



## ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

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### ISSUER IDENTIFICATION DETAILS

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TAX ID (CIF):

[ A-78839271 ]

Company name:

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

Registered office:

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

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

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**A.1.1** Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

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

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

- a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.
- b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- c) Information on whether any external advisors took part in this process and, if so, their identity
- d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

The Company's director remuneration policy is approved by the General Meeting based on a proposal by the Board of Directors, which must present a report justifying and explaining the policy. As provided for in the Regulations of the Board of Directors of Atresmedia, the proposal for the director remuneration policy arises from the initiative of the Appointments and Remuneration Committee, which also has the power to supervise and monitor its subsequent implementation.

Approval was given by shareholders at the General Meeting held on 28 April 2021 for the remuneration policy for 2021, 2022 and 2023, with a majority of 99% of votes in favour.

According to prevailing legislation, the proposal for a new remuneration policy must be submitted to the General Shareholders' Meeting prior to the end of the final year of application of the previous policy. The General Shareholders' Meeting may decide that the new policy shall be applicable from the date of approval and for the ensuing three years.

Therefore:

- The General Shareholders' Meeting to be held in 2023 must approve a new remuneration policy.
- If so decided at the General Meeting, the new policy will apply to the rest of 2023 and the next three years; i.e. from 2024 to 2026.

The new remuneration policy will broadly be a continuation of the previous policy. However, it will include some significant changes, as follows:

1. Regulation of the remuneration of the Company's Executive Vice Chairman, as until 2022 this position was vacant.
2. The disappearance of the executive director position of General Manager of Television.
3. The increase in remuneration, both fixed remuneration and attendance fees, established for external directors for membership of the Company's Board of Directors.
4. The increase in attendance fees to Audit and Control Committee and Appointments and Remuneration Committee meetings.
5. Matching of the indemnification system for termination of the Executive Chairman's contract with that of all other executive directors.
6. Extension of the circumstances in which executive directors receive the second 50% of their annual variable remuneration early to now include, in addition to death, as already envisaged, other similar causes that are not attributable to the director but that make it impossible for the director to remain at the Company for the other year performing their duties to which this percentage is tied.
7. The inclusion of a new long-term variable remuneration linked to performance by new businesses for executive directors and a limited number of the Group's senior managers.

In preparing the new remuneration policy, a review is being conducted of public data on director remuneration at comparable companies by size and activity. The analysis is carried out primarily to check the validity of the basic principles on which the current policy is based.

External advice has been engaged from the CUATRECASAS legal firm in drafting the director remuneration policy to include the new type of long-term variable remuneration linked to performance by new businesses.

Atresmedia Corporación's remuneration policy does not include any procedures for applying temporary exceptions to implementation.

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

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

According to the Company's remuneration policy, executive directors receive short-term variable remuneration in addition to their fixed remuneration. Given its characteristics, it is considered ordinary remuneration: it is in cash, accrues annually, and consists of a variable percentage of fixed remuneration up to the limit established for this fixed remuneration.

Therefore, the maximum amount of this annual variable remuneration in cash is capped and in all cases must be less than 100% of the director's fixed remuneration: in each period, it can reach up to 88% of fixed remuneration.

The accrual and amount are subject to the level of achievement of financial targets related to the Group's consolidated annual EBITDA (which is set each year by Atresmedia's Board of Directors when it draws up the budget) and of non-financial targets (linked to compliance with the good governance rules and the duties inherent in the post of director).

Full vesting occurs, barring the exceptions provided later, as follows: (i) 50% of the amount at 31 December of the year of accrual, although payment is deferred until the Board of Directors authorises for issue the annual financial statements and the director's discharge of his or her duties has been verified; and (ii) the remaining 50% subject to the director's retaining his or her position as executive director for an additional year, which must run until 31 December of the year after the reference year used to calculate the remuneration (except if non-compliance with the minimum contract term is not attributable to the director). After the amendment, in addition to the case of death, which is now the only circumstance eligible for exception, there will be two more similar circumstances: disability or incapacity to perform the duty or termination of contract where this implies the right of the director to be indemnified. These exceptional circumstances give rise to the early vesting of these second percentage).

The one-year term for remaining in the position is aimed at encouraging executive directors' stability in the position and promoting their engagement with the Company's medium-term financial targets, as well as allowing tighter control over potential contingencies or risks inherent in determining and settling annual variable remuneration.

The existence of this cap on the annual bonus and how it is calculated which, as indicated earlier, is directly and exclusively related to (i) the Group's consolidated and audited EBITDA (based on the audited financial statements as approved at the related General Meeting) and fulfilment of duties as director, and (ii) the executive director's fixed salary, simplifies its determination and removes risks or unforeseen deviations. It is a simple, transparent, predictable and effective remuneration system that makes it easier for investors, advisors and the broader market to understand and analyse.

