verify compliance with the selection policy of directors and explain its findings in the Annual Corporate Governance Report.

Complies [X] Complies partially [] Explanation []

15. That proprietary and independent directors constitute a substantial majority of the Board of Directors and that the number of executive directors is kept at a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

Complies [X] Complies partially [] Explanation []

16. That the percentage of proprietary directors divided by the number of nonexecutive directors is no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.

This criterion may be relaxed:

- a) In companies with a high market capitalisation in which interests that are legally considered significant are minimal.
- b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.

Complies [X] Explanation []

17. That the number of independent directors represents at least half of the total number of directors.

Nonetheless, when the company does not have a high level of market capitalisation or in the event that it is a high cap company with one shareholder or a group acting in a coordinated fashion who together control more than 30% of the company's equity, the number of independent directors represents at least one third of the total number of directors.

Complies [X] Explanation []

18. That companies publish and update the following information regarding directors on the company website:

- a) Professional profile and biography.
- b) Any other Boards to which the director belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.
- e) The shares and options they own.

Complies [X] Complies partially [] Explanation []

19. That the Annual Corporate Governance Report, after verification by the appointments committee, explains the reasons for the appointment of proprietary directors at the proposal of the shareholders whose equity interest is less than 3%. It should also explain, where applicable, why formal requests from shareholders for membership on the Board meeting were not honoured, when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors was honoured.

Complies [X] Complies partially [] Explanation [] Not applicable []

20. That proprietary directors representing significant shareholders must resign from the Board if the shareholder they represent disposes of its entire equity interest. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors representing this shareholder.

Complies Complies partially Explanation Not applicable

21. That the Board of Directors may not propose the dismissal of any independent director before the completion of the director's term provided for in the Articles of Association unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties attendant to his post as a director, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public share offer, joint venture or similar transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of the proportionate representation criteria provided for in Recommendation 16.

Complies Explanation

22. That companies establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which may damage the company's standing and reputation. Specifically, directors must be required to report any criminal acts with which they are charged, as well as the consequent legal proceedings.

And that should a director be indicted or tried for any of the offences set out in company law legislation, the Board of Directors must investigate the case as soon as possible and, based on the particular situation, decide whether the director should continue in his or her post. And that the Board of Directors must provide a reasoned written account of all these events in its Annual Corporate Governance Report.

Complies Complies partially Explanation

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies in the case of the secretary of the Board of Directors, despite not being a director.

Complies [X] Complies partially [] Explanation [] Not applicable []

24. That whenever, due to resignation or any other reason, a director leaves before the completion of his or her term, the director should explain the reasons for this decision in a letter addressed to all the directors of the Board of Directors. Irrespective of whether the resignation has been reported as a relevant fact, it must be included in the Annual Corporate Governance Report.

Complies [X] Complies partially [] Explanation [] Not applicable []

25. That the appointments committee ensures that non-executive directors have sufficient time in order to properly perform their duties.

And that the Board rules establish the maximum number of company Boards on which directors may sit.

Complies [X] Complies partially [] Explanation []

26. That the Board of Directors meet frequently enough so that it may effectively perform its duties, at least eight times per year, following a schedule of dates and agenda established at the beginning of the year and allowing each director individually to propose items do not originally appear on the agenda.

Complies [X] Complies partially [] Explanation []

27. That director absences only occur when absolutely necessary and are quantified in the Annual Corporate Governance Report. And when absences occur, that the director appoints a proxy with instructions.

Complies [X] Complies partially [] Explanation []

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes, upon a request from the protesting party.

Complies [X] Complies partially [] Explanation [] Not applicable []

29. That the company establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies [X] Complies partially [] Explanation []

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances require

Complies [X] Explanation [] Not applicable []

31. That the agenda for meetings clearly states those matters about which the Board of Directors are to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies [X] Complies partially [] Explanation []

32. That directors shall be periodically informed of changes in equity ownership and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies [X] Complies partially [] Explanation []

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.

Complies [X] Complies partially [] Explanation []

34. That when there is a coordinating director, the Articles of Association or the Board rules should confer upon him the following competencies in addition to those conferred by law: chairman of the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; reflect the concerns of nonexecutive directors; liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and coordinate a succession plan for the chairman.

