



ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

ISSUER'S PARTICULARS

YEAR-END DATE IN QUESTION

[31/12/2019]

TAX IDENTIFICATION NUMBER:

[A-78839271]

Company name:

ATRESMEDIA CORPORACION DE MEDIOS DE COMUNICACION, S.A.

Registered offices:

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

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

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

The specific determinations for the year in progress should be described, both the remuneration of directors in their status as such and as a result of their executive functions carried out for the Board pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Meeting.

At any event, the following aspects should be reported:

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

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

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

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

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

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

- Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to guarantee a suitable balance between the fixed and variable components of the remuneration. In particular, state the actions adopted by the company in relation to the remuneration system to reduce exposure to excessive risks and adapt this to the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures to guarantee that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company and measures to avoid conflict of interest, as the case may be.

Furthermore, state whether the company has established any period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and consolidated financial instruments, or if any clause exists reducing the deferred remuneration or that obliges the director to return remuneration received,

when such remuneration has been based on certain figures that have clearly been shown to be inaccurate has been agreed.

VARIABLE REMUNERATION OF EXECUTIVE DIRECTORS IN CASH

In accordance with the Company's remuneration policy, executive directors receive variable remuneration, in cash and on an annual basis, which is a percentage of their fixed remuneration that depends on the extent of achievement of the consolidated EBITDA target for the Group. This target is established each year by the Company's Board of Directors when drafting the budget.

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

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

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

A total of 46,341 Atresmedia shares were awarded to the Chairman under the plan. A total of 23,171 shares were delivered in 2019 and 23,170 shares will be delivered in 2020.

A total of 69,512 Atresmedia shares were awarded to the Chief Executive Officer under the plan. A total of 34,756 shares were delivered in 2019 and a further 34,756 shares will be delivered in 2020.

A total of 32,439 Atresmedia shares were awarded to the General Manager of Television under the plan. A total of 16,220 shares were delivered in 2019 and 16,219 shares will be delivered in 2020.

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

For any variable remuneration to directors, whatever the reason for its award and whether in cash or shares, the recipient director is under a duty to reimburse the amount received - or an appropriate proportion of it - if a manifest error is later discovered in the data on which such remuneration was calculated.

Receipt of variable remuneration is also contingent on executive directors fulfilling all duties inherent in the position established in law and in the Bylaws.

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

The remuneration items and amounts that will accrue to external directors in 2020 under the current remuneration policy are unchanged with respect to 2019, as follows:

- a) Annual remuneration for each member of the Board of Directors of EUR 25,000 and allowance for attending Board meetings of EUR 2,000.
- b) Annual remuneration for each member of the Executive Committee of EUR 50,000 and allowance for attending Executive Committee meetings of EUR 2,500.
- c) For the Audit and Control Committee, there is an allowance of EUR 2,000 per meeting, with no fixed remuneration.
- d) For the Appointments and Remuneration Committee, there is an allowance of EUR 2,000 per meeting, with no fixed remuneration.
- e) Specific additional remuneration may be allocated for holding certain offices within the Board of Directors or any of its committees if the dedication and responsibility related to the position so warrant. The amount shall be determined in each specific case, subject to the overall maximum limit established. In 2019, however - as in previous years - no such specific remuneration was applied and there was no additional remuneration for directors or Board committee members.

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

According to the remuneration policy, executive directors do not receive such remuneration, which is exclusive to external directors.

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

1. The fixed annual remuneration of the Chairman of the Board for discharging executive duties was originally EUR 410,000, although in 2019 his pay package changed in step with the new remuneration policy approved at the General Meeting in April 2019. For further details, see section B.3.

2. The fixed annual remuneration of the Chief Executive Officer in 2019 for discharging executive duties was EUR 1,100,000.

3. The fixed annual remuneration of the General Manager of Television in 2019 for discharging executive duties was EUR 650,000. This applied as from the time of his appointment as an executive director at the General Meeting in April 2019.

