



ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

ISSUER IDENTIFICATION

YEAR END DATE 31/12/2019

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

☒ 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	
RTL GROUP, S.A.	0.00	18.65	0.00	0.00	18.65
GRUPO PLANETA DE AGOSTINI, S.L.	0.00	41.70	0.00	0.00	41.70

Breakdown of the indirect holding:

Name of indirect shareholder	Name of direct 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

On 10 December 2019, IMAGINA MEDIA AUDIOVISUAL, S.A. announced the transfer of all the voting rights of Atresmedia Corporación de Medios de Comunicación, S.A. (Register no. 2019132575).

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
JOSÉ CREUHERAS MARGENAT	0.01	0.00	0.01	0.00	0.02	0.00	0.00
SILVIO GONZÁLEZ MORENO	0.02	0.00	0.02	0.00	0.03	0.00	0.00
JAVIER BARDAJÍ HERNANDO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	0.05
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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
JOSÉ CREUHERAS MARGENAT	GRUPO PLANETA DE AGOSTINI, S.L.	PLANETA CORPORACIÓN, S.R.L.	Chairman of the Board of Directors
JOSÉ CREUHERAS MARGENAT	GRUPO PLANETA DE AGOSTINI, S.L.	GRUPO PLANETA DE AGOSTINI, S.L.	Director
CARLOS FERNÁNDEZ SANCHIZ	GRUPO PLANETA DE AGOSTINI, S.L.	PLANETA CORPORACIÓN, S.R.L.	Executive Deputy Chairman
CARLOS FERNÁNDEZ SANCHIZ	GRUPO PLANETA DE AGOSTINI, S.L.	GRUPO PLANETA DE AGOSTINI, S.L.	Chairman of the Board of Directors (as representative of PLANETA CORPORACIÓN, S.L.)
CARLOS FERNÁNDEZ SANCHIZ	GRUPO PLANETA DE AGOSTINI, S.L.	EDITORIAL PLANETA DE AGOSTINI, S.A.	Executive Chairman
MARCO DRAGO	GRUPO PLANETA DE AGOSTINI, S.L.	GRUPO PLANETA DE AGOSTINI, S.L.	Deputy Chairman of the Board of Directors
MAURICIO CASALS ALDAMA	GRUPO PLANETA DE AGOSTINI, S.L.	AUDIOVISUAL ESPAÑOLA 2000, S.A.	Manager
ELMAR HEGGEN	RTL GROUP, S.A.	RTL GROUP, S.A.	Deputy Chief Executive Officer
ELMAR HEGGEN	RTL GROUP, S.A.	MÉTROPOLE TÉLÉVISION, S.A. (M6)	Chairman of the Supervisory Board

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
ELMAR HEGGEN	RTL GROUP, S.A.	UFA FILM UND FERNSEH, GMBH	General Manager
NICOLAS DE TAVERNOST	RTL GROUP, S.A.	RTL GROUP, S.A.	Member of the Operations Management Committee
NICOLAS DE TAVERNOST	RTL GROUP, S.A.	BERTELSMANN, A.G.	Member of the Executive Committee

See Section C.1.3 for the proprietary directors and the significant shareholder who proposed their appointment. In the same section, the profile of each director includes information regarding positions held in other companies of the significant shareholder's group not included in this section because of its scant importance.

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 25/05/2005, Grupo Planeta de Agostini, S.L. (then Kort Geding, S.L.) announced a resolution to restructure the group, whereby the shareholders: (I) ratified the agreements signed in May 2003 with RTL (UFA Film); (II) stated their intention not to alter the arrangements for representation on the Board of Atresmedia individually through the acquisition of new shares; and (iii) made 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, PLANETA CORPORACIÓN, S.R.L.	60.34	On 29/10/2003, 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. concerning: 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 remuneration 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.	Not applicable.

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
673,126		0.30

(*) through:

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

Explain any significant changes during the year:

Explain significant changes

The Company updated its treasury shares voluntarily in a price-sensitive notification sent to the Spanish National Securities Market Commission (CNMV) on 6 May 2019, with entry number 2019058953.

Treasury shares went from representing 0.351% of the company's voting rights to 0.298% as a result of the delivery of shares to directors and managers on 26 April 2019 to implement the remuneration plan notified to the CNMV on 13 May 2016 (CNMV Register no. 2016063240).

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	39.35

- 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 Corporate By-laws may be amended 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:

Attendance data					
% remote voting					
Date of General Meeting	% physically present	By proxy	Electronic voting	Other	Total
24/04/2019	0.08	77.94	0.00	0.21	78.23
Of which, free float:	0.08	13.36	0.00	0.21	13.65

- 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 www.lasexta.com or the portal www.atresmedia.com.

In accordance with the Article 514 of the Spanish Companies Act, as amended by Law 11/2018, of 28 December, Atresmedia has made progress on compliance with the accessibility requirements of people with disabilities and senior citizens to guarantee equal treatment of shareholders. At 2019 General Meeting, support measures were adopt as required by this law, expanding the information provided by the shareholder's office with a 24-hour telephone line to answer FAQs submitted by shareholders starting from the call of the meeting. We went to great lengths to make the proposed resolutions and other documents related TO exercising shareholder rights available on the web in versions that were accessible by the visually impaired.

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 or company name of director	Representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
JOSÉ CREUHERAS MARGENAT		Executive	CHAIRMAN	16/06/2003	24/04/2019	RESOLUTION OF GENERAL MEETING
SILVIO GONZÁLEZ MORENO		Executive	CHIEF EXECUTIVE OFFICER	25/04/2007	24/04/2019	RESOLUTION OF GENERAL MEETING
PATRICIA ESTANY PUIG		Independent	LEAD INDEPENDENT DIRECTOR	22/04/2015	24/04/2019	RESOLUTION OF GENERAL MEETING
JAVIER BARDAJÍ HERNANDO		Executive	DIRECTOR	24/04/2019	24/04/2019	RESOLUTION OF GENERAL MEETING
MAURICIO CASALS ALDAMA		Proprietary	DIRECTOR	25/03/2009	24/04/2019	RESOLUTION OF GENERAL MEETING
AURORA CATÁ SALA		Independent	DIRECTOR	25/03/2009	24/04/2019	RESOLUTION OF GENERAL MEETING
MARCO DRAGO		Proprietary	DIRECTOR	16/03/2003	24/04/2019	RESOLUTION GENERAL MEETING

Name or company name of director	Representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
CARLOS FERNÁNDEZ SANCHIZ		Proprietary	DIRECTOR	18/04/2018	18/04/2018	RESOLUTION OF GENERAL MEETING
MARÍA ENTRECANALES FRANCO		Independent	DIRECTOR	25/03/2009	24/04/2019	RESOLUTION OF GENERAL MEETING
ELMAR HEGGEN		Proprietary	DIRECTOR	21/12/2005	18/04/2018	RESOLUTION OF GENERAL MEETING
MÓNICA RIBÉ SALAT		Independent	DIRECTOR	20/04/2016	20/04/2016	RESOLUTION OF GENERAL MEETING
NICOLAS DE TAVERNOST		Proprietary	DIRECTOR	29/10/2003	24/04/2019	RESOLUTION OF GENERAL MEETING