The remuneration policy also includes the long-term variable remuneration plan approved in 2021 by the General Shareholders' Meeting for the Company's executive directors and certain key managers of Atresmedia Group. Implementation of this plan potentially increases the relative weight of variable remuneration in each executive director's total remuneration mix. It is a multi-year plan with the final amount linked to the achievement of specific targets, which must be attained in three straight years, plus the requirement of the director retaining their directorship for an additional period. The three targets complement each other and are aligned with the Company's long-term objectives, values and interests, for the following reasons:

a) The target with the highest relative weight is linked to the Company's profitability over three straight financial years, measured by reference to the achievement of consolidated EBITDA in 2021, 2022 and 2023 compared to the Company's forecasts and adjusted for any deviations in conventional and linear TV and radio advertising market.

b) The second target is linked to diversification of Atresmedia Group's revenue streams to counterbalance negative advertising cycles and is an expression of the change in policy and adaptation of the businesses carried out in previous years. Diversifying revenue streams helps to successfully fend off growing competition among operators in both the market for the supply of audiovisual content (e.g. different types of pay TV, OTT, Spanish and international operators, internet and social media) and the advertising market (with a highly unbalanced weighting of large international digital advertising operators, who also operate in a less regulated environment and hold dominant positions that cannot be replicated and are anti-competitive).

c) The remuneration plan's third target is qualitative and refers to achievement of environmental, social and corporate governance (ESG) targets. These entail: (i) guaranteeing the degree of compliance with the applicable recommendations of the CNMV's Good Governance Code of at least 85%;

(ii) broadcasting free ad campaigns for NGOs on Atresmedia Group's TV channels; (iii) maintaining and improving the percentage of hours of subtitling in the programming grid; and, lastly (iv) achieving a more demanding environmental score than at present.

As resolved by the Board of Directors for delivery of this plan, the Chairman is entitled to 18% and the Executive Vice Chairman and Chief Executive Officer each 21%. The percentages attributed to the Executive Vice Chairman and Chief Executive Officer were amended in 2022 to match following the appointment to these positions of their current holders, which was decided at the meeting of the Board of Directors held in June 2022.

The minimum contract term (requirement of continuing employment or directorship) factored into the multi-year variable remuneration plan reinforces executive directors' commitment to Atresmedia Group's medium-term performance and acts as an additional incentive to retain talent and experience. In addition to the three-year period of achievement of the financial and non-financial targets required for vesting (which ends on 31 December 2023), the remuneration does not vest until the end of the executive director's minimum contract term, i.e. 28 April 2025, with rated exceptions. An added benefit of this requirement is the improvement in the period of time available to ensure that the data used to determine the level of achievement of the targets are correct, suitable and complete, and to verify them by applying any control procedures deemed necessary (primarily the external auditor).

Nevertheless, Atresmedia's remuneration policy also states that the Board may, at its own discretion and as an exception, increase remuneration to executive directors as long as such additional remuneration does not exceed their fixed annual remuneration and is the result of one-off, exceptional transactions on behalf of the Company or, in view of the quality of outcomes, reflects the individual performance of a director or other matters requiring a qualitative assessment. No one-off or exceptional payments of this type were made in 2022.

For executive directors' annual variable remuneration, their service contracts include the possibility of the Company (i) not paying the bonus (malus), or (ii) the director returning (clawback) a percentage of the amount received (depending on when the Company has evidence warranting applying these arrangements), when there is a manifest error in the data on which the calculation was made, or if the director has breached their duties as directors or voluntarily fails to meet the requirement of remaining in office for an additional year.

This same remuneration control mechanism (i.e. no payment to the director or the director's obligation to reimburse amounts unduly received) also applies in the same terms to settlement of the multi-year variable remuneration.

As at the date of approval of this report, a study was under way on amending the Company's remuneration policy and potentially including an additional long-term variable remuneration scheme for executive directors and senior managers linked to the profitability of new businesses to the extent that they contribute considerable profits to the Company and allow shareholder returns to grow through dividend distributions. The Company offers similar guarantees regarding the accuracy of the data used to determine this remuneration and the accrual and settlement periods to those for its other types of remuneration. The view is that this type of remuneration helps diversify the Company's growth and profitability targets, favouring both diversification and innovation initiatives that feed through to profits distributed to shareholders as the premise for accrual and payment to directors. This new variable remuneration will increase the overall weight of this type of remuneration in the total director remuneration mix.

Lastly, regarding conflicts of interest, directors must disclose any in which they are involved as soon as the circumstance occurs and in their annual statement, which is processed and managed by the secretary of the Board of Directors and made under the personal responsibility of each director. Moreover, the Internal Audit department and the business areas work together to identify transactions or operations that could entail conflicts of interest from the involvement of directors or their related parties.

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

The remuneration components and amounts accrued by external or non-executive directors in 2022, under the current remuneration policy, remain unchanged from the amounts envisaged for this category of director in previous years, under the remuneration policies then in force.

Therefore, the amounts applied in 2022 were as follows:

- a) Annual remuneration for each member of the Board of Directors of EUR 25,000 and fee for attending Board meetings of EUR 2,000.
- b) Annual remuneration for each member of the Executive Committee of EUR 50,000 and fee for attending Executive Committee meetings of EUR 2,500.
- c) A fee for attending Audit and Control Committee meetings of EUR 2,000, with no fixed remuneration.
- d) A fee for attending Appointments and Remuneration Committee meetings of EUR 2,000, with no fixed remuneration.
- e) The remuneration policy includes the possibility of specific additional remuneration for holding certain offices within the Board of Directors or any of its committees if the dedication and responsibility related to the position so warrant. The amount would be determined in each specific case, subject to the overall maximum limit disclosed below. In 2022, however - as in previous years - no such specific remuneration was applied and there was no additional remuneration for members of the Board of Directors or any of its committees and none is expected for 2023.