Complies [X] Complies partially [] Explanation [] Not applicable []

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account the recommendations regarding good governance contained in this Code of Good Governance and which are applicable to the company.

Complies [X] Explanation []

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a) The quality and efficiency of the Board of Directors' work.
- b) The workings and composition of its committees.
- c) Diversity of membership and competence of the Board of Directors.
- d) Performance of the chairman of the Board of Directors and the chief executive officer of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely upon the assistance of an external advisor for its evaluation, whose independence shall be verified by the appointments committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group shall be specified in the Annual Corporate Governance Report.

The process and the areas evaluated shall be described in the Annual Corporate Governance Report.

Complies [X] Complies partially [] Explanation []

37. That if there is an executive committee, the proportion of each different director category must be similar to that of the Board itself, and its secretary must be the secretary of the Board.

Complies [X] Complies partially [] Explanation [] Not applicable []

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies [X] Complies partially [] Explanation [] Not applicable []

39. That the members of the audit committee, in particular its chairman, are appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, and that the majority of its members be independent directors.

Complies [X] Complies partially [] Explanation []

40. That under the supervision of the audit committee, there must be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies [X] Complies partially [] Explanation []

41. That the person in charge of the group performing the internal audit function should present an annual work plan to the audit committee, reporting directly on any issues that may arise during the implementation of this plan, and present an activity report at the end of each year.

Complies [X] Complies partially [] Explanation [] Not applicable []

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:
1. With regard to information systems and internal control:
 - a) Supervise the preparation and integrity of financial information relative to the company and, if applicable, the group, monitoring compliance with governing rules and the appropriate application of consolidation and accounting criteria.
 - b) Ensure the independence and effectiveness of the group charged with the internal audit function; propose the selection, appointment, reelection and dismissal of the head of internal audit; draft a budget for this department; approve its goals and work plans, making sure that its activity is focused primarily on material risks to the company; receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
 - c) Establish and supervise a mechanism that allows employees to report confidentially and, if appropriate, anonymously, any irregularities with important consequences, especially those of a financial or accounting nature, that they observe in the company.
 2. With regard to the external auditor:
 - a) In the event that the external auditor resigns, examine the circumstances which caused said resignation.
 - b) Ensure that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
 - c) Insist that the company file a relevant fact with the CNMV when there is a change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
 - d) Ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks accomplished and regarding the development of its accounting and risks faced by the company.
 - e) Ensure that the company and the external auditor comply with applicable rules regarding the rendering of services other than auditing, proportional limits on the auditor's billing, and all other rules regarding the auditor's independence.

Complies [X]

Complies partially []

Explanation []

43. That the audit committee may require the presence of any employee or manager of the company, even without the presence of any other member of management.

Complies [X] Complies partially [] Explanation []

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draft a report beforehand to the Board of Directors regarding economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies [X] Complies partially [] Explanation [] Not applicable []

45. That the risk management and control policy identify, as a minimum:

- a) The various types of financial and non-financial risks (among those operational, technological, legal, social, environmental, political and reputational) which the company faces, including financial or economic risks, contingent liabilities and other off balance sheet risks.
- b) Fixing of the level of risk the company considers acceptable.
- c) Means identified in order to minimise identified risks in the event they transpire.
- d) Internal control and information systems to be used in order to control and manage identified risks, including contingent liabilities and other off balance sheet risks.

Complies [X] Complies partially [] Explanation []

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal control and management function should exist delegated to an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensure the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks that may affect the company.
- b) Actively participate in the creation of the risk strategy and in important decisions regarding risk management.
- c) Ensure that the risk management and control systems adequately mitigate risks as defined by policy issued by the Board of Directors.

Complies [X] Complies partially [] Explanation []

47. That members of the appointment and remuneration committee -- or of the appointments committee and the remuneration committee if they are separate - are chosen taking into account the knowledge, ability and experience necessary to perform the duties they are called upon to carry out and that the majority of said members are independent directors.

Complies [X] Complies partially [] Explanation []

48. That high market capitalisation companies have formed separate appointments and remuneration committees.

Complies [] Explanation [] Not applicable [X]

49. That the appointments committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director may ask the appointments committee to consider potential candidates he or she considers appropriate to fill a vacancy on the Board of Directors.