Total number of directors	12
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State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name or company name of director	Status of director upon departure	Director type at time of leaving	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
MAURIZIO CARLOTTI	Other non-executive	22/04/2015	24/04/2019	Maurizio Carlotti was Deputy Chairman and member of the Executive Committee.	NO

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 Deputy 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, Colombia's leading communications group. He is a member of the executive committee of CÁMARA OFICIAL DE COMERCIO, INDUSTRIA, SERVICIOS Y NAVEGACIÓN DE ESPAÑA (Spain's Chamber of Commerce) 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 FERRO FOUNDATION, of the FERRO FOUNDATION, founded by Dr José Baselga to pursue cancer research, and of FUNDACIÓN CAROLINA. He ATRESMEDIA's representative at the FUNDACIÓN AMIGOS DEL MUSEO NACIONAL CENTRO DE ARTE REINA SOFÍA and FAD (Spain's leading charity in the fight against drug addiction).</p>
SILVIO GONZÁLEZ MORENO	Chief Executive Officer	<p>Born in Madrid in 1957 and graduated in Economics from the University of Barcelona. 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. He is a trustee of FUNDACIÓN ATRESMEDIA and UNIPREX, S.A.U.'s (Onda Cero) representative of FAD.</p>

EXECUTIVE DIRECTORS		
Name or company name of director	Post in organisational chart of the company	Profile
JAVIER BARDAJÍ HERNANDO	General Manager of Televisión	<p>He has a degree in Information Sciences and a PhD in Communication from the the University of Navarre.</p> <p>He also completed the PADE (2015) and PDD (Class of 1994-1995) Management Programmes at IESE. He holds a degree in Strategic Marketing, awarded by ESADE (1991), and completed another undergraduate course in Accountancy and Finance at IESE (1993). Mr Bardají is usually involved in educational activities as associate lecturer of Audiovisual Companies at the School of Communication of the University of Navarra and as lecturer of the Master's Degree in Audiovisual Company Management, also in that university. He also teaches Structure of Audiovisual Systems at the Villanueva University School (attached to Universidad Complutense). He is a member of the TV Academy and the Advertising Academy Management Board and has written several works, including <i>"La gestión de la creatividad en TV: El caso Globomedia"</i> (Management of Creativity in TV: The Globomedia case") (Edit. Eunsa) and <i>"De Antena 3 a Atresmedia pasando por LaSexta"</i> (from "Antena 3 to Atresmedia through LaSexta"). (Edic. (Deusto)). He currently holds the position of General Manager at Atresmedia TV, with responsibilities in the audiovisual business (Antena 3, La Sexta, Neox, Nova, Mega, Atreseries and Atresplayer). He had been the General Manager of the Multimedia area until March 2010, being in charge of the Digital area, and he had previously been the Manager of Corporate Communications and Marketing of the ATRESMEDIA GROUP, fostering for the first time the establishment of Corporate Social Responsibility Policies within the Group, a measure that obtained broad social recognition and became fully integrated with the public and reputational image of the Group. He had previously been appointed Content Manager of the Group in 2003 and 2004, after the incorporation of Planeta de Agostini as reference shareholder of the company. He had previously worked at Grupo Vocento as Assistant General Manager of the Audiovisual Area, which included the TV production companies, the regional channels, Net TV -a digital TV network- and the radio station Punto Radio; he had also been the Publishing Co-ordination and Institutional Relationships Manager of that publishing group. In 2002 he was appointed Executive Chairman and Chief Executive Officer of ATLAS, a company of the MEDIASET GROUP in charge of the management of the news programmes broadcast by Tele 5, which operated as an audiovisual production company through the brand Salta TV, as well as an audiovisual news agency for third parties. Formerly, he had served as Assistant General Manager for Corporate Affairs at that Audiovisual group, an area which encompassed the Communications and Institutional relationships Division and the Surveys and Research Department of the Channel. He joined El Mundo (Unidad Editorial) in 1990 as Marketing Manager, and became involved in the launching of this newspaper, since its foundation and until 1995. He worked for a year in Italy, in the marketing area of the RCS Group, which is the owner of that paper.</p>

Total number of executive directors	3
Percentage of Board	25.00

PROPRIETARY DIRECTORS		
Name or company name of director	Name or company 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 TÉLÉVISION, 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: A.- 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 INTERATIONS, S.A.S., M6 FOOT SAS; (b) MÉTROPOLE TÉLÉVISION as director of C. PRODUCTIONS S.A., EXTENSION TV S.A.S., SOCIÉTÉ D'EXPLOITATION RADIO CHIC-SERC S.A. and SOCIÉTÉ DE DÉVELOPPEMENT de RADIO DIFFUSION-SODERA S.A., MEDIAMETRIE, S.A.; (c) MÉTROPOLE TÉLÉVISION as managing partner of SCI du 107, Avenue Charles de Gaulle, (d) C. PRODUCTION S.A. as director of M6 FILMS, S.A. (e) M6 PUBLICITÉ, S.A.S. as director of HOME SHOPPING SERVICE S.A., M6 DIFFUSION S.A., M6 EDITIONS S.A., M6 EVENEMENTS S.A.; B- in his own name: Chairman of SOCIÉTÉ NOUVELLE DE DISTRIBUTION S.A. and member of the Supervisory Board of SALTO GESTION 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.</p>
ELMAR HEGGEN	RTL GROUP, S.A.	<p>Born in 1968. He graduated in Business Administration from the European Business School and holds a Master of Business Administration in finance. He started his professional career in 1992, at the FELIX SCHOELLER GROUP, and subsequently became Deputy Chairman and General Manager of FELIX SCHOELLER DIGITAL IMAGING in the United Kingdom (1999). He joined the RTL GROUP CORPORATE CENTRE in 2000 as</p>

PROPRIETARY DIRECTORS		
Name or company name of director	Name or company name of the significant shareholder represented or that has proposed their appointment	Profile
		<p>Vice President in charge of Mergers & 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, Frankfurt, and Euronex - Brussels) assuming responsibilities for the M6 Group in France and RTL Belgium in 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 of the group, and is also responsible for the Group's Human Resources department, jointly with the Chairman Bert Habets. Other positions held at RTL Group related parties: Chairman of the Board of Directors of BROADCASTING CENTER EUROPE S.A. (Luxembourg); MÉDIA ASSURANCES S.A. (Luxembourg), 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); 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; General Manager of UFA FILM UND FERNSEH GMBH; Manager of RTL GROUP SERVICES GMBH, RTL GROUP VERMOGENSVERWALTUNG GMBH, RTL TELEVISION GMBH, RTL GROUP LICENSING ASIA GMBH, RTL GROUP DEUTSCHLAND GMBH and RTL GROUP CENTRAL AND EASTERN EUROPE GMBH. Other positions: director of REGUS, PLC. (listed company - London),</p>
MARCO DRAGO	GRUPO PLANETA DE AGOSTINI, S.L.	<p>Marco Drago was born in Settimo Torinese, in the province of Turin, in 1946. He graduated in Economics and Business Administration from the Università Bocconi in Milan in 1969. Later that year, he began his professional career when he joined the DE AGOSTINI GEOGRAPHICAL INSTITUTE. Since 1997 he has been the Chairman of de AGOSTINI SpA, the holding company of GRUPO DE AGOSTINI, one of Italy's largest family-run corporate groups. He was, in his capacity as Chief Executive Officer of the Publishing Group during the 80s and 90s, the driving force behind the extraordinary growth witnessed by the company 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</p>