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

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

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

- Amount and nature of variable components, differentiating between those established in the short and long term. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration in the year in progress, explaining the extent to which these parameters are related to performance, both of the director and of the company, together with their risk profile, and the methodology, deadline necessary and techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year.

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

I. VARIABLE REMUNERATION OF THE THREE EXECUTIVE DIRECTORS IN CASH

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

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

- (i) If the Group's EBITDA as reported in the company's financial statements is less than 60% of the amount in the budget approved by the Board of Directors for that year, no bonus is paid.
- (ii) If the Group's EBITDA as reported in the company's financial statements is equal to 60% of the amount in the budget approved by the Board for that year, a bonus equal to 40% of fixed cash remuneration is paid.

(iii) If the Group's EBITDA as reported in the company's financial statements is equal to between 60% and 100% of the amount in the budget approved by the Board for that year, the amount of the bonus will be calculated proportionally, considering that (a) for a level of achievement of the target of 60%, the amount of the bonus will be equal to 40% of the fixed remuneration in cash, and (b) for a level of achievement of the target of 100%, the amount of the bonus will be equal to 80% of the fixed remuneration in cash.

(iv) If the Group's EBITDA as reported in the company's financial statements is equal to between 100% and 110% of the amount in the budget approved by the Board for that year, there is no entitlement to any additional amount of bonus than in the preceding paragraph; i.e. the amount of the bonus will be equal to 80% of fixed remuneration in cash.

(v) If the Group's EBITDA as reported in the company's financial statements is equal to between 100% and 130% of the amount in the budget approved by the Board for that year, the amount of the bonus will be equal to the sum of (a) 80% of the fixed remuneration in cash, and (b) an amount of up to an additional 8% of the fixed remuneration in cash, calculated proportionally and starting from a level of achievement of the target of 110%. The full 8% will correspond to a level of achievement of 130% of the target.

(vi) If the Group's EBITDA as reported in the company's financial statements exceeds 130% of the amount in the budget approved by the Board for that year, a bonus equal to 88% of fixed cash remuneration is paid.

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

Entitlement to the bonus will require:

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

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

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

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

II. VARIABLE REMUNERATION TO EXECUTIVE DIRECTORS IN THE FORM OF COMPANY SHARES

The three executive directors are included among the beneficiaries of the variable remuneration scheme with delivery of shares approved by shareholders at the General Meeting held on 20 April 2016. The maximum cost of the plan, established at the General Meeting, was EUR 8,930,900. To carry out the plan, the Company repurchased 791,880 treasury shares, for a total price of EUR 8,930,820.54 and representing 0.351% of its share capital (see price-sensitive information disclosed to the CNMV on 13 May 2016).

The maximum number of company shares that could be earned by each beneficiary executive director under the plan was:

- Executive Chairman: 137,718 shares.
- Chief Executive Officer: 206,577 shares.
- General Manager of Television: 96,403 shares.

The maximum number of shares could only be earned if the extent of achievement of the financial targets under the plan reached 200%. The financial targets in this plan refer to 2016, 2017 and 2018. The financial statements for 2016, 2017 and 2018 were approved by the shareholders at the respective Annual General Meetings, without any qualifications, objections or changes.

50% of the shares finally attributed to each executive director were delivered in April 2019, after the 2018 financial statements were approved at a General Meeting. The remaining 50% is due in the first four months of 2020, as the requirement for directors to remain in office until year-end 2019 was satisfied.

Considering the extent of achievement of the financial targets under the plan, the executive directors earned the right to the total number of shares of Atresmedia Corporación indicated below, finally accounting for 33.6% of the maximum possible award.

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

III.- CLAWBACK OF VARIABLE REMUNERATION

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

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

- Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the event of defined benefit systems, the conditions under which economic rights are consolidated for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director.

* State if the accrual or consolidation of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

There are no long-term savings plans for directors.

- Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of remuneration.