Complies [X] Complies partially [] Explanation []

50. That the remuneration committee exercises its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Propose basic conditions of employment for senior management.
- b) Verify compliance with company remuneration policy.
- c) Periodically review the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.
- d) Oversee that potential conflicts of interest do not undermine the independence of external advice rendered to the Board.
- e) Verify information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the Annual Report on Director Remuneration.

Complies [X] Complies partially [] Explanation []

51. That the remuneration committee consults with the chairman and the chief executive of the company, especially in matters relating to executive directors and senior management.

Complies [X] Complies partially [] Explanation []

52. That the rules regarding composition and workings of supervision and control committees appear in the rules governing the Board of Directors and that they are consistent with those that apply to mandatory committees in accordance with the recommendations above, including:

- a) That they are comprised exclusively of non-executive directors, with a majority of them independent.
- b) That their chairmen be independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and detail their activities and accomplishments during the first plenary session of the Board of Directors held after the committee's last meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and the minutes be made available to all directors.

Complies [] Complies partially [] Explanation [] Not applicable [X]

53. That verification of compliance with corporate governance rules, internal codes of conduct and social corporate responsibility policy be assigned to one or split among more than one committee of the Board of Directors, which may be the audit committee, the appointments committee, the corporate social responsibility committee in the event that one exists, or a special committee created by the Board of Directors pursuant to its powers of self-organisation, which at least the following responsibilities shall be specifically assigned thereto:

- a) Verification of compliance with internal codes of conduct and the company's corporate governance rules.
- b) Supervision of the communication strategy and relations with shareholders and investors, including small- and medium-sized shareholders.
- c) The periodic evaluation of the suitability of the company's corporate governance system, with the goal that the company promotes company interests and take into account, where appropriate, the legitimate interests of other stakeholders.
- d) Review of the company's corporate social responsibility policy, ensuring that it is orientated towards value creation.
- e) Follow-up of social responsibility strategy and practice, and evaluation of degree of compliance.

- f) Supervision and evaluation of the way relations with various stakeholders are handled.
- g) Evaluation of everything related to non-financial risks to the company, including operational, technological, legal, social, environmental, political and reputational.
- h) Coordination of the process of reporting on diversity and reporting nonfinancial information in accordance with applicable rules and international benchmarks.

Complies [X] Complies partially [] Explanation []

54. That the corporate social responsibility policy include principles or commitments which the company voluntarily assumes regarding specific stakeholders and identifies, as a minimum:

- a) The objectives of the corporate social responsibility policy and the development of tools to support it.
- b) Corporate strategy related to sustainability, the natural environment and social issues.
- c) Concrete practices in matters related to: shareholders, employees, clients, suppliers, social issues, the natural environment, diversity, fiscal responsibility, respect for human rights, and the prevention of unlawful conduct.
- d) Means or systems for monitoring the results of the application of specific practices described in the immediately preceding paragraph, associated risks, and their management.
- e) Means of supervising non-financial risk, ethics, and business conduct.
- f) Communication channels, participation and dialogue with stakeholders.
- g) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies [X] Complies partially [] Explanation []

55. That the company reports, in a separate document or within the management report, on matters related to corporate social responsibility, following internationally recognised methodologies.

Complies [X] Complies partially [] Explanation []

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgment of non-executive directors.

Complies Explanation

57. That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.

Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The foregoing shall not apply to shares that the director may be obliged sell in order to meet the costs related to their acquisition.

Complies Complies partially Explanation

58. That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and are not based solely upon general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result.
- b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies.
- c) Are based upon balancing short-, medium- and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring or extraordinary events.

Complies Complies partially Explanation Not applicable

59. That a material portion of variable remuneration components be deferred for a minimum period of time sufficient to verify that previously established performance criteria have been met.

Complies Complies partially Explanation Not applicable

60. That remuneration related to company results takes into account any reservations which may appear in the external auditor's report which would diminish said results.

Complies [X] Complies partially [] Explanation [] Not applicable []

61. That a material portion of variable remuneration for executive directors depends upon the delivery of shares or instruments indexed to share value.

Complies [X] Complies partially [] Explanation [] Not applicable []

62. That once shares or options or rights to shares arising from remuneration schemes have been delivered, directors are prohibited from transferring ownership of a number of shares equivalent to two times their annual fixed remuneration, and the director may not exercise options or rights until a term of at least three years has elapsed since they received said shares.