The remuneration policy also provides for the possibility of the Board modifying the amounts referred to above, provided that the total annual remuneration of external directors does not exceed EUR 3,000,000. The maximum limit or cap at Atresmedia has remained unchanged since 2006. However, this amount for external directors does not include any remuneration to which they are entitled for providing professional services to the Company unrelated to their status as directors.

According to the remuneration policy, executive directors do not receive such remuneration (fixed amount and fees for attending meetings), which therefore is exclusive to external directors and only for the performance of their duties as such.

The review of the director remuneration policy for the coming years is considering whether to increase this remuneration for external directors since the amount has remained unchanged since 2006.

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

1. The fixed annual remuneration of the Chairman of the Board in 2022 for discharging executive duties was EUR 410,000.
2. The annual fixed remuneration of the Executive Vice Chairman in 2022 for performing his duties was EUR 880,000, divided up into 12 monthly payments and applied as of his appointment to the position in June 2022. For the months of 2022 in which he was Chief Executive Officer, he had the same annual remuneration as in previous years, i.e. EUR 1,100,000 per year, divided up into 12 monthly payments.
3. The Chief Executive Officer's fixed annual remuneration in 2022 for performing his duties from the time of his appointment to the position in June 2022 was EUR 850,000, divided up into 12 monthly payments. His remuneration in the months before then as General Manager of Television was EUR 650,000 per year. As per a resolution by the Board of Directors, his current remuneration could increase up to EUR 1,100,000 pursuant to a decision by the Chairman of the Board of Directors.

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

The remuneration of the Executive Chairman includes the premium for life and disability insurance paid by the Company, with a maximum annual cost of EUR 15,000.

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

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

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

**I.- ANNUAL VARIABLE REMUNERATION OF EXECUTIVE DIRECTORS IN CASH**

Executive directors are eligible to receive annual variable remuneration in cash (bonus) contingent on: (i) the achievement of the financial targets related to Atresmedia Group's annual results (based on the consolidated financial statements), (ii) the performance of their duties as directors, and (iii) their remaining in office until the end of the year of the related remuneration plus one additional year (with the exceptions explained below for circumstances in which the failure to comply with the minimum contract term is not the director's fault).

The maximum amount is 88% of their fixed remuneration in cash and is determined based on the level of achievement with the target previously established by the Board of Directors for EBITDA from the Group's consolidated financial statements.

It is calculated in accordance with the following scale:

(i) If the Group's EBITDA as reported in the consolidated financial statements is less than 60% of the amount in the budget approved by the Board of Directors for that year, no bonus is paid.

(ii) If the Group's EBITDA as reported in the consolidated financial statements is equal to 60% of the amount in the budget approved by the Board for that year, a bonus equal to 40% of fixed cash remuneration is paid.

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

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

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

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

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

Requirements for vesting of the bonus:

a. For 50% of the bonus, the director's continuing in office until 31 December of the reference year for the calculation; and for the other 50%, the director's continuing in office until 31 December of the year after the reference year for the calculation. However, the latter percentage of the bonus will be considered vested in the event of: death of the director, disability or incapacity to perform the duties or early termination of the services contract with the Company in the circumstances entitling the director to indemnification.

b. The timing of payment of the bonus will be as follows:

1. The initial 50%, in the first quarter of the year after the reference year for calculating the bonus, within one month following the authorisation for issue by the Board of Directors of the consolidated financial statements used as the basis for calculating the bonus and verification by the Appointments and Remuneration Committee of directors' compliance with the duties inherent in their office.
2. The remaining 50% in the first quarter of the second year after the reference year for calculating the bonus, except in the cases described above for accrual and early vesting without having met this requirement.

The Appointments and Remuneration Committee supervises the suitability of the financial data used to calculate the annual variable remuneration and compliance with the duties and obligations inherent to the post of director and with the Company's corporate governance rules.

On 22 June 2022, the Board of Directors, based on a report by the Appointments and Remuneration Committee, appointed Mr González Executive Vice Chairman and Mr Bardají Chief Executive Officer. Based on the criteria explained and taking as a reference their respective fixed remuneration to calculate the annual variable remuneration, the total amount for 2022 could reach as high as EUR 335 thousand for the Chairman, EUR 809 thousand for the Vice Chairman and EUR 613 thousand for the Chief Executive Officer. The 50% of this remuneration vested was included in section C.1 a) i) together with the 50% of 2021 that vested at 31 December 2022 after meeting the minimum contract term requirement.