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

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

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

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

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

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

(b) For contract termination and change of shareholders: In the event the executive director's contract is terminated unilaterally by the company without the executive director having committed any serious and culpable breach (of his duties as director or contractual obligations) justifying the termination, the executive director will be entitled to severance pay equal to one gross year of total salary (fixed and variable remuneration in cash received in the last twelve (12) months).

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

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

- State the conditions that contracts should respect for those exercising senior management functions as executive directors. Among others, information should be provided on the duration, limits on amounts of severance pay, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to hiring bonuses, compensation and golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, permanence and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

The Executive Chairman has a permanent contract, although it terminates if he resigns from this position, for any reason, without giving rise to the award of any type of severance pay. Either party may decide to terminate the contract early, with three months' notice (which may be replaced, in whole or in part, by cash compensation equivalent to the remuneration for that period of notice) and without any additional requirement or compensation for termination.

The other two executive directors' contracts are permanent. The remaining issues are addressed in the preceding section.

- The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post.

The proprietary director Mauricio Casals Aldama provides regular advisory services to the Atresmedia Group other than the services inherent in his position as director. The amount of fees payable in 2020 in this connection is estimated at EUR 598,000.

- Other remuneration items or by-products, as the case may be, of the company granting the director advance payments, loans, guarantees or any other remuneration.

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

- The nature and estimated amount of any other planned supplementary remuneration accrued by directors in the year in progress that are not included in the previous sections, whether payment is satisfied by the company or another group company.

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

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

- A new policy or a modification of the policy already approved by the General Meeting.
- Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.

- Proposals that the board of directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and which are proposed to be applicable to the current year.

In 2019, assisted by the law firm Cuatrecasas as an independent legal advisor, we redesigned the company's director remuneration policy to ensure full compliance with prevailing laws and regulations and alignment with corporate governance best practices and recommendations.

At the General Meeting held in 2019, the shareholders decided:

1. To amend the Company's Bylaws regarding director remuneration.
2. To adopt a new director remuneration policy applicable in 2019, 2020 and 2021.

The shareholders also approved an alteration of the Board Regulations to bring them into line with the new Bylaws. The contracts for professional services with the three executive directors (Executive Chairman, Chief Executive Officer, General Manager of Television) were also modified accordingly.

The remuneration policy approved at the 2019 General Meeting mostly continues the previous policy (which ended early), but introduces some technical improvements and changes:

- a) To bring the remuneration model for the Executive Chairman of the Board into line with the system applied to the company's executive directors, which consists of fixed remuneration and a bonus (linked to EBITDA performance).
- b) To specify the model of remuneration in kind applicable to executive directors, including life and disability insurance policies and health coverage.
- c) To abolish the time limit of two years from the date the contract is signed for the application of the indemnity due to executive directors entitled to it, while specifying the cases that give rise to the indemnity, the grounds (including change of control of the company) and the amount: two years of total remuneration (fixed remuneration and cash bonuses received in the last twenty-four months).
- d) To review the post-contractual non-competition undertaking, which, if applicable, will be for a period of one year after the termination of the contract, with compensation equal to the last annual remuneration received by the director (fixed remuneration and cash bonuses received in the last twenty-four months). The application of this undertaking is at the discretion of the company, depending on its assessment of whether or not there is an effective competing industrial or commercial interest.
- e) To provide for potential extraordinary remuneration for executive directors at the initiative of the Board in exceptional cases, with the maximum limit of the director's annual fixed remuneration.

At the time of approval of this 2019 remuneration report, the Board of Directors had not analysed any reform of the current remuneration policy for directors. The policy currently in force includes a long-term incentive plan with delivery of shares, the practical application of which has already been discontinued (since it ended with the 2018 financial statements) although it will be implemented (through the delivery of treasury shares to executive directors with entitlements) in 2019 (50% of the shares) and 2020 (the remaining 50%). Consequently, there is currently no long-term variable remuneration plan for directors and there is no provision for this in the current remuneration policy.

- A.3.** Identify the direct link to the document where the current company remuneration policy is posted, which must be available on the web page of the company.