The foregoing shall not apply to shares that the director may be obliged sell in order to meet the costs related to their acquisition.

Complies [] Complies partially [X] Explanation [] Not applicable []

This Recommendation is partially applicable to the Company since the Share-based Remuneration Plan in force, which includes the Chairman of the Board of Directors and the CEO, does not include the allocation of options or rights over shares, rather only the delivery of a maximum and previously limited number of shares.

Accordingly, the explanation only refers to the limitation to transfer, in the period of the three years following their allocation, Company shares equivalent to two times the remuneration of the beneficiary directors, such restriction not being included in the Plan in force approved at the 2016 General Meeting.

As envisaged in the resolution adopted at the General Meeting, the own shares linked to the Plan had to be acquired, and this was hence achieved on the stock market, respecting a maximum acquisition cost, equivalent to double the amount of the fixed remuneration in 2015 of all beneficiaries. The Variable Remuneration Plan also indicates that fifty per cent of the shares acquired for its execution will be distributed among the two beneficiary directors, based on the distribution criteria set for this purpose by the Board of Directors.

In the Company's opinion, the method to determine the maximum cost of the Plan, together with the level of compliance with the requirements included in it - both in terms of economic targets and metrics of attainment and of the minimum time of compulsory inclusion on the part of the beneficiary, significantly limit the actual expectations regarding its full achievement and the concomitant award of the maximum number of shares possible, thereby reducing the expectation that the director will ultimately receive all shares corresponding to him/her, in the event of full compliance with the targets set. Accordingly, it is deemed unlikely that share-based remuneration will reach the threshold of double the fixed annual remuneration of the director.

However, even in that case, the Plan's design includes requirements for compliance with targets, the execution period and recovery arrangements in favour of the Company that ensure their transparency, objectivity, limitation of costs, absence of risks for the Company and ease of supervision and control by shareholders. Moreover, the Plan's

targets are focused on the medium term, maintaining a reasonable correlation between the variable remuneration possible and the results effectively obtained by the Company and its shareholders, which are the base and reference for their quantification.

As a result of the foregoing, the Company considers that the Share-based Variable Remuneration Plan fulfils the purpose envisaged by the Recommendation, at least in the most part, although it does not include it in its strictest terms.

2018 was the last of the three years of reference for determining the business results linked to the plan, so that it is now possible to forecast the overall result and to confirm that the number of shares that the beneficiaries will finally receive is significantly lower than the maximum that would have been possible, and therefore also well below the upper bound of twice fixed annual remuneration, which is the ceiling set by the recommendation. The Directors' Remuneration Report for 2018, approved for issue concurrently with this Corporate Governance Report, includes all the information on the outcome of the plan.

63. That contractual arrangements include a clause which permits the company to seek reimbursement of variable remuneration components in the event that payment does not coincide with performance criteria or when delivery was made based upon data later deemed to be inaccurate.

Complies [X] Complies partially [] Explanation [] Not applicable []

64. That payments made for contract termination shall not exceed an amount equivalent to two years of total annual remuneration and that it shall not be paid until the company has verified that the director has fulfilled all previously established criteria for payment.

Complies [X] Complies partially [] Explanation [] Not applicable []

H. FURTHER INFORMATION OF INTEREST

1. If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.

Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July 2010:

On section A.2.

UFA FILM UND FERNSEH GMBH, a direct shareholder of ATRESMEDIA CORPORACIÓN, is controlled by BERTELSMANN, A.G. through its subsidiary RTL GROUP, S.A. within the meaning of article 4 of the Ley del Mercado de Valores, Spain's statute on the securities market ("Securities Market Act").

PLANETA CORPORACIÓN controls GRUPO PLANETA- DE AGOSTINI, S.L. within the meaning of article 5 of the Securities Market Act, and the latter company in turn owns 100% of shares in GRUPO PASA CARTERA, S.A.U.

On section A.3.

Carlos Fernández Sanchiz indirectly owns 11,400 voting rights representing 0.0005% of the Company. Nicolas de Tavernost indirectly holds 82 of the Company's voting rights.

On section E.1.

The information in this section is expanded on in the APPENDIX that forms part of this Report.

On section E.5.

The content has been included in the APPENDIX that forms part of this Report.