## II. MULTI-YEAR VARIABLE REMUNERATION OF EXECUTIVE DIRECTORS

The three executive directors are beneficiaries of the multi-year variable remuneration plan (the "Plan") approved by shareholders at the General Meeting held on 28 April 2021 and whose content is as follows:

The Plan was designed as a long-term variable compensation linked to Atresmedia Group's performance. It consists of the distribution of certain amounts among its Beneficiaries, partly in cash and partly through the delivery of company shares, the amount of which will depend upon achievement of the various financial and non-financial targets set out in the Plan. The main features of the Plan are as follows:

(a) Beneficiaries. Beneficiaries of the Plan will be executive directors of the Company and certain senior managers of Atresmedia Group appointed by the Board of Directors of the Company (collectively "the Beneficiaries").

(b) Duration. The Plan shall come into effect as of its approval at the Annual General Meeting held of 28 April 2021, and shall end four years later, i.e., 28 April 2025. The Plan is split into two differentiated periods:

i) Achievement period: which also comprises two different periods: (a) until 31 December 2023, which is the reference period for calculating the level of achievement of the financial and non-financial targets, and (b) until 28 April 2025, which is the reference date for the fulfilment by Beneficiaries with the minimum contract term at Atresmedia Group. ii) Settlement period: from 28 April 2025 to 30 June 2025; i.e. the deadline for settlement of any amounts accrued to Beneficiaries.

(c) Targets. The Plan includes the following targets:

i) First target: Profitability. Achievement of a consolidated earnings before interest, tax, depreciations and amortisation ("EBITDA") for Atresmedia Group during the three financial years (2021, 2022 and 2023), as forecast by the Company, adjusted by 90% of the upwards or downwards deviations of the conventional and linear TV and Radio advertising market from the forecast variation included in the three-year plan used as a reference for determining the target. This first target has a weighting of 70% of the total.

ii) Second target: Diversification of income sources. Achievement of a 30% increase in EBITDA margin (gross margin) obtained from the Company's businesses and activities other than conventional and linear TV and radio advertising. This second target has a weighting of 25% of the total.

iii) Third target: Achievement of environmental, social and corporate governance ("ESG") goals. The Company must achieve at least 50% of the sustainability (ESG) goals related to: (i) compliance with, at least, 85% of the recommendations in the Good Governance Code of Listed Companies applicable to the Company; (ii) maintenance of a significant reserve of free air time for NGO campaigns; (iii) maintenance and increase in the percentage of subtitling hours in the programming grid; and (iv) the score obtained by Atresmedia Group in the "Carbon Disclosure Project" report. This third target has a weighting of 5% of the total.

Despite the Plan's multi-year nature, if the profitability target set out in paragraph i) above is achieved during the first two years of the term (i.e., 2021 and 2022), Beneficiaries will be entitled to receive the part of the incentive for this Plan target, subject in any case to compliance with the minimum contract term requirement.

Beneficiaries' entitlement to receive the related amount in cash and shares under the Plan is contingent on their continued employment in Atresmedia Group through the entire term of the Plan, i.e., until 28 April 2025, except in certain cases in which termination is not due to causes attributable to the Beneficiary.

This aim of this requirement was to retain and encourage Beneficiaries, reinforcing their long-term engagement to Atresmedia Group and its stakeholders.

(d) Clawback clause. The Remuneration Plan includes a clawback cause whereby Beneficiaries must reimburse, proportionally, any amounts received if (i) the data used for the calculation and settlement of the Plan are subsequently shown to be inaccurate or (ii) the Beneficiaries, during the term of the Plan, have committed any serious or culpable breach of their duties of loyalty, diligence or good faith, or of any other obligations undertaken as a result of employment at the Group or the contractual obligations in their service contracts.

(e) Verification and settlement period, and payment date of the remuneration. In line with good practice in corporate governance and, especially, Recommendation 59 of the Good Governance Code of Listed Companies, the Plan establishes a sufficient amount of time to verify the accuracy of the data used to determine the scope of the financial and non-financial targets and to verify and confirm that they have been effectively met.

Beneficiaries' entitlement to receive the related amount under the Plan vests on 28 April 2025, on completion of the four-year term. Settlement and payment of the amount accrued shall be made no later than 30 June 2025.

(f) Maximum amount of the remuneration. The maximum remuneration payable to all Beneficiaries of the Plan for achievement of 100% of maximum targets is an amount equal to 10% of the average actual EBITDA obtained in 2021, 2022 and 2023.

The maximum remuneration that can be accrued under the Plan is TWENTY MILLION EUROS (€20,000,000.-).

(g) Method of payment. Of the amount of the remuneration to which Beneficiaries are entitled under the Plan, 90% will be paid in cash and 10% in Atresmedia Corporación shares out of treasury stock. If necessary, the Company would buy back additional shares to execute the Plan due to achievement of targets.

The shares will be delivered on the settlement date indicated, with delivery contingent on Beneficiaries' continued employment in the Group until 28 April 2025.

The maximum number of shares that can be allocated under the Plan is the result of dividing 10% of the maximum amount to be delivered to Beneficiaries (in the event of maximum achievement of the objectives) by the share price on the date of approval of the Plan at the General Meeting.