<https://www.atresmediacorporacion.com/gobierno-corporativo/politicas-corporativas>

- A.4.** Explain, taking into account the data provided in Section B.4, the outcome of voting, of a consultative nature, by shareholders at the General Shareholders' Meeting on the annual report on remuneration for the previous year.

The outcome of the consultative vote on the Annual Report on the Remuneration of Directors for 2018 was that a majority of shareholders in attendance or represented at the General Meeting held on 24 April 2019, at first call, voted in favour of the report.

Specifically, 95.328% of share capital presented or represented at the General Meeting voted in favour of this annual report, 4.658% against, and 0.014% abstained.

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED

- B.1.** Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and, as the case may be, the identity and the role of the external advisors whose services have been used in the process to apply the remuneration policy in the year ended.

There were no significant changes in 2019 in how the director remuneration policy, approved at the 2019 General Meeting, was applied in the Company requiring the involvement of the Appointments and Remuneration Committee or the Board of Directors beyond the verification, control and monitoring of the existing policy, including the new contracts with the three executive directors, which were brought into alignment with the new remuneration policy. There was also no need to engage an external advisor in this respect.

The current remuneration policy was approved at the 2019 General Meeting for an initial period of three (3) years.

- B.2.** Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adapting them to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to guarantee that the long-term results of the company have been taken into consideration in the remuneration accrued and that a suitable balance has been attained between the fixed and variable components of the remuneration, the measures that have been adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and the measures that have been adopted to avoid conflicts of interest, if appropriate.

The system of variable remuneration in cash for directors applied in the company is linked directly and exclusively to EBITDA each year so it is aligned with the interests of shareholders, preventing exposure to excessive risks requiring additional or complementary control measures. Furthermore, the accrual of 50% of this variable remuneration is subject, as already explained, to fulfilment of the requirement for executive directors to remain in office for an additional year, thus reinforcing their commitment to the company's long-term objectives and interests.

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

In addition, the company's shareholder structure provides a natural hedge against the potential assumption of excessive risks by the management team. The existence of two main shareholders with combined ownership of 60.86% of the share capital and total representation of six (6) proprietary directors (one of whom, the Chairman, is also an executive director) of out twelve (12) directors is a key element for ensuring that the long-term vision and strategy outweigh the potential risks of an excessively short-term approach. The composition of the Executive Committee should also be highlighted: the two main shareholders have a representation of three (3) proprietary directors (with one of them, the Chairman, also having the status of executive director) out of a total of five (5) directors. The lead independent director is a member of the Committee; hence the only Committee member who is an executive director in a strict and unqualified sense is the Chief Executive Officer.

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

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

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

B.3. Explain how the remuneration accrued over the year meets the provisions contained in the current remuneration policy.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as the case may be, how the variations in the performance of the company have influenced changes in the remuneration of directors and how the latter contribute to the short- and long-term results of the company.

Remuneration accrued in 2019 by the executive directors was in accordance with the remuneration policy in force, with both fixed and variable elements being aligned to the policy in terms of amount and reason for accrual.

I. EXECUTIVE CHAIRMAN

The cash remuneration accrued by the executive chairman in 2019 must be differentiated into two periods and systems as a result of inclusion in the remuneration model for executive directors under the director remuneration policy approved at the General Meeting held on 24 April 2019, which has therefore been in force since that date.

Until that time, the chairman received the items and amounts indicated below:

- Remuneration as chairman of the board of directors: EUR 136,759.67
- Fixed remuneration as a member of the executive committee: EUR 16,666.67
- Attendance fees for executive committee meetings: EUR 10,000
- Fixed remuneration as a director: 8,333.33
- Board attendance fees: EUR 8,000 TOTAL: EUR 179,759.67

As from May 2019, the cash remuneration accrued for the performance of his duties as executive chairman was as follows:

- Fixed remuneration: EUR 273,333.36
- Variable remuneration for achievement of the financial targets relating to profit performance in 2019: (i) 106,381.34 (equivalent to 50% of the bonus), which he will receive in the first quarter of 2020, and (ii) a further 106,381.34 (the remaining 50% of the bonus), which he will receive in the first quarter of 2021, provided that he remains in office on 31 December 2020.