ATRES ADVERTISING, S.L.U., a Group company that markets advertising in all its media (television, radio and digital) is a member of Autocontrol (Association for the Self-Regulation of Commercial Notices), which has entered into numerous agreements with government authorities and with sectoral organisations, which are adhered to and applied by its shareholders. The subject matter and date of the agreements are disclosed on that entity's website (www.autocontrol.com)

The Company does not comply with the Código de Buenas Prácticas Tributarias (code of best practice in tax matters) but it has a Corporate Tax Policy that has been approved by the Board of Directors and a Procedural Protocol regarding Particularly Significant Tax Transactions, approved by the Compliance Committee, which includes the best tax practices and principles applied by Atresmedia in this area.

This Annual Corporate Governance Report was approved by the Board of Directors of the company at the meeting held on:

[27/02/2019]

State whether any director has voted against or abstained from approving this report

[]

Yes

[] No

2018 ANNUAL CORPORATE GOVERNANCE REPORT APPENDIX

E.1 Explain the scope of the company's Risk Management and Control System, including tax compliance risk.

(Continued)

The Atresmedia Group has in place an application that supports and manages its whole Risk Management and Control System, known as SAP "GRC" (Governance, Risks and Compliance). It is a Corporate System developed alongside its SAP transactional system which enables the monitoring of all the Group's risks to be systematised, ordered and documented, together with the existing controls to mitigate the risks identified and to establish work flows that speed up and order the information flows of the risk and control system. The tool also evaluates the effectiveness and design of the System on an ongoing basis, both with respect to the risks identified and to the controls implemented to mitigate such risks. In this regard, the dimensions of the Atresmedia Risk Management and Control System are as follows:

1. Compliance

The Atresmedia Group has defined a regulatory compliance system, which enables all regulations to be complied with, both in relation to the sectors in which it operates and in respect of the generic manner in which they affect the Company in view of its status as a listed company or the legislation to which it is submitted (labour, tax, environmental, etc.). The supervision of regulatory compliance, via specific controls, is one of the principles on which the Atresmedia Group's Risk Management and Control System is based. Additionally, a series of Internal Procedures and Protocols have been adequately defined and notified, which have been included within the Group's Risk Management and Control System, representing additional control mechanisms to ensure compliance in order to mitigate the appearance of various associated risks. These Procedures and Protocols are supervised and approved by the Regulatory Compliance Committee and are adequately notified to the Audit and Control Committee on a frequent basis to oversee that they are effectively complied with.

2. Organisational structure

All the risks and controls of the Atresmedia Group are assigned to an organisational unit, enabling the risks and controls to be adapted by organisation/business and responsibilities to be identified in the System both at corporate level and in each of the organisational units and business units. Risks and controls exist that are assigned to the whole Group, but the System also covers other risks that are solely assigned to certain units of the organisation, insofar as they are specific to the related business or organisation. The heads of each organisation may monitor the risks and controls specific to their organisation. The organisations within the Atresmedia Risk Management and Control System are:

- Television division
- Radio division
- Advertising division
- Multimedia division
- Diversification division
- Film division
- Corporate Department (Systems and Human Resources)
- Finance Department
- Legal and Regulatory Affairs Department

- Audit, Processes and Quality Department
- Foundation

These organisational units have in turn defined their internal organisation (lower organisational units) for the purposes of assigning responsibilities for the implementation and design of controls and subsequent oversight.

3. Processes

Via a detailed processes map, the Group's risks and controls are associated so that at any time it is possible to identify which risks have the greatest impact on one or another business or corporate process; together with the existing controls and the needs for improvement or redefinition thereof, to the extent that the processes are evolving on an operational and technological basis.

The key processes identified within the Risk Management and Control System are:

- Framing and specifying the corporate strategy
- Acquiring content and buying rights
- Producing content
- Designing the programming schedule and strategy
- Buying goods, services and technology Marketing and selling advertising Marketing other services
- Information systems and technology
- Managing technical infrastructure
- Operational management of general assets and infrastructure
- Human resources and occupational risk prevention
- Legal and regulatory affairs and litigation
- Administration and finance

4. Risks

The System includes all the risks of the Atresmedia Group, classified by different categories and assigned to different regulations, organisations and processes. A complete map of risks has been defined, which enables all risks to be identified, both from the surroundings, and those relating to the activity and business performed and others specific to the Company.

These risks are assessed periodically with regard to their impact and probability.