PROPRIETARY DIRECTORS		
Name or company name of director	Name or company name of the significant shareholder represented or that has proposed their appointment	Profile
		media industry with GRUPO ATRESMEDIA, in Spain (jointly 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 S.P.A; Sole Administrator of BLU ACQUARIO PRIMA S.P.A; Deputy Chairman of GRUPO PLANETA DE AGOSTINI; Chairman of DE AGOSTINI, S.p.A; and Director of AGOSTINI EDITORE, S.p.A. and SAN FAUSTIN, S.A.
CARLOS FERNÁNDEZ SANCHIZ	GRUPO PLANETA DE AGOSTINI, S.L.	Carlos Fernández was born in Barcelona in 1958. He holds a Degree in Economics from the University of Barcelona. Professional Background: Sales Manager of INFORCASA (1982-1984), General Manager of INFORCASA (1984-1986), General Manager of RBA Revistas (1986-1991), General Manager of the Collectables Division of EDITORIAL PLANETA DEAGOSTINI, S.A. (1991-1993), General Manager 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). Currently, he is the Executive Deputy Chairman of PLANETA CORPORACIÓN, S.R.L., a position he has held since 2015, and he also holds the following posts in companies belonging to Grupo PLANETA: Chairman of GRUPO PLANETA DE AGOSTINI, S.L. (acting as representative of PLANETA CORPORACIÓN, S.R.L.); Executive Chairman of DEAPLANETA S.L and EDITORIAL PLANETA DEAGOSTINI S.A.U; Joint and Several Administrator of PLANETA SISTEMAS FORMACION S.L., PLANETA FABRIK VENTURES S.L., PROFESSIONAL DIRECT SALES SL., MIREN 2015 S.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., PLANETA NATHAN BRASIL S.L., LEEMUR STORIES, S.L., PLANETA DE AGOSTINI FORMACION Y UNIVERSIDADES HOLDING, S.L. and TUSQUETS EDITORES, S.A., and member of the Board of Directors of LOGISTA LIBROS S.L.
MAURICIO CASALS ALDAMA	GRUPO PLANETA DE AGOSTINI, S.L.	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

PROPRIETARY DIRECTORS		
Name or company name of director	Name or company name of the significant shareholder represented or that has proposed their appointment	Profile
		he is also a member of the Board of Directors of Atresmedia Corporación. He is a trustee of FUNDACIÓN TERESA DE ÁVILA and, as representative of LA RAZÓN, a member of the Board of Trustees of FAD and of the ESCUELA SUPERIOR DE MÚSICA REINA SOFÍA.

Total number of proprietary directors	5
Percentage of Board	41.67

INDEPENDENT DIRECTORS	
Name or company name of director	Profile
PATRICIA ESTANY PUIG	Patricia Estany was born in Barcelona in 1962. She holds a degree in business administration and an MBA from ESADE, and also completed a PIM (International Management Program) at the HEC Paris school, as well as an AMP (Advanced Management Program) at the Harvard Business School. She began her professional career at ANDERSEN CONSULTING, in their Paris office, in 1985. From 1997 to 2004, she led the internationalisation and restructuring of a range of family-owned businesses to which she was related. She has 25 years of international experience in the financial sector, and has held senior positions in different companies, including LOMBARD ODIER (2008-2010), CONSULNOR CATALUNYA (2005-2008) and CREDIT LYONNAIS, both in New York and London (1988-1993). She is the current Managing Director of J.P. MORGAN INTERNATIONAL UD., a company which she joined in Spain in 2010 to give momentum to the Private Banking business, after having worked in London for J.P. MORGAN (1993-1996) in the investment banking area as Head of Structured Financing (Capital Markets) 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-president (2003-2007) and member of the 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).
MÓNICA RIBÉ SALAT	She holds a degree in law from the Universidad de Barcelona and a master's degree in marketing from ESADE. 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, and has been 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

INDEPENDENT DIRECTORS	
Name or company name of director	Profile
	of insurance brokers. She is a member of YPO – Young President’s Organisation and a trustee of the Fundació Catalana de l’Esport and Círculo de Economía.
AURORA CATÁ SALA	She holds a degree in industrial engineering and was awarded an MBA by IESE. Ms. Catá began her professional career in the financial sector, firstly in BANK OF AMERICA and subsequently, as Finance Manager of NISSAN MOTOR IBÉRICA, until she was appointed General Manager of RTVE in Catalonia in 1996. Later, she held the positions of Managing Director of PLANETA 2010 and General Manager of Recoletos Grupo de Comunicación since 2003 and until RECOLETOS was purchased by RCS, when she was appointed General Manager of UNIDAD EDITORIAL SOCIEDAD DE REVISTAS and took charge of the Development Area of the RCS GROUP in Latin America. Currently, she is one of the partners of SEELIGER Y CONDE, a firm she joined in 2008 as head of the Technology, Media and Telecommunications (TMT) and Pharmaceutical Industry areas. She is also a director of BANCO DE SABADELL, S.A., and member of the executive committees of Agrupación de Antiguos Alumnos del IESE (IESE alumni association) and BARCELONA GLOBAL.
MARÍA ENTRECANALES FRANCO	María Entrecanales Franco graduated in Law from the Universidad Complutense and holds a Master’s Degree in International Law (Hons.) from the London School of Economics and a Master’s Degree in Managerial Positions in NGOs from ESADE 2000. Co-founder and honorary chair of the Fundación Balia por la Infancia, founded in 2001. In 2011 she 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 Balia 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 FUNDACIÓN MACBA (MUSEO DE ARTE CONTEMPORÁNEO de Barcelona) and sits on the advisory board of FUNDACIÓN ARCO. In 2011 she was awarded the national woman executive prize in the "solidarity and humanitarian action" category.

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			
<p>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:</p>			
Name or company name of director	Reason	Company, director or shareholder to whom the director is related	Profile
No data			

Total number of other external directors	N/A
Percentage of Board	N/A

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

Name or company 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			
	2019	2018	2017	2016	2019	2018	2017	2016
Executive					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	4	4	4	4	100.00	100.00	100.00	100.00
Other external					0.00	0.00	0.00	0.00
Total	4	4	4	4	33.33	33.33	30.77	30.77

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, as explained previously.

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 women directors represented 33.33% of the total Board. This percentage was maintained in 2019.