TOTAL: 486,096.05

In addition, the executive chairman received a total of 23,171 Atresmedia shares, representing 50% of the shares allocated under the share-based variable remuneration plan once the extent of achievement was determined of the financial targets established in the plan. The remaining 50%, or 23,170 shares, will be delivered in February 2020, since the requirement to remain in office until 31 December 2019 has been met.

II. CHIEF EXECUTIVE OFFICER

The total cash remuneration accrued in 2019 by the Chief Executive Officer was:

- Fixed remuneration: EUR 1,100,000
- Remuneration in kind (life and health insurance): EUR 20,276.32
- Variable remuneration for achievement of the financial targets relating to profit performance in 2019: (i) EUR 428,120 (equivalent to 50% of the bonus), which he will receive in the first quarter of 2020, and (ii) a further EUR 428,120 (the remaining 50% of the bonus), which he will receive in the first quarter of 2021, provided that he remains in office on 31 December 2020.

In addition, the Chief Executive Officer received a total of 34,756 Atresmedia shares, representing 50% of the shares allocated under the share-based variable remuneration plan once the extent of achievement was determined of the financial targets established in the plan. The remaining 50%, or 34,756 shares, will be delivered in February 2020, since the requirement to remain in office until 31 December 2019 has been met.

III. GENERAL MANAGER OF TELEVISION

The General Manager of Television was appointed by the shareholders at the General Meeting held on 24 April 2019. Therefore, this report does not include the remuneration received by Mr Bardají in 2019 before that appointment, since he was not a director of the company until that time.

The cash remuneration accrued, as from May 2019, by the General Manager of Television was as follows:

- Fixed remuneration: EUR 433,333.36
- Remuneration in kind (life and health insurance): EUR 5,663.11
- Variable remuneration for achievement of the financial targets relating to profit performance in 2019: (i) EUR 428,120 (equivalent to 50% of the bonus), which he will receive in the first quarter of 2020, and (ii) a further EUR 428,120 (the remaining 50% of the bonus), which he will receive in the first quarter of 2021, provided that he remains in office on 31 December 2020.
- In addition, the General Manager of Television received a total of 16,220 Atresmedia shares, representing 50% of the shares allocated under the share-based variable remuneration plan once the extent of achievement was determined of the financial targets established in the plan. The remaining 50%, or 16,219 shares, will be delivered in February 2020, since the requirement to remain in office until 31 December 2019 has been met.
- The fact that a large portion of variable remuneration (50%) is specifically linked to the executive director staying at the company reinforces executive's intention to remain and commitment to the strategic objectives of Atresmedia Corporación in the medium and long term, guiding his or her performance in an appropriate and competitive way in the interests of the company.

B.4. Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes against that may have been cast:

	Number	% of total
Votes cast	176,597,281	78.23

	Number	% cast
Votes against	8,225,386	4.66
Votes in favour	168,347,241	95.33
Abstentions	24,654	0.01

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

The fixed components accrued by the directors (excluding for performing executive duties or advisory or specific duties by the director not inherent in the position) in 2019 did not change with respect to the thirteen (13) previous years (from April 2006), and, therefore, they have the same system, comprising fixed remuneration for membership of management organs and per diem allowances for attending meetings, in accordance with the following amounts:

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

In 2019, the Executive Committee and the Board of Directors held eleven (11) meetings; the Audit and Control Committee held five (5) meetings, and the Appointments and Remuneration Committee held three (3) meetings.

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

In 2019, the salaries due to the three executive directors were determined in accordance with the current remuneration policy and with their respective contracts.