Each of the risks identified has established controls and procedures that help prevent their ever materialising. If any risk materialises, it is mitigated through defined control mechanisms and risk responses established in each case.

5. Controls and control tools

The System includes a full identification and description of all the controls. All the controls are associated with the risks previously identified in order to be mitigated; accordingly, the satisfactory application thereof enables the potential impact of risks materialising to be reduced.

The Atresmedia Risk Management and Control System has different tools that reinforce internal control and reduce the potential impact of existing risks:

- a. Policies, Procedures and Protocols, adequately notified through the corporate communication channels to the affected areas and people.
- b. Other IT tools for control (additional to the GRC system), the highlights being:
 - Procurement management system

- Contractual engagement proposals management and authorisation system
- Programme budget management and authorisation system
- Quality system
- IT application for compliance with the internal rules relating to securities markets

c. Whistleblowing channel:

Enables all employees to notify, in an easy and confidential manner, those procedures that constitute inappropriate conduct or behaviour under the Code of Conduct or any other applicable legislation, and especially those that do not comply with the Internal Control over Financial Reporting (ICFR) System.

d. Control procedures relating to the Internal Control over Financial Reporting (ICFR) system:

Atresmedia, in its commitment to provide reliable, complete, true and standardised information to investors and to the market, has implemented an Internal Control over Financial Reporting (ICFR) System that guarantees the accuracy of the financial information issued.

e. Compliance Committee

The body charged with the management, surveillance, coordination and integration of corporate policies and actions aimed at complying with all applicable legislation and regulations (both external and internal protocols and procedures), as well as supervision of compliance with the Code of Conduct. Internal conduct regulation in securities market matters.

f. Internal Code of Conduct on Matters Relating to the Securities Markets

g. Compliance Officer for Crime Prevention:

This highly specific position involves providing appropriate advice to Atresmedia executives and directors on any decisions that might involve consequences as to criminal liability. Likewise, he/she is in charge of the operating coordination of the measures required to apply the Code of Conduct and to execute the decisions adopted by the Regulatory Compliance Committee. Lastly, he/she is the head of the implementation of a crime prevention programme within Atresmedia.

6. Officers

All the System risks and controls have identified the officers in charge, who in line with the assessment schedule defined in each case must periodically implement the control procedures established for each risk.

Aside from the risk and control heads, the figure of supervisor has been defined, charged with approving/rejecting the assessment of risks and controls performed by the heads at each time.

7. Testing and evidence plans

All controls included in the System have defined a test plan that must be executed and completed by the control officer on each of the control assessment dates defined. Additionally, the System requires that the execution of the controls performed in each period be supported by documentary proof. This enables the full control assessment performed by the heads to be put in place and verified, where appropriate, and to have a documentary system of all the controls performed in each period.

E.5 State which risks, including tax compliance risks, have materialised during the year.

The main risks to materialise in 2018 were:

Changes in the advertising market.

A material effect arose in the advertising market as a result of the loss of correlation between its behaviour and the performance of the domestic economy as a whole. This development - which is Europe-wide - has led to difficulty when framing our commercial policy. The conventional advertising market has grown significantly less than the wider economy. This factor has prompted us to review our commercial policy and our approach to capturing expenditure from operators.

Based on its information systems and its advertising market research, the Atresmedia Group has mitigated the effects of this low visibility by adapting the targets and parameters of its commercial policy. In addition, investment in a new company, SMARTCLIP LATAM, which operates in the online advertising market, is enabling us to become more familiar with advertising patterns online and thus grow our online revenue. Given the increasing importance of the online market, the Atresmedia Group continues to strengthen the marketing of online advertising through the company SMARTCLIP and new technological tools.

Furthermore, in view of its high dependence on advertising revenue and on the Spanish geographic market, and in line with its commitment to creating and producing exclusive fictional content for new market players and new distribution and broadcasting platforms, both in Spain and abroad, Atresmedia has created ATRESMEDIA STUDIOS, which provides a new source of revenue outside the Group's traditional revenue sources.

Increased competition and changes in linear television viewing patterns,

The past year has seen a material increase in the availability of subscription television in Spain from telecommunications operators that have enhanced and modernised their content offering and from global over the top subscription operators who have invested heavily in rolling out their market offer, considerably increasing their subscriber volume in Spain.