Company shares to be delivered to each Beneficiary are those that correspond to each beneficiary based on his or her percentage participation. The net number of shares to be delivered will be the number after applying and deducting amounts paid in advanced for this portion of the remuneration. The Company may sell a sufficient number of shares allocated to each Beneficiary on the market to make the relevant payment of tax prepayment, before delivering the rest.

Once the shares are delivered to the executive directors, ownership may not be transferred until three years have elapsed unless the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares, options or other financial instruments. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the Appointments and Remuneration Committee, to deal with such extraordinary situations as may arise and so require.

### III.- CLAWBACK OF VARIABLE REMUNERATION

Executive directors forfeit all rights to and, where applicable, must repay, proportionally, to the Company any annual variable remuneration in the following situations:

(a) reissue of the Company's separate or consolidated financial statements; or (b) failure to comply with the duties inherent in the post.

Depending on when the Company becomes aware of the evidence affecting the settlement of the variable remuneration and whether it has actually been paid, the director shall cease, proportionally, to receive it, or must reimburse, proportionally, the amount already received.

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

The multi-year remuneration plan also includes a clawback cause whereby the executive directors who are Beneficiaries must reimburse, proportionally, any amounts received if (i) the data used for the calculation and settlement are subsequently shown to be inaccurate or (ii) the Beneficiaries, during the term of the Plan, have committed any serious or culpable breach of their duties of loyalty, diligence or good faith, or other obligations undertaken as a result of employment at the Group or of the contractual terms of their service contract.

The minimum contract term or continued employment or directorship in the multi-year remuneration plan between the date for achievement of targets (i.e. 31 December 2023) and settlement (between April and June 2025) assumed by Beneficiaries is an additional guarantee to the Company enabling it to verify the data required for the calculations and, where applicable, any potential errors or relevant circumstances arising that affect this remuneration and imply total or partial loss of this remuneration. Of the amount finally distributed in execution of this plan, 18% is for the Chairman and 21% each to the Vice Chairman and Chief Executive Officer.

Based on the 2022 financial results, the estimate of the amounts attributable to this year, provided the rest of the objectives are achieved and the one year continuation is met, is as follows: Mr Creuheras EUR 984 thousand; Mr González EUR 1,148 thousand Mr Bardají EUR 1,148 thousand. Meanwhile, the guaranteed amounts for having achieved the financial objective in 2021 and 2022 are: Mr Creuheras EUR 1,435 thousand; Mr González EUR 1,674 thousand Mr Bardají EUR 1,674 thousand.

**A.1.7** Main characteristics of long-term savings systems. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or

dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

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

There are no long-term saving schemes for directors.

**A.1.8** Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of remuneration.

For the Executive Chairman, the current remuneration policy does not include this type of payment commitment or severance pay in the situations described in this section. However, the new policy expected to be approved at the 2023 Annual General Meeting will have equal terms for the chairman and the rest of the executive directors in terms of the circumstances and amounts of severance pay he would be entitled to in the event of termination of his employment contract, as explained later.

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

According to the current remuneration policy, the contracts of the Executive Vice Chairman and the Chief Executive Officer (collectively "executive directors" in this section) include the following payments and termination benefits:

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

Assuming non-compliance by the executive director with this obligation, the payments will cease and he or she must return to the Company the amounts received in this connection plus an indemnity in an amount equal to the total compensation agreed, without prejudice to any claims for damages that this could give rise to.

Whether or not the non-competition clause is enforced and, therefore, the remuneration is paid depends exclusively on the Company and its assessment of competition or not at that time of effective interest of an industrial competitor, so the company may waive the non-competition agreement and related payment.

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

The executive director has the right to terminate his or her contract voluntarily with the same severance - two years of total gross salary (fixed and annual variable remuneration in cash received in the last twenty-four (24) months) - in the event of a change in control of the company or similar (sale or transfer of a relevant part of the business, integration into another business group).

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

**A.1.9** Indicate the conditions that the contracts of executive directors performing senior management functions should contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

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



The other two executive directors' contracts are permanent and include a system for indemnification, as described. With the planned amendment to the director remuneration policy, the Chairman's contract will have the same terms and conditions as the contracts of the other two executive directors.

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

Proprietary director Mauricio Casals Aldama provided regular advisory services other than the services inherent in his position as director to Atresmedia Group in 2022 (and is expected to continue doing so in 2023 and 2024). The fees in 2022 in this connection amounted to EUR 632 thousand. With the renewal of the contract, the annual consideration will be the same updated by the applicable CPI.

No other director provided professional services to the Company in 2022 other than those inherent in their post as director and none are expected to do so in 2023.

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

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

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

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

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

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

The Appointments and Remuneration Committee intends to submit a proposal to the Board of Directors for a new director remuneration policy for the Company, which will largely be a continuation of the current policy, but with some changes, the most important of which entail:

1. Including a specific regulation for the Executive Vice Chairman of the Board of Directors' remuneration since this position is not appointed in the current policy.
2. Changing the fixed remuneration and attendance fees of external directors for their seat on the Board of Directors.
3. Changing the attendance fees paid to external directors who are members of the Audit and Control Committee and the Appointments and Remuneration Committee.
4. Matching the Chairman's severance pay system in the case of termination of his employment relationship with the Company with that of all the other executive directors.
5. Including additional circumstances that are comparable to death of the director for early accrual and settlement of the 50% of the annual variable remuneration linked to continuation in the position.
6. Including a new long-term variable remuneration linked to performance by new businesses for executive directors and a limited number of senior managers. The remuneration is contingent on Atresmedia Group's obtaining a profit on new investments and securing additional income streams for the Group, keeping the alignment of director remuneration with the return on investment for shareholders using a variable remuneration factor calculated based on distributed dividends.