Consequently, in the case of the Executive Chairman, his remuneration model was brought into line with that of the other executive directors. After the new remuneration policy was approved (at the General Meeting in April 2019), he no longer received the remuneration he formerly earned for his membership of the Board and the Executive Committee (fixed remuneration and attendance fees), and from that time onwards he comes under the ordinary system of variable remuneration, which, as mentioned earlier, is linked to the Group's annual consolidated EBITDA target and to remaining at the company. Hence, in 2020, the Chairman will receive 50% of this ordinary variable remuneration for 2019 and the remaining 50% will be received in the first quarter of 2021, if he remains in office on 31 December of the year following the reference year for this variable remuneration, i.e. 31 December 2020.

No event has occurred triggering severance indemnities for any executive director

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

In particular:

- Identify each one of the remuneration plans that have determined the different types of variable remuneration accrued by each of the directors in the year ended, including information on their scope, their date of approval, their date of incorporation, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the period necessary to be in a position to suitably measure all the conditions and criteria stipulated.

In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (consolidation) and to exercise these options or financial instruments, including the price and term to exercise them.

- Each one of the directors, together with their category (executive directors, proprietary external directors, independent external directors and other external directors), that are beneficiaries of remunerations systems or plans that include variable remuneration.
- As the case may be, information is to be provided on periods for the accrual or deferment of payment applied and/or the periods for withholding/unavailability of shares or other financial instruments, if they should exist.

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

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

No additional variable remuneration system is currently in force, although in 2019 and 2020 the plan approved at the 2016 General Meeting continues to be implemented. The three executive directors (the Chairman, the Chief Executive Officer and the General Manager of Television) are the only beneficiaries of long-term variable remuneration consisting of the delivery of treasury shares.

As explained previously, in 2019, the Chief Executive Officer also received annual variable remuneration in cash for the results obtained in 2017, entailing a percentage of his fixed remuneration and linked to the target EBITDA. Entitlement, in terms of 50% of the amount, is subject to an additional requirement of continuing to perform his duties for a year and, accordingly, is settled during the year after the reference year for the EBITDA achieved. He also received variable remuneration in cash for the results obtained in 2018, equal to a percentage of his fixed remuneration and linked to the EBITDA target.

The General Manager of Television also received variable remuneration in cash in 2019 for the results obtained in 2017, equal to a percentage of his fixed remuneration and linked to the EBITDA target. Entitlement, in terms of 50% of the bonus, is subject to an additional requirement of continuing to perform his duties for a year and, accordingly, is settled during the year after the reference year for the EBITDA

achieved. He also received variable remuneration in cash for the results obtained in 2018, equal to a percentage of his fixed remuneration and linked to the EBITDA target. We highlight that prior to his appointment as an executive director of the company, Mr Bardají already held the position of General Manager of Television and was therefore included in the variable remuneration system for senior managers, although the variable remuneration accrued for the performance of that position, which is prior to his appointment as an executive director, is outside the scope of this report, even though it was paid in 2019.

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

No long-term remuneration system was in force in 2019.

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

The data for 2017 and 2018 used to determine the ordinary variable remuneration paid in 2019 were approved by shareholders at the General Meeting and by the external auditor, without uncovering any clear inaccuracy. Therefore, the circumstances did not arise requiring the hypothetical application of the contractual clawback clauses.

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

B.9. Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions to consolidate economic rights for directors and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the director.

There are no plans with these characteristics.

B.10. Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract in the terms provided for therein, accrued and/or received by directors during the year ended.

No payment of this type was made in 2019.

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

In 2019, the contracts with the three executive directors were adapted to the new remuneration policy approved at the General Meeting held in 2019, as explained elsewhere in this report.

B.12. Explain any supplementary remuneration accrued by directors as consideration for services rendered outside of their post.

See section A.1.

B.13. Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, their key characteristics and the amounts eventually returned, as well as the obligations taken on by way of guarantee or collateral.

There is no remuneration of this type.

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

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

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

B.15. Explain the remuneration accrued by directors by virtue of payments settled by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

There is no remuneration of this type.

B.16. Explain any other items of remuneration other than those mentioned in the previous sections, whatever their nature or the group company that settles the payment, particularly when this is a related operation or its settlement distorts the true image of the total remuneration accrued by the director.

There are no other items of remuneration.