The Atresmedia Group has mitigated these effects by means of agreements and alliances with these subscription TV operators so as to be able to offer its range of content, with a competitive edge in quality and local uptake.

In addition, the Atresmedia Group has enhanced its content offer in line with viewers and users' changing interests, and has bolstered its leading position in news and entertainment segments where subscription television operators do not compete.

The supply of content from subscription operators under the "VOD" (video on demand) mode has driven down linear TV consumption as measured in average viewing time per viewer (minutes per day). The decline is too limited in the case of Atresmedia to have a material impact. Secondly, Atresmedia has deployed a strategy of creating new distribution channels for its content by investing in new platforms such as Atresplayer. Atresmedia is now the leading television group in Spain by viewership via online platforms.

In 2018, the Atresmedia group made the investments needed to improve user experience on Atresplayer. We provided new functionalities for viewing content across different platforms and fully overhauled the platform in terms of user experience, content offer and supporting technology.

Combined measurement of television content consumption across devices and the emergence of deferred consumption has enabled the total audience of all the TV channels of the Atresmedia Group to be added together, regardless of the viewer's chosen form of consumption.

The Atresmedia Group's strategy is to continue to enhance its brands and ability to create content that can be offered over an increasing range of distribution platforms and channels to increase its viewer and user base and retain and even reinforce its leadership position.

Moreover, taking this adaptation still further, in partnership with Mediaset and RTVE, Atresmedia has developed a platform for distributing the three TV networks' content using HbbTV technology, set in motion in 2018 under the LOVESTV banner.

Disciplinary proceedings brought by the Comisión Nacional de los Mercados y la Competencia (CNMC, Spain's competition watchdog) against Atresmedia and Mediaset for alleged restrictive practices in the Spanish television advertising market.

On 22 February 2018, the Spanish National Markets and Competition Commission (CNMC) notified Atresmedia of the commencement of disciplinary proceedings for alleged unfair trade practices pursuant to Article 1 of Law 15/2007, of 3 July, on the defence of competition. On 6 January 2019, the CNMC disclosed its statement of objections, in which it considers proven that certain of Atresmedia's business practices are restrictive of competition. The Company and its legal advisers believe this statement is not properly supported and are confident that a favourable ruling will be issued for Atresmedia, either during the administrative proceedings or on appeal, should the CNMC issue sanctions. Accordingly, no amount has been set aside as a provision for this liability.

Tax inspection.

In February 2018, an inspection of Atresmedia Corporación de Medios de Comunicación, S.A. began for income tax (2013 and 2014), non-resident income tax (2014 to 2017), value-added tax, withholdings of investment income, withholdings of personal income tax, withholdings of property rentals and gambling tax (all for 2014). The scope of the inspection was subsequently extended to Atres Advertising, S.L.U. and Atresmedia Cine, S.L.U for income tax (2013 and 2014), non-resident income tax, value-added tax and withholdings of personal income tax on employment earnings (all for 2014).

The final outcome of the inspection, reached in November 2018, led to the adjustment of various taxes payable and interest on several taxes, in a material amount, which was recognised in the financial statements and disclosed in itemised form in the notes.

Measurement and recovery of tax assets.

Tax legislation has placed restrictions on the offset of tax assets arising from tax losses. The latest stems from Royal Decree Law 3/2016, of 2 December, which restricts the offset to 25% of the previous tax base and removes the timing limit. However, accounting regulations provide for a maximum period of offset of 10 years in the measurement and assessment of tax assets recognised in the balance sheet. Therefore under this valuation rule, the amounts that are unlikely to be recovered within this period must be adjusted, without affecting the tax offset that may arise in subsequent periods.

These tax and accounting regulations, coupled with a new assessment of the outlook for growth of the advertising market across Europe in general and Spain in particular, have given rise to the need to make an advertising market with a charge to "Income tax expense" in the 2018 statement of profit or loss for EUR 37,525 thousand, to reduce the balance of tax assets in the balance sheet arising from tax losses.

Criminal proceedings relating to SGAE, Spain's collective rights management entity for music and audiovisual IP.

SGAE (Sociedad General de Autores y Editores) is one of the collective rights management entities to which Atresmedia pays royalties for use in its own programming of copyrights owned by the authors of audiovisual works. This economic relationship covers copyrights owned by the authors of music broadcast on our TV channels. The internal rules of the SGAE make provision for a procedure for settlement and payout of royalties for broadcasting, which are collected by the SGAE and distributed among the authors and publishers of music broadcast in audiovisual media. Distribution of royalties is based on a tariff system, also put in place by the management organs of the SGAE, which sets the amount payable for each broadcast work and determines the share due to the author and the publisher.