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 of Directors 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 2019, the Committee supervised and reported favourably on the changes that took place in the company's Board approved by shareholders at the General Meeting held on 24 April 2019, as follows:

1. Appointment of Javier Bardají Hernando as executive director of the Company, for a period of four years.
2. Re-election of Mauricio Casals Aldama as director of the Company, for a period of four years, as proprietary director proposed by the shareholder GRUPO PASA CARTERA, S.A.U. (sole-shareholder subsidiary of GRUPO PLANETA DE AGOSTINI, S.L.).
3. Re-election of Aurora Catá Sala as director of the Company, for a period of four years, as independent director.
4. Re-election of José Creuheras Margenat as director of the Company, for a period of four years, as executive director, without prejudice to his representation of the shareholder GRUPO PASA CARTERA, S.A.U. (sole-shareholder subsidiary of GRUPO PLANETA DE AGOSTINI, S.L.).
5. Re-election of Marco Drago as director of the Company, for a period of four years, as proprietary director proposed by the shareholder GRUPO PASA CARTERA, S.A.U. (sole-shareholder subsidiary of GRUPO PLANETA DE AGOSTINI, S.L.).
6. Re-election of María Entrecañales France as director of the Company, for a period of four years, as independent director.
7. Re-election of Patricia Estany Puig as director of the Company, for a period of four years, as independent director.
8. Re-election of Silvio González Moreno as director of the Company, for a period of four years, as executive director.
9. Re-election of Nicolas de Tavernost as director of the Company, for a period of four years, as proprietary director proposed by the shareholder UFA FILM UND FERNSEH, GMBH (a member of RTL Group).

The only director appointed at the 2019 General Shareholders' meeting (the others were re-elected) was the executive director Javier Bardají, who currently holds the position of General Manager of Atresmedia Televisión. The Committee considered that the addition of Mr. Bardají as executive director strengthened its capacity for analysis and future decision-making at a particularly challenging time brought on by the profound transformation of private commercial television.

The Appointments and Remuneration Committee also evaluated the skills, knowledge and experience of candidates proposed by the Board of Directors (on a request by significant shareholders) for re-election as proprietary directors. It concluded that all met the personal and professional requirements to hold the position according to their professional profiles, thereby ensuring the Company's direct and continuous knowledge. They contribute additional qualifications linked to the continuity of the Atresmedia Group's operations and the appropriate dedication to the requirements of the position.

Following the adoption of the aforementioned resolutions by the General Meeting and considering the end of Maurizio Carloti's term of office as director and the existing number of directors at the time of the meeting, the Board of Directors is now composed of twelve (12) directors. This is the number set at the 2018 General

Shareholders' Meeting and is within the limits set out in the Corporate By-laws. Three (3) are executive, five (5) are proprietary (representing shareholders with the highest percentages of ownership) and four (4) are independent. 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.

The Company included in the consolidated management report for the 2019 annual financial statements (to be submitted for approval by the Board of Directors on the same date as this corporate governance report) a non-financial statement in response to the requirements established in *Ley 11/2018* of 28 December 2018 on non-financial information 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 non-financial statement includes the results of applying the diversity principles of this policy, using standard 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 of Directors the appointment of Mónica Ribé Salat as independent director and prepared a supporting report that, 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.

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 or company 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	The Board of Directors has delegated to the Executive Committee all the powers except those that cannot be delegated by law or in accordance with the Corporate By-laws. Atresmedia has a protocol governing the prior involvement of the Executive Committee in matters other than those that expressly correspond to the Board of Directors exclusively and without the possibility of delegation when certain decisions must be taken that are considered to be of special relevance due to their amount, the potential impacts on the Group's business or public image, their greater complexity, the strategic consideration of their effects, their impact on financial markets, the involvement of directors or core shareholders in the business to which the decision relates, the likely corporate impact of what is decided, etc.

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 or company name of director	Name of group member	Post	Does the director have executive powers?
SILVIO GONZÁLEZ MORENO	ANTENA 3 TELEVISION DIGITAL TERRESTRE DE CANARIAS, S.A.U.	Representative of the sole director (UNIPREX)	YES
SILVIO GONZÁLEZ MORENO	ATRESMEDIA MÚSICA, S.L.U.	Representative of the sole director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	UNIPREX, S.A.U.	Representative of the sole director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	MÚSICA APARTE, S.A.U.	Representative of the sole director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	ATRESMEDIA STUDIOS, S.L.U.	Representative of the sole director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	ATRESMEDIA CINE, S.L.U.	Representative of the sole director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	ATRES ADVERTISING, S.L.U.	Representative of the sole director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	ANTENA 3 MULTIMEDIA, S.L.U.	Representative of the sole director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	UNIPREX TELEVISIÓN, S.L.U.	Representative of the sole director (UNIPREX)	YES
SILVIO GONZÁLEZ MORENO	INVERSIÓN Y DISTRIBUCIÓN GLOBAL DE CONTENIDOS, S.L.U.	Representative of the sole director (UNIPREX)	YES
SILVIO GONZÁLEZ MORENO	UNIPREX TELEVISIÓN DIGITAL TERRESTRE DE ANDALUCÍA, S.L.	Representative of the sole director (UNIPREX)	YES
SILVIO GONZÁLEZ MORENO	SMARTCLIP HISPANIA, S.L.U.	Representative of the sole director (ATRES ADVERTISING)	YES
SILVIO GONZÁLEZ MORENO	ANTENA 3 NOTICIAS, S.L.U.	Representative of the sole director (ATRESMEDIA)	YES

SILVIO GONZÁLEZ MORENO	6&M PRODUCCIONES Y CONTENIDOS AUDIOVISUALES, S.L.U.	Representative of the sole director (ATRESMEDIA)	YES
SILVIO GONZÁLEZ MORENO	SMARTCLIP LATAM, S.L.	Representative of the sole director (ATRES ADVERTISING)	YES
SILVIO GONZÁLEZ MORENO	ATRESMEDIA CAPITAL, S.L.U.	Representative of the sole director (ATRESMEDIA)	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 or company name of director	Name of listed company	Post
AURORA CATÁ SALA	Banco de Sabadell, S.A.	DIRECTOR
MARCO DRAGO	DeA Capital, S.p.A.	DIRECTOR
MARCO DRAGO	Information Game Technology, Plc	DIRECTOR
ELMAR HEGGEN	Rtl Group, S.A.	DIRECTOR
ELMAR HEGGEN	Regus, PLC	DIRECTOR
NICOLAS DE TAVERNOST	Métropole Télévision (M6)	CHAIRMAN
NICOLAS DE TAVERNOST	Natixis, S.A.	DIRECTOR
NICOLAS DE TAVERNOST	GL Event, S.A.	DIRECTOR

Mr. Heggen holds the position of Deputy Chief Executive Officer at RTL GROUP, S.A., a position that is not available to staff. Section A.6 outlines his position.