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

[https://www.atresmediacorporacion.com/documents/2017/04/20/91AE434F-A60A-411E-8EB8-0DE561B503F1/politica\\_de\\_remuneraciones21.pdf](https://www.atresmediacorporacion.com/documents/2017/04/20/91AE434F-A60A-411E-8EB8-0DE561B503F1/politica_de_remuneraciones21.pdf)

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

The outcome of the consultative vote on the 2022 Annual Report on Director Remuneration was that a majority of shareholders in attendance or represented at the General Meeting held on 27 April 2022, at first call, voted in favour of the report.

Specifically, 99.701% of share capital presented or represented at the General Meeting voted in favour of this annual director remuneration report, 0.225% voted against, and 0.074% abstained.

As explained previously, the remuneration policy expires at the end of the year and plans are to submit a proposal to the General Meeting for the new policy to become effective as of its approval, at the 2023 meeting, for the ensuing three years. Also as noted, this new remuneration policy will be broadly similar to the current policy, the application of which (as set out in the annual report on remuneration of directors) has been widely supported by shareholders.

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

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

In 2022, the Atresmedia remuneration policy was applied without any noteworthy incidents beyond the changes in the positions on the Board of Directors decided at its meeting held on 22 June 2022 which gave rise to: (i) the appointment of an Executive Vice Chairman of the Board of Directors (a position envisaged in the Company's articles that did not exist then, but to which who until then was the Chief Executive Officer was appointed); and (ii) the appointment of a new Chief Executive Officer, which resulted in the disappearance of the General Manager of Television.

The terms and conditions of the remuneration of the Executive Vice Chairman and Chief Executive Officer appointed in June 2022 are within the ranges outlined in the existing director remuneration policy. The Board of Directors delegated in the Chairman the authority to increase the Chief Executive Officer's remuneration up to the maximum limit established in the remuneration policy for this position.

The percentage weightings in the long-term variable remuneration scheme were reallocated among the positions taking into consideration the timing of the changes of positions (at the half-way point in the existing plan) and matches those weightings without changing the overall percentage they had assigned to them jointly.

The engagement of external advisors to apply the policy was not deemed necessary.

Settlement of executive directors' fixed remuneration arises from enforcement of their respective service contracts and does not require any special process.

Annual variable remuneration is determined (along with the percentage of related fixed salary) after the authorisation for issue of the annual financial statements by the Board of Directors based on a favourable report from the Audit and Control Committee and an unqualified opinion of the external auditor. The audited financial statements for each year are those approved at the related General Meeting.

At its meeting held in February 2022, the Appointments and Remuneration Committee verified that there was no cause to apply the contractual clauses in executive directors' existing contracts regarding potential adjustment of their annual variable remuneration in 2021. It also verified that the financial statements to which the two parts of accrual and settlement of this remuneration in 2022 had been authorised for issue by the Board of Directors or approved at the related General Meeting. The committee also considered it had evidence of the executive directors' compliance with the duties and obligations inherent to their post and with Atresmedia Corporación's corporate governance rules. This same oversight and control procedure will be implemented in 2023 for the 2022 remuneration.

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

There was no deviation from the procedure established for the application of the remuneration policy in 2022. As a result of the appointment of the Executive Vice Chairman and since this position was not specific regulated in the existing remuneration policy the same remuneration model as that of executive directors

was applied, with a fixed remuneration based on the responsibility inherent in the position for the same amount as the remuneration policy assigns to the other executive directors, as well as the same annual variable remuneration.

As explained previously, because of the appointments, the Board of Directors decided to amend the percentages originally assigned to the two members in their previous positions (25% and 17%) in the existing long-term remuneration policy, so that they were the same for both (21% each) and without changing their combined total.

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

No temporary exceptions were applied to the remuneration policy.

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

The calculation of executive directors' annual variable remuneration in cash is linked to the achievement of the EBITDA target for the year and their good governance obligations as directors. Therefore, it is aligned with the interests of shareholders, preventing potential exposure to excessive risk-taking that could require additional or complementary control measures.

Part of the annual variable remuneration is subject to fulfilment of the minimum contract term requirement: 50% vests on 31 December of the reference year of the remuneration and the other 50% a year later. The possibility that this variable remuneration may be negatively affected by directors' failure to comply with the duties inherent to their office reinforces their engagement to the Company's reputation and the effectiveness of its corporate governance model.

The inclusion of targets linked to future profitability, diversification of income sources and delivery of ESG goals into the long-term variable remuneration scheme, coupled with payment of part of the remuneration out of treasury shares, implies an additional increase in the relative weight of the component linked to long-term objectives in directors' overall remuneration and, therefore, actually reinforces convergence with the future interests of the Company and its shareholders. Vesting of this multi-year variable remuneration is also contingent on the executive director remaining in the position. There are, however, certain exceptions to the minimum contract term clause, as explained previously.