Atresmedia, through its publishing company, which is a wholly owned subsidiary and is a member of the SGAE, is the publisher of some of the musical works broadcast on Atresmedia channels. For this reason, it is entitled to the financial remuneration due to the publisher when the SGAE settles the respective royalty payments. Moreover, authors whose works are published by Atresmedia's publishing company under co-publishing contracts, which are filed with the SGAE prior to broadcast and are therefore compliant with its requirements, are entitled to the amount due to them on the basis of the tariffs and the co-publishing contracts, by way of royalties. This scheme, which is publicly known to have operated in recent years on a widespread and uncontroversial basis for television and radio alike, enables audiovisual operators to recover a portion of the remuneration paid to the SGAE to the extent that they are actually involved in the creation of copyright through their publishing subsidiaries. Among musicians, the SGAE and the media, this business practice is colloquially known as "the wheel".

Against this background, some decisions of the management organs of the SGAE relating directly to the criteria applicable to the distribution of royalty proceeds, the recent request for the extraordinary involvement of an arbitral tribunal appointed by the World Intellectual Property Organization Arbitration and Mediation Center and the subsequent arbitral award have been widely challenged in the courts, where proceedings are now ongoing.

On 19 June 2017 one of the divisions of the Audiencia Nacional (National Court) made an order to enter and search the homes of several authors and other parties related to the engagement under contract for television of musical authors and works. These court proceedings at criminal law affected Atresmedia directly in the person of its musical rights management officer and indirectly in connection with Atresmedia's continuing relationship with the SGAE as to settlements for musical broadcasts on television, as mentioned earlier. Under the court ruling, the Atresmedia executive affected by the criminal proceedings is described as having close personal ties with the rest of persons charged. The criminal conduct that is alleged to have occurred is the purported influence of that executive over a specific group of authors: those whose works are broadcast over TV and who therefore defend common and legitimate interests as before the SGAE, which logically converge with certain specific interests of television operators. However, after the executive made a statement (on the same day as the police intervened), he was released without need of any further assurances. Since then, he has not been called upon to appear in court, and the court has not ordered any other proceedings affecting him. No criminal charges have been brought against Atresmedia, nor have any other proceedings been brought against it as a corporation, other than a demand that it disclose certain information to the court, as addressed to the rest of television operators on identical terms so that they provide equivalent documents, in so far as the practice under investigation - the broadcast of music in certain off-peak time slots - has been and remains a widespread practice in the industry.

Atresmedia believes that earning income from its publishing subsidiary's business, coupled with suitable management of music programming on its channels, is a transparent and widely practised way of obtaining income from its core activity, which is entirely in accordance with the rules of the SGAE and perfectly lawful and publicly known. Atresmedia further believes that its executives are under a duty to optimise any source of income for the benefit of the company, and in this specific case have mitigated the otherwise extraordinarily heavy burden of expenditure that use of the SGAE musical repertory involves. In addition, having carried out internal action and reviews, Atresmedia believes that the Group's current risk management and control system satisfies the requirements effectively to control risks and pre-emptively detect any materialisation of risk, including criminal offences. Our exhaustive review has not detected any negligent or intentional breach of any procedure or requirement of the Atresmedia Code of Ethics.

We have verified the existence and proper functioning of a Crime Prevention Model at the Atresmedia Group, which encompasses: a Whistleblowing Channel, a Code of Conduct (which is communicated to all employees), an SAP-based risk management, control and assessment system, a crime prevention protocol, and the necessary material and human organisational structure and resources, having decision-making and supervisory powers (Compliance Committee, Compliance Officer for Crime Prevention, Corporate Governance Department, Internal Audit and Audit and Control Committee). Consequently, no adverse impact on Atresmedia has occurred as a result of contingent materialisation of the risk relating to management of musical authors and the Group's relationship with the SGAE.

However, in response to these events, by a decision of the Board and under the oversight of the Audit and Control Committee Atresmedia immediately undertook a comprehensive review of the business area concerned, which in turn prompted the design and introduction of specific new controls reflecting our experience of the past few months.