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)	5,528
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 or company name	Position
FERNANDO COSTI PÉREZ	Director of Internal Audit and Process Control
IGNACIO CORRALES RODRIGÁÑEZ	General Manager of Atresmedia Radio
JOSÉ MIGUEL GARCÍA- GASCO MARTÍNEZ	General Manager of Atresmedia Publicidad
MIGUEL LANGLE BARRASA	Head of Regulatory Affairs and Institutional Relations
ARTURO LARRAÍNZA GARIJO	Head of Strategy
ANTONIO MANSO MARCOS	Chief Financial Officer
IGNACIO MATA MAESO	Head of Communications and Public Relations
JAVIER NUCHE SANZ	General Manager of Atresmedia Diversificación
RAMÓN OSORIO DE REBELLÓN VILLAR	General Manager of Atresmedia Radio
PATRICIA PÉREZ GONZÁLEZ	Corporate General Manager
MANUEL DE LA VIUDA FERNÁNDEZ DE HEREDIA	Head of Legal Affairs
Total senior management remuneration (thousand euros)	5,237

This section includes the remuneration accrued by JAVIER BARDAJÍ HERNANDO, General Manager of Atresmedia Televisión, until his appointment as executive director on 24 April 2019. As of that date, his remuneration is included in the annual report on the remuneration of directors (2019).

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

☒ Yes
☐ No

Description of changes
At its meeting held on 27 February 2019, the Board of Directors agreed to amend Article 31 (Remuneration of Directors) of the Regulations of the Board of Directors based on a favourable report by the Appointments and Remuneration Committee.

The amendment was notified to shareholders at the General Meeting held on 24 April 2019 and disclosed to the CNMV and placed on file the Mercantile Register.

The purpose of the amendment was to adapt the regulatory text to the latest developments and recommendations in good governance and to clarify certain aspects in its wording. The amendment is also in line with the simultaneous proposal of amendments to articles 44 and 45 of the Corporate By-laws governing the same matter and which was approved by shareholders at the 2019 General Meeting.

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: identity and track record; other remunerated activities performed; the director class for which such people are proposed, highlighting, where appropriate, the shareholder they represent; the date of their first appointment as director, and of any subsequent re-elections; shares of the Company, and share options held by them, and 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 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 Company follows Recommendation 36 of the Good Governance Code and evaluates the performance of the governing bodies every three years with the assistance of an independent external advisor. This assessment for financial year 2018 was conducted internally in a process organised and coordinated by the Chairman of the Board, with the technical support of the Secretary's Office. The findings were contained in a report approved by the Board of Directors that included a review of the Action Plan for the year that outlined specific improvement proposals for 2019 related to the ongoing development of good corporate governance by implementing the principles of the general corporate governance policy and, specifically, improvement to the evaluation process.

Actions carried out under the Plan during the year were as follows: (i) improvements were made to the evaluation procedure; the evaluation performed in 2020 on 2019 was carried out with the assistance of an external advisor, as recommended above. A new, more systematic questionnaire template was designed, which is filled out by the directors to assess matters relating to composition of the Board and Board's performance, the performance of the Chairman, the Chief Executive Officer, the Lead Independent Director and the Secretary of the Board, and the operation of the Board and Board committees. The questionnaire is completed at personal interviews with the external advisor. The information obtained from this and all the documents provided by the Secretary of the Board was used to prepare the report on the evaluation of the Board and Board Committees. The objective of the improvement was to leverage the experience acquired in previous years and streamline the process, so that it is viewed as an opportunity for the director to make a personal contribution to the organisation, thereby helping the administrative bodies and their members to perform better. The evaluation questions included questions on governance, compliance and corporate responsibility; (ii) according to the 2018-2020 Strategic CR Plan, in 2019, the amount of non-financial information in reports approved by the Board of Directors has increased following a report by the Audit and Control Committee to report the results to the market through the CNMV; (iii) also in 2019, the number of meetings of the Audit and Control Committee and the Board of Directors with governance, compliance and corporate responsibility matters on the agenda increased: report and approval of the 2018 Annual Corporate Governance Report (February 2019), report and approval of the Non-financial statement (February 2019), report and approval of the 2018 Integrated Report (March 2019), report on the activity of the Regulatory Compliance Committee (March and October 2019), report and approval of the Corporate Responsibility Policy (October 2019), oversight of the execution of the 2018-2020 Strategic CR Plan (December 2019).

The Secretary to the Board performed an analysis on the measures and proposals included in the 2019 Action Plan that formed part of the 2018 evaluation report. This internal analysis concluded that there had been a high degree of compliance with the Action Plans and that all proposals had been implemented.

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 facilitator every three years to assist in the evaluation. In 2017, it engaged Deloitte for the 2017 evaluation. The 2018 evaluation was carried out internally.

The 2019 evaluation was also carried out with the assistance of Deloitte, whose independence was assessed by the Appointments and Remuneration Committee. The evaluation scrutinises the operation, quality and efficiency of the Board as a collegial body, including its committees, the diversity of the Board's composition and skills, the performance of the Company's Chairman, the Chief Executive Officer and the Secretary to the Board, and the performance and contribution of each director, with a special focus on the chairs of the various Board committees.

The evaluation examined and considered:

1. The 2018 Action Plan.
2. The documentation for 2019 (minutes, notices of meeting, delegations of powers, etc.)
3. The results of directors' individual evaluation questionnaires.
4. The personal interviews with the directors.
5. The preliminary reports on the 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, operation 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 results of the evaluation are set out in a comprehensive report which contains an Action Plan for 2020, 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.

The Company engaged Deloitte Legal, S.L.P. for the 2019 evaluation. Atresmedia and Group companies engaged other Deloitte Group companies: consulting services, IT audit, software maintenance and training, for a total amount of EUR 81 thousand.

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 director 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 of the AUDIT AND CONTROL COMMITTEE	5
Number of Meetings of the APPOINTMENTS AND REMUNERATION COMMITTEE	3
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	10
% of attendance over total votes during the year	82.58
Number of meetings in situ or representations made with specific instructions of all directors	11
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	100.00

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 Director of Internal Audit and Process Control who can thus directly address all queries from directors regarding matters dealt with by the Committee. Moreover, the Committee regularly requires the presence of representatives 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, the risks uncovered and the main recommendations. 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 2019 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 perform an analysis 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 amending its Regulations, specifically article 23, to adapt it to amending 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:

- 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.
- 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.
- 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.
- 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.
- 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 non-audit 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	4	4

	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company has been audited (%)	13.79	13.79

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, directly providing 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, press releases and internal notes on key matters to be addressed at meetings.

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	2
Type of beneficiary	Description of agreement
Executive directors, managers and employees	The contracts of the Chief Executive Officer and the executive director who holds the position of General Manager of Television contain indemnity clauses for the directors

Type of beneficiary	Description of agreement
	in the event of voluntary termination of employment by the Company and termination at the request of the executive director, in the event of: (a) serious breach by the Company; (b) a significant change in the duties of the executive director or, (c) change of control of the Company. The amount of severance pay would be equal to two years' total monetary remuneration (fixed and variable remuneration received during the period of twenty-four (24) months before the date of termination of the contract). The 2019-2021 remuneration policy approved by shareholders at the 2019 General Meeting and published on the corporate website sets out these terms and conditions. Managers 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 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	CHAIRMAN	Independent
ELMAR HEGGEN	VICE 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 Director of Internal Audit and Process Control, who brief directors on the matters within their remit. In 2019, the Head of Regulatory Affairs and Institutional Relations was also invited to report on the disciplinary proceedings brought by the CNMC over advertising. 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 meeting.