C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in 2019
JOSÉ CREUHERAS MARGENAT	Executive Chairman	From 01/01/2019 to 31/12/2019
SILVIO GONZÁLEZ MORENO	Chief Executive Officer	From 01/01/2019 to 31/12/2019
JAVIER BARDAJÍ HERNANDO	Executive Director	From 24/04/2019 to 31/12/2019
MAURICIO CASALS ALDAMA	Proprietary Director	From 01/01/2019 to 31/12/2019
AURORA CATÁ SALA	Independent Director	From 01/01/2019 to 31/12/2019
MARCO DRAGO	Proprietary Director	From 01/01/2019 to 31/12/2019
MARÍA ENTRECANALES FRANCO	Independent Director	From 01/01/2019 to 31/12/2019
PATRICIA ESTANY PUIG	Independent Director	From 01/01/2019 to 31/12/2019
CARLOS FERNÁNDEZ SANCHIZ	Independent Director	From 01/01/2019 to 31/12/2019
ELMAR HEGGEN	Proprietary Director	From 01/01/2019 to 31/12/2019
MÓNICA RIBÉ SALAT	Independent Director	From 01/01/2019 to 31/12/2019
NICOLAS DE TAVERNOST	Proprietary Director	From 01/01/2019 to 31/12/2019
MAURIZIO CARLOTTI	Other External Director	From 01/01/2019 to 24/04/2019

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

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board committee(s)	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other items	Total in 2019	Total in 2018
JOSÉ CREUHERAS MARGENAT	8	18	17	410	213				666	527
SILVIO GONZÁLEZ MORENO				1,099	856			1	1,956	1,866
JAVIER BARDAJÍ HERNANDO				433	508				941	
MAURICIO CASALS ALDAMA	25	28						593	646	637
AURORA CATÁ SALA	25	34							59	59
MARCO DRAGO	25	45	50						120	120
MARÍA ENTRECANALES FRANCO	25	36							61	61
PATRICIA ESTANY PUIG	25	50	50						125	127
CARLOS FERNÁNDEZ SANCHIZ	25	30							55	31
ELMAR HEGGEN	25	8							33	39
MÓNICA RIBÉ SALAT	25	38							63	61
NICOLAS DE TAVERNOST	25	40	50						115	124
MAURIZIO CARLOTTI	58	18	17						93	605

Remarks

Maurizio Carlotti stepped down as a director of the company on 24 April 2019.

Javier Bardají Hernando, the Head of Atresmedia Televisión, became an executive director of the company on 24 April 2019. His remuneration up to that date is disclosed in section C.1.14 of the Annual Corporate Governance Report (IAGC 2019) as remuneration earned by members of senior management who are not also executive directors.

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

Name	Name of Plan	Financial instruments at start of 2019		Financial instruments granted in 2019		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of 2019	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/consolidated	Price of the consolidated shares	Gross profit from consolidated shares or financial instruments (EUR thousand)	No. of instruments	No. of instruments	No. of equivalent shares
JOSÉ CREUHERAS MARGENAT	2016 share-based plan	137,718	137,718			23,171	23,171	4.20	97	91,376		
JOSÉ CREUHERAS MARGENAT	2016 share-based plan	137,718	137,718			23,170	23,170	3.47	81	91,376		
SILVIO GONZÁLEZ MORENO	2016 share-based plan	206,577	206,577			34,756	34,756	4.20	146	137,065		
SILVIO GONZÁLEZ MORENO	2016 share-based plan	206,577	206,577			34,756	34,756	3.47	121	137,065		
JAVIER BARDAJÍ HERNANDO	2016 share-based plan	96,403	96,403			16,219	16,219	3.47	56	63,963		
JAVIER BARDAJÍ HERNANDO	2016 share-based plan	96,403	96,403			16,220	16,220	4.20	68	63,963		

Remarks

See additional information in section D on the date of consolidation or vesting, price of the vested shares and gross profit on the shares.