The proposed long-term variable remuneration linked to the performance of new businesses that lead to higher shareholder returns through the payment of dividends provides and incentive to find new opportunities for business diversification in a highly competitive market that is witnessing dramatic changes in the patterns of audiovisual product consumption. In terms of the related risk, internal mechanisms must be put in place and collegial bodies (especially the Audit and Control Committee) must be involved bearing in mind the restrictions that protect the Group's financial structure, debt, borrowings, etc.

Also, as a counterbalance and to ensure long-term decision-making, the Company has an internal protocol governing the involvement of the Executive Committee in matters that are particularly relevant for Atresmedia Group given their nature, amount or risk. The scope of action attributable in these specific cases includes businesses and exceptional matters for the company, in which the Executive Committee is called on to act ex-ante as an additional measure of collegial knowledge and control. This is without prejudice to the full powers of the Company's Chief Executive Officer, which are not conditioned, limited or restricted in any way. In exceptional cases and cases of urgent need, the executive committee's control and supervisory intervention may take place ex post of the CEO's actions.

The Company's shareholder structure provides a natural hedge against the potential for excessive risk-taking by the management team. The existence of two main shareholders with a combined ownership interest of 60.35% of the share capital and with total representation of six (6) proprietary directors (one of whom, the chairman, is also an executive director) out of a total of twelve (12) directors is a key element for ensuring that the long-term vision and strategy outweigh the potential risks of an excessively short-term approach to management.

Director conflicts of interest are regulated in section v) of the paragraph on directors' duty of loyalty contained in article 34 "Duties of directors and scope of their responsibilities" in the Regulations of the Board of Directors. This article requires directors to avoid any situations that may conflict with the interests of the Company, refraining from certain actions that imply such a conflict and notifying the Board of Directors of any situations of direct or indirect conflict of interests that they or their related parties may have.

In 2022, the Board of Directors assessed the conflicts of interest reported, which were of insignificant amounts and relevance, ruling in favouring of waiving the charges since there was no harm to the Group.

In addition, the Code of Conduct is applicable to all Atresmedia Group employees. It outlines the situations in which an employee's personal interests may conflict directly or indirectly with the Group's interests in order to avoid situations that could be considered a conflict of interest and entail risk for the Company. In 2022, preventive control of potential conflicts of interest was maintained through an individual questionnaire on the topic. The questionnaire was filled out by all Group senior and middle managers, which is considered the 'preferred group' for oversight in this respect for their higher capacity of decision-making over the business and its level of risk. Managers use the questionnaire to report responsibly on their current knowledge of internal rules and regulations and the absence of personal conflicts of interest.

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

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

Remuneration accrued and vested in 2022 by the executive directors was in accordance with the remuneration policy in force, with both fixed and variable elements aligned to the policy in terms of amount and criteria for accrual.

The annual variable remuneration of Atresmedia's executive directors is linked to the EBITDA obtained each year. Therefore, it has a direct relationship with the Company's profitability and shareholder returns via dividends, both key factors in the Company's sustainable and long-term performance.

In addition, the long-term variable remuneration of directors is also aligned with the Company's long-term target return since it is also linked to forecast EBITDA for the following years, while also including diversification of the business mix to obtain revenue in addition to advertising, compliance with ESG (environmental, social and good governance) goals and minimum contract terms of directors, helping foster continuity and stability in management.

Specifically, remuneration received by executive directors according to the criteria and metrics set out in the remuneration policy was as follows.

#### **I.- EXECUTIVE CHAIRMAN**

Fixed remuneration of EUR 410,000;

Remuneration in kind (life insurance) of EUR 12,858.

Variable remuneration for 2020 (50%) vested at 31 December 2021, after complying with the requirement of remaining in office at that date, of EUR 100,581. This was paid in the first quarter of 2022, after meeting that requirement.

Variable remuneration for 2021 (50%) accrued and vested at 31 December 2021, which was paid in the first quarter of 2022, after the authorisation for issue of the financial statements and of the qualitative and quantitative objectives, of EUR 180,400.

#### **II. EXECUTIVE VICE CHAIRMAN**

Fixed remuneration in cash for a total of EUR 985,111 in 2022, which includes the proportional share of the annual EUR 880,000 remuneration from the date of appointment as Vice Chairman, and remuneration until then in his previous position as Chief Executive Officer, of EUR 1,100,000.

Remuneration in kind (life and health insurance) of EUR 22,194.

Variable remuneration for 2020 (50%) vested at 31 December 2021, after complying with the requirement of remaining in office at that date, of EUR 269,852. This was paid in the first quarter of 2022, after meeting that requirement.

Variable remuneration for 2021 (50%) accrued and vested at 31 December 2021, which was paid in the first quarter of 2022, after the authorisation for issue of the financial statements and of the qualitative and quantitative objectives, of EUR 484,000.