Activity in 2019 focused mainly on the following oversight duties, followed, where appropriate, by a report prior to the adoption of resolutions by the Board of Directors: internal audit function (execution of the 2018-2019 Plan and presentation of the 2019-2020 Plan); effectiveness of internal controls over financial reporting; activity of the Compliance Committee (update of the Crime Prevention Model, review of the criminal risk map, enforcement of market abuse regulations, monitoring of CNMC administrative and other proceedings, monitoring of the Cybersecurity project, report on the activity of the Privacy Committee); proposed re-election of the external auditor (suitability assessment); external auditor engagements for the annual audit and limited review of the half-yearly information; external auditor independence; approval of non-audit services provided to the Company and the Group, including significant shareholders; the annual financial statements (separate and consolidated); interim financing reports (quarterly and half-yearly); implementation of IFRS 9, 15 and 16; related-party transactions; Annual Corporate Governance Report and good governance indicators; 2018 Integrated Report (CR) and the non-financial statement; execution of the Strategic CR Plan; report on the Committee's own activity; and planning of its activity for 2020. In addition, in line with continuous training plan for committee members, training was provided to members in 2019 on the Group's risk control and management model.

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 ENTRECANES FRANCO	CHAIRMAN	Independent
NICOLAS DE TAVERNOST	VICE 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 chief executive 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 advisor who is to conduct an evaluation of the Board.

Organisation and operation:

- Formed by at least three and no more than five directors, all of whom must be non-executive.
- 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 General Manager 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.

The following matters were addressed in 2019, in relation to which the Committee carried out preparation and supervision tasks, reporting to the Board of Directors prior to the adoption of the related resolutions and submitting proposals for approval by the Board: re-election or appointment of directors, executive directors and proprietary directors; re-election or appointment of independent directors, re-election of the Executive Chairman, the Chief Executive Officer and the Lead Independent Director; re-election or appointment of members of board committees; proposals for executive director contracts; Report on the remuneration of directors (2018); the Remuneration Policy (2020, 2021 and 2022); amendments of the Corporate By-laws regarding directors' remuneration; amendments of the Board of Directors' Regulations, also regarding director remuneration; results of the variable remuneration system for directors and executives in 2018; long-term variable remuneration plan for directors and executives through the delivery of Company shares (determination of the level of achievement of the economic targets of the plan and shares corresponding to each beneficiary); review of the conditions required of independent women directors to maintain this status, as well as the type of women directors for inclusion in the 2018 Annual Corporate Governance Report; approval of the report on the Committee's own activity and preparation of the report on the activities of the Board of Directors for approval by the Board; 2018 evaluation report and 2019 action plan; involvement of an external advisor in the evaluation of the Board of Directors and its committees for 2019.

EXECUTIVE COMMITTEE		
Name	Post	Category
JOSÉ CREUHERAS MARGENAT	CHAIRMAN	Executive
SILVIO GONZÁLEZ MORENO	MEMBER	Executive
PATRICIA ESTANY PUIG	MEMBER	Independent
MARCO DRAGO	MEMBER	Proprietary
NICOLAS DE TAVERNOST	MEMBER	Proprietary

% of executive directors	40.00
% of proprietary directors	40.00
% of independent directors	20.00
% 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 Committee was created under article 39 of the Company's articles, which also specifies the rules on the membership, operation 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 operation of the Board apply to the extent they are compatible with its type and function.

As a general rule, the Executive Committee meets on the same day as the Board of Directors but earlier, 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 outlined in the intervention protocol on matters of special importance to be approved by the Board of Directors, without prejudice to the generic delegation of powers to the Chief Executive Officer.

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 Chief Executive Officer. On 14 December 2016, independent director Patricia Estany Puig joined the Executive Committee. Since that date, she has occupied the post of Lead Independent 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 2019 was the preparation of Board meetings.

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							
	2019		2018		for 2017		2016	
	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	20.00	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 operation 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, operation 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.

The Audit and Control Committee, in line with the recommendations of the CNMV Guide on Audit Committees, approves the Annual Plan in December each year that 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. To applies to 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 or company name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)
GRUPO PLANETA DE AGOSTINI, S.L.	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual	Receipt of services	4,059
GRUPO PLANETA DE AGOSTINI, S.L.	ATRES ADVERTISING, S.L.U.	Contractual	Receipt of services	1,401
GRUPO PLANETA DE AGOSTINI, S.L.	ATRESMEDIA CINE, S.L.U.	Contractual	Receipt of services	16
GRUPO PLANETA DE AGOSTINI, S.L.	UNIPREX, S.A.U.	Contractual	Receipt of services	10

Name or company name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)
GRUPO PLANETA DE AGOSTINI, S.L.	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual	Rendering of services	701
GRUPO PLANETA DE AGOSTINI, S.L.	ANTENA 3 NOTICIAS, S.L.U.	Contractual	Rendering of services	446
GRUPO PLANETA DE AGOSTINI, S.L.	ATRESMEDIA CINE, S.L.U.	Contractual	Rendering of services	190
GRUPO PLANETA DE AGOSTINI, S.L.	ATRES ADVERTISING, S.L.U.	Commercial	Rendering of services	83
GRUPO PLANETA DE AGOSTINI, S.L.	UNIPREX, S.A.U.	Contractual	Rendering of services	35
GRUPO PLANETA DE AGOSTINI, S.L.	UNIPREX TELEVISIÓN, S.L.U.	Contractual	Rendering of services	18
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual	Receipt of services	43,081
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	ATRES ADVERTISING, S.L.U.	Contractual	Receipt of services	327
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	6&M PRODUCCIONES Y CONTENIDOS AUDIOVISUALES, S.L.U.	Contractual	Receipt of services	101
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	SMARTCLIP MEXICO S.A.P.I. DE C.V.	Contractual	Receipt of services	60
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	UNIPREX TELEVISIÓN, S.L.U.	Contractual	Receipt of services	36
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	ATRESMEDIA CINE, S.L.U.	Contractual	Receipt of services	2

Name or company name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	ATRES ADVERTISING, S.L.U.	Commercial	Rendering of services	114,748
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	UNIPREX, S.A.U.	Contractual	Rendering of services	5,551
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	SMARTCLIP HISPANIA, S.L.U	Contractual	Rendering of services	4,910
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual	Rendering of services	785
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	SMARTCLIP MEXICO S.A.P.I. DE C.V.	Commercial	Rendering of services	64
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	ATRESMEDIA CINE, S.L.U.	Contractual	Rendering of services	10
IMAGINA MEDIA AUDIOVISUAL, S.A.U.	SMARTCLIP CHILE, SPA	Commercial	Rendering of services	2
RTL GROUP, S.A.	SMARTCLIP HISPANIA, S.L.U	Contractual	Receipt of services	1,094
RTL GROUP, S.A.	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual	Receipt of services	357
RTL GROUP, S.A.	SMARTCLIP MEXICO S.A.P.I. DE C.V.	Contractual	Receipt of services	3
RTL GROUP, S.A.	SMARTCLIP HISPANIA, S.L.U	Commercial	Rendering of services	3,556
RTL GROUP, S.A.	ATRES ADVERTISING, S.L.U.	Commercial	Rendering of services	2,197