ii) Long-term saving systems

Name	Remuneration from consolidation of rights to savings system
No data	

Name	Contribution over the year from the company (EUR thousand)				Amount of accumulated funds (EUR thousand)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	2019	2018	2019	2018	2019	2018	2019	2018
No data								

Remarks

iii) Detail of other item

Name	Item	Amount remunerated
SILVIO GONZÁLEZ MORENO	Health/life insurance	20
JAVIER BARDAJÍ HERNANDO	Health/life insurance	6

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

i) Remuneration accrued in cash (thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board committee(s)	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other items	Total in 2019	Total in 2018
No data										

Remarks

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

Name	Name of Plan	Financial instruments at start of 2019		Financial instruments granted in 2019		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of 2019	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/consolidated	Price of the consolidated shares	Gross profit from consolidated shares or financial instruments (EUR thousand)	No. of instruments	No. of instruments	No. of equivalent shares
No data												

Remarks

iii) Long-term saving systems

	Remuneration from consolidation of rights to savings system
No data	

Name	Contribution over the year from the company (EUR thousand)				Amount of accumulated funds (EUR thousand)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	2019	2018	2019	2018	2019	2018	2019	2018
No data								

Remarks

iv) Details of other items

Name	Item	Amount remunerated
No data		

Remarks

c) Summary of remunerations (thousand €):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director (thousand Euroarks

Name	Remuneration accrued in the company					Remuneration accrued in group companies				
	Total cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration from saving systems	Remuneration for other items	Total 2019 company	Total cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration from saving systems	Remuneration for other items	Group total 2019
JOSÉ CREUHERAS MARGENAT	666	178			844					
SILVIO GONZÁLEZ MORENO	1,956	267		20	2,243					
JAVIER BARDAJÍ HERNANDO	941	124		6	1,071					
MAURICIO CASALS ALDAMA	646				646					
AURORA CATÁ SALA	59				59					
MARCO DRAGO	120				120					
MARÍA ENTRECANALES FRANCO	61				61					
PATRICIA ESTANY PUIG	125				125					
CARLOS FERNÁNDEZ SANCHIZ	55				55					
ELMAR HEGGEN	33				33					
MÓNICA RIBÉ SALAT	63				63					
NICOLAS DE TAVERNOST	115				115					
MAURIZIO CARLOTTI	93				93					
TOTAL	4,933	569		26	5,528					

D. OTHER INFORMATION OF INTEREST

If there are any relevant issues relating to directors' remuneration that you have not been able to address in the previous sections of this report, but which are necessary to provide more comprehensive and fully reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly

The tables in section C.1 a) ii on share-based remuneration systems and the table in section C.1 c), which summarises the remuneration accrued in the year, were completed in accordance with the instructions for this report. Hence "Price of the consolidated shares in the year" is the average trading price on the date of accrual, which forms the basis of calculation of the "Gross profit on the consolidated shares or financial instruments".

On 24 April 2019, 50% of beneficiaries' entitlement to receive the first tranche of shares under the Plan became vested. The shares were delivered to the beneficiaries on 26 April 2019, with a market closing price that day for Atresmedia of EUR 4.65 per share. The number of shares delivered to each director and their value, calculated at this unit price per share of EUR 4.65, are indicated below.

JOSÉ CREUHERAS MARGENAT: 23,171 shares (total value of shares delivered EUR 108 thousand)
SILVIO GONZÁLEZ MORENO: 34,756 shares (total value of shares delivered EUR 162 thousand)
JAVIER BARDAJÍ HERNANDO: 16,220 shares (total value of shares delivered EUR 75 thousand)

On 31 December 2019, 50% of beneficiaries' entitlement to receive the second and final tranche of shares under the Plan became vested. Delivery of the shares is scheduled for 27 February 2020. Consequently, the information on the closing market price of the share on that date, which is subsequent to the approval of this report, will be included in the Annual Director Remuneration Report for 2020 ("IARC 2020").

This annual remuneration report has been approved by the Board of Directors of the company on:

26/02/2020

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

☐ Yes
☒ No