Name or company name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)
RTL GROUP, S.A.	SMARTCLIP MEXICO S.A.P.I. DE C.V.	Commercial	Rendering of services	746
RTL GROUP, S.A.	SMARTCLIP ARGENTINA, S.A.	Commercial	Rendering of services	187
RTL GROUP, S.A.	SMARTCLIP CHILE, SPA	Commercial	Rendering of services	176
RTL GROUP, S.A.	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual	Rendering of services	11

- 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 of director or manager	Name of the related party	Relationship	Type of transaction	Amount (thousand euros)
MAURICIO CASALS ALDAMA	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	Contractual (advisory services)	Receipt of services	593

- 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 (thousand 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 (thousand euros)
No data		N/A

D.6. Describe the mechanisms in place to detect, determine and resolve possible conflicts of interest between the company and/or its group and its directors, senior management 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.
- 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 2019. 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. It also to address risk effectively by identifying and implementing controls and action plans targeting known risks; this enhances the ability to create value and minimises the impact of any risk 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 system's specific objectives 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. continuously improve the system 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, while offering users guidelines issued by the Group's control and governing bodies; and
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 system's key components are:

- 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.

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.

Further information on the Company's Risk Management and Control System is provided in the document attached to Section H of this report

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 particularly relates to risk arising from 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: As consumption migrates towards the myriad forms and channels of digital distribution, technology and technological upgrades become a priority and source of risks in content distribution.

As a result, the exposure of the technological infrastructure to outside risks (e.g. cyberattacks, DOS attacks) has increased considerably and become a focal point of attention and investment by the Atresmedia Group.

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. Assessing risk 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 chief audit executive, and the estimate for that service; receiving regulation 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 system of Internal Control over Financial Reporting (ICFR), which are regularly assessed by the pertinent organisational areas.

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.

General managers 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.

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 Chief Executive Officer (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
- Director of Internal Audit and Process Control
- 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 income 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 income 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.

Specialised courses were run on the new financial reporting rules in application of IFRS. 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
- Reports and reporting: analysis of accounting standards and commercial and reporting rules, production of separate financial statements, consolidation and production of consolidated financial statements

– Corporate processes (HR and Information Systems)

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 identify or detect errors and fraud in income 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.

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.

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.

The process for preparing financial reporting takes into account all risks related to the process in terms of completeness and accuracy of the information to the extent that all disclosures in financial statements must be complete and comply with regulations on the preparation and publication of this information.

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.

State 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:

- Management of the procurement of goods and services
- Customer management: troubleshooting, non-performing accounts, customer blocking and unblocking
- Operation of the Procurement Committee
- Operation of the Investment Committee
- Power of attorney management
- IT Security
- Protocol for approving and filing inside information notifications and other price-sensitive information to the CNMV

- Protocol for presenting financial results to 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 Chief Executive Officer, 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 Profile the IT and communication systems that have an impact on income 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 Profile 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 defining 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. Reporting 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.

The Audit and Control Committee held a training session in 2019 on Atresmedia's Risk Models and Risk Management System.

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 income information using homogeneous formats and applications, such as the SAP-R3 (Accounting) and Controller (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 defining 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. Oversight of the functioning of the system.

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 income 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:

- Supervise the integrity, preparation and presentation of the regulated financial reporting.
- Regularly check internal control and risk management systems
- Oversee the independence and effectiveness of the internal audit function
- Approve the internal audit plan, which includes ICFR review objectives
- Supervise 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
- Supervise the overall ICFR model and ensure that it functions properly so that the financial information reported is correct.

- Oversee ongoing assessment of ICFR.

To perform these activities the Audit and Control Committee has the support of the Internal Audit and the Finance departments.

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 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 2019, 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:

F.7.1 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 ☒ 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 ☒ 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 ☒ Complies partially ☐ Explanation ☐

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

Complies ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒

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 ☒ 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 ☒ Explanation ☐

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

- a) Is concrete and verifiable.
- 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 ☒ Complies partially ☐ Explanation ☐

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

Complies ☐ Explanation ☐ Not applicable ☒

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 ☒ 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 ☒ 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 ☒ 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 ☒

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 ☒ 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 approved at the General Meeting of 2016 (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.

This plan has concluded, but this additional explanation is provided in reference to limitation to transfer, within the three years thereafter, Company shares equivalent to two times the remuneration of the beneficiary directors, such restriction not being included in the Plan. As envisaged in the resolution adopted at the 2016 General Meeting, the treasury shares linked to the Plan had to be acquired -and were acquired- 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 indicated that fifty per cent of the shares acquired for its execution would be distributed among the Chairman and the Chief Executive Officer, based on the distribution criteria set for this purpose by the Board of Directors.

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 limited 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 would ultimately receive all shares corresponding to him/her, in the event of full compliance with the targets set (ultimately, 33.6% of maximum possible was delivered). Therefore, the share-based remuneration fell well below the threshold of double the fixed annual remuneration of the director.

The Plan's design included 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 focused on the medium term, maintaining a reasonable correlation between the variable remuneration 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.

The Directors' Remuneration Report for 2019, 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 ☒ 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.

José Creuheras Margenat is direct holder of 23,171 shares representing 0.0103% of the Company's share capital and is entitled to receive 23,170 shares, within the first four months of 2020 under the terms and conditions established by the Variable Remuneration Plan approved by shareholders at the 2016 General Meeting.

Silvio González Moreno is direct holder of 34,756 shares representing 0.0154% of the Company's share capital and voting rights and is entitled to receive 34,756 shares within the first four months of 2020 under the terms and conditions of this Plan.

Javier Bardají Hernando does not hold any Company shares and is entitled to receive 16,219 shares under the Variable Remuneration Plan within the first four months of 2020.

Carlos Fernández Sanchiz is direct holder of 11,400 shares representing 0.0005% of the Company's share capital and voting rights.

Nicolas de Tavernost indirectly owns 82 voting rights representing 0.0000% of the Company's share capital and voting rights.

The shares received by executive directors in 2020 are reflected as voting rights, which can be acquired in the exercise of financial instruments.

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 adhere to 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:

26/02/2020

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

☐ Yes
☒ No

APPENDIX SECTION H

E1. 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.

The Regulatory Compliance System includes two specific models for preventing and detecting crimes, and for compliance with data protection regulations (GDPR). These systems set out all the policies and protocols required to prevent the materialisation of risks, and the specific controls to be implemented by the people in charge of corporate and business processes.

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
- Technical infrastructure management
- Operational management of general assets and infrastructure
- Human resources and occupational health and safety
- 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 identified risk undergoes specific controls and procedures to prevent it from materialising. In the event that a risk does materialise, 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, this officer 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 2019 were:

- **Impact of the poor performance by advertising market in general and conventional media in particular:**

In the last two years, 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 was Europe-wide - led to greater difficulties framing our commercial policy and estimating market trends.

The conventional advertising market contracted in 2019, while the Spanish economy continued to grow. This factor has prompted us to review our commercial policy and our approach to capturing advertising expenditure from operators, and to develop new businesses and investments in the digital environment.

Based on its information systems and advertising market research, the Atresmedia Group has mitigated the effects of this low visibility by adapting the targets and parameters of its commercial policy. Developing their businesses and digital supports had led to greater familiarity with advertising patterns online and is enabling the Group to grow its digital revenue.

Atresmedia's advertising strategy underwent a major change in 2019 to deal with the situation of demand for communication by advertisers (taking the general audiovisual market and not strictly TV as the benchmark). A new organisation and a new commercial policy were designed, focusing on preserving our differentiated relationship with each client and commitment to advertisers' brand equity with a view to offering an end-to-end and innovative service from a position of leadership.

Given the increasing importance of the online market, Atresmedia continues to strengthen the marketing of digital advertising through its SMARTCLIP subsidiary and to develop new applications and IT tools that allow advertising of linear TV to be integrated into advertising on wired TV and in strictly digital environments.

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, the Atresmedia Group stepped up its diversification strategy for content production through ATRESMEDIA STUDIOS.

- **Increased competition and changes in linear television viewing patterns:**

The past few years 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 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.

In 2019, the Atresmedia group made sizeable investments to improve the experience of its Atresplayer platform users, adding new functionalities for viewing content and overhauling the technology.

The Atresmedia Group also increased its investment in new original content for Atresplayer during the year.

Lastly, it launched new commercial offering aimed specifically at increasing the number of Atresplayer Premium subscribers.

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.

- **Ruling by the Comisión Nacional de los Mercados y la Competencia (CNMC):**

In November 2019, the COMISIÓN NACIONAL DE LOS MERCADOS Y LA COMPETENCIA (CNMC) (CNMC, Spain's competition watchdog) arrived at a decision in disciplinary proceedings S/DC/0617/17 *Atresmedia/Mediaset*. Both operators, Atresmedia and Mediaset, were fined, and barred from specified courses of conduct. The CNMC will monitor the companies' future behaviour to ensure the prohibition is observed in practice.

In its decision, the CNMC found that Atresmedia and Mediaset had breached Article 1 of *Ley 15/2007, de 3 de julio, de Defensa de la Competencia*, Spain's competition statute, and Article 101 of the Treaty on the Functioning of the European Union, by setting terms in arrangements with television advertisers and media agencies that were apt to restrict competition.

The specific restrictions on competition disapproved by the CNMC are:

1. contractual imposition on advertisers of minimum quotas of television advertising,
2. bundled marketing system that makes sale of television advertising subject to advertisers buying channel bundles and simulcast or single-platform television advertising, and
3. system of rewarding media agencies for brokering advertising deals.

The CNMC found in its decision that the Atresmedia Group parties liable for the breach are ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A. and ATRES ADVERTISING, S.L.U.

In its decision, the CNMC determined that the unlawful conduct of the two television operators started no later than 2013, when all the restrictions were in place, and continued until 2017 or later. The fine imposed on Atresmedia was EUR 38,246,520. In addition, Atresmedia and Mediaset were ordered to immediately cease the course of conduct complained of, and any other conduct of equivalent effect, and to refrain from such conduct in future. Within three months of notice of the decision, the parties must take steps to align their commercial and contractual relations to the requirements of the decision. Finally, the Competition Department of the CNMC was instructed to monitor compliance with the decision.

Atresmedia has challenged the decision by filing an application for judicial review with the Administrative Chamber of the Audiencia Nacional, Spain's national court. The application has been found admissible and will proceed. Concurrently with its application for judicial review, Atresmedia sought an interim suspension of the orders to pay a fine and immediately cease the disapproved conduct. The application for an interim suspension is now being considered by the Court.

In due course, the Court will ask Atresmedia to submit written arguments against the CNMC's decision. Those arguments are now in the process of discussion and are thought to be legally sound. As a result, Atresmedia Group's legal advisers believe that the application for judicial review against the CNMC's decision is likely to succeed. It is probable that the court decision will be favourable to the interests of Atresmedia.

- **Criminal proceedings relating to SGAE**

I.- BACKGROUND

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 according to the time slot and determines the share due to the author and the publisher.

Atresmedia, through its publishing company, Música Aparte, S.A.U., which is a single-member subsidiary and 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".

For years, the distribution criteria have been the subject of dispute within the SGAE. Atresmedia, as well as other parties affected directly by these issues, have brought lawsuits before the civil courts to challenge some of the decisions taken by the SGAE's collegial management bodies. Indeed:

- In 2017, a lawsuit was filed to challenge the SGAE Board's resolution of 31 December 2016. The Regional Court of Madrid issued ruling in favour of Atresmedia repealing certain amendments to the distribution rules. In October 2019, SGAE's appeal to overturn the ruling was rejected. The management company was formally required to comply with this court ruling.
- Appeal to declare the arbitration award issued by WIPO null, requesting the annulment of the award with SGAE and the OPEM and AEDEM Associations as defendants. A ruling in favour of the plaintiffs was issued, thereby annulling the arbitration decision, which modified the SGAE's distribution criteria. The sentence is now final.
- Legal challenge to the resolution of the SGAE Board dated 7 November 2017 to amend article 202 bis of the SGAE Rules, seeking to enforce the WIPO arbitration ruling. A favourable ruling was handed down in first instance, which was confirmed on appeal by the Regional Court of Madrid. SGAE has filed an appeal, although at the same time a provisional enforcement of the ruling was issued, reviewing the negative ruling against Atresmedia levied by SGAE and awarding a credit to Atresmedia.
- The resolution of the SGAE Board dated 7 May 2019 revising the distribution of economic rights corresponding to the night-time TV broadcasting time slot for December 2018 was also challenged.

Meanwhile, in 2017, Central Examining Court 2 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 in early morning hours, as explained previously. 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 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. Atresmedia provided the information required by the court and requested by most TV operators (public and private, national and regional), since the broadcast of music in the early morning hours has been widespread practice in the sector.

II.- NEW FACTS IN THE CRIMINAL PROCEEDING AND ASSESSMENT

In February 2020, this Court decided to investigate Atresmedia in the same proceedings for alleged criminal activities that could include business corruption as provided for and punishable in article 286 bis of the Criminal Code. This offence may be attributed to the legal person where one of its employees or directors has committed the offence, provided that (i) the company benefited directly or indirectly and (ii) the company lacks effective monitoring and control measures to prevent the crime. The charge contained in the ruling extends to 13 other public and private television operators with national and regional coverage.

Atresmedia's legal advisors specialised in criminal law consider that no crime has been committed by any natural person, employee or manager of Atresmedia. In their opinion, the initial budget required by Article 31.bis 1 of the Criminal Code is not met, so the risk of a conviction for the Company is considered remote.

The Company's Crime Prevention Model is still in place and updated, encompassing: 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). The Crime Prevention Model contains additional controls that were implemented in 2017 at the Court's initiative to reinforce the control of the potential risks arising from this activity and considering the line of investigation and the criteria established by the Central Court overseeing the proceeding.

Lastly, Atresmedia still 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. The internal action and reviews carried out by Atresmedia in 2019 led to the conclusion that Atresmedia'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. They did not uncover any negligent or intentional breach of any procedure or requirement of the Atresmedia Code of Ethics.