#### **III. CHIEF EXECUTIVE OFFICER**

Fixed remuneration in cash of EUR 754,444, which includes the proportional share of the annual EUR 850,000 remuneration from the date of appointment as Chief Executive Officer, and remuneration until then in his previous position, of EUR 650,000.

Remuneration in kind (life and health insurance) of EUR 9,906

Variable remuneration for 2020 (50%) vested at 31 December 2021, after complying with the requirement of remaining in office at that date, of EUR 159,458. This was paid in the first quarter of 2022, after meeting that requirement.

Variable remuneration for 2021 (50%) accrued and vested at 31 December 2021, which was paid in the first quarter of 2022, after the authorisation for issue of the financial statements and of the qualitative and quantitative objectives, of EUR 286,000.

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

	Number	% of total
Votes cast	164,399,151	72.83
	Number	% of votes cast
Votes against	370,132	0.23
Votes in favour	163,907,024	99.70
Blank ballots		0.00
Abstentions	121,995	0.07

Observations

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

Fixed components accrued by external directors for performing their duties (excluding any activity not inherent to their post as director) in 2022 were the same as in the previous sixteen (16) years (i.e. since April 2006). Therefore, the remuneration scheme is the same, comprising fixed remuneration for membership of two of the administrative bodies (e.g. Board of Directors and Executive Committee) and fees for attending Board and Board committee meetings, in accordance with the following amounts:

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

In 2022, the Executive Committee and the Board of Directors held 11 ordinary meetings, the Audit and Control Committee five and the Appointments and Remuneration Committee six.

As explained previously, some of these amounts are likely to be modified after the ongoing review of the remuneration policy. Internal or executive directors are not entitled to this remuneration.

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

In 2022, the salaries of the three executive directors were determined in accordance with the existing remuneration policy and their respective service contracts, with the modifications and new contracts inherent in the appointments at the Board of Directors' meeting held in June of the Executive Vice Chairman and the Chief Executive Officer, as explained in this report (see Section B.3).

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

In particular:

- a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.
- b) In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.
- c) Each director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).
- d) Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

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

The variable remuneration of the three executive directors is determined exclusively in accordance with the level of achievement of the EBITDA target approved by the Board of Directors in the annual budget. The level of achievement is calculated based on the audited financial statements approved at the General Meeting.

The multi-year annual remuneration is described in detail in this report and includes executive directors as beneficiaries. It became effective in 2021 and, with it, obligations to meet financial and non-financial targets for three straight years; i.e. 2021 to 2023. The directors included in the plan must also continue to hold the post of director until 28 April 2025. In general, achievement of the targets is evaluated overall, not each year. Therefore, performance is subject to verification at the end of 2023, notwithstanding the minimum contract term requirement. However, the plan includes specific treatment for the EBITDA target, which may have an effect depending on the actual results of 2021 and 2022. For instance, assuming that at least 90% of target is achieved, according to the metrics for this measurement, part of the total EBITDA target will be considered to have been fulfilled.

According to data in the 2022 financial statements authorised for issue by the Board of Directors, this clause in the plan must be applied since in 2021 and 2022 the 90% of target EBITDA threshold was exceeded, so minimum remuneration of 49% of the total plan is assured, provided that the rest of the terms and conditions are met as at the settlement date.

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

In 2022, the long-term variable remuneration plan for executive directors described in section A.1.6 (II) above was applied.

- B.8.** Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly

shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

The data for 2020 and 2021 used to determine the ordinary variable remuneration settled in 2022 were approved by shareholders at the General Meeting based on a fully favourable report by the external auditor, without no clear inaccuracies uncovered subsequently. Therefore, the circumstances did not arise requiring the hypothetical application of the contractual clawback or malus clauses of the annual variable remuneration.

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

There are no plans with these characteristics.

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

No payment of this type was made in 2022.

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

In 2022, there were changes in the contracts of the two executive directors whose positions changed, i.e. Silvio González and Javier Bardají, following a resolution of the Board of Directors at its meeting held on 22 June 2022. The new contracts have the same structure and content as the previous contracts, but with the required adaptations regarding duties and remuneration.

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

There is no supplementary remuneration. Executive directors receive the amounts stipulated in their service contracts, as previously explained in this report. External directors receive the established remuneration in the form of attendance fees and fixed remuneration, also described herein. One external director also receives remuneration for providing professional services unrelated to his activity as director.

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

There is no remuneration of this kind.

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

The Company bears the cost of a life and disability insurance policy for the Executive Chairman, with a maximum cost of EUR 15,000 per year.

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

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

There is no remuneration of this type.

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

There are no other items of remuneration.



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

Name	Type	Period of accrual in 2022
JOSÉ CREUHERAS MARGENAT	Executive Chairman	From 01/01/2022 to 31/12/2022
SILVIO GONZÁLEZ MORENO	Executive Vice Chairman	From 01/01/2022 to 31/12/2022
JAVIER BARDAJÍ HERNANDO	Chief Executive Officer	From 01/01/2022 to 31/12/2022
MAURICIO CASALS ALDAMA	Proprietary Director	From 01/01/2022 to 31/12/2022
MARCO DRAGO	Proprietary Director	From 01/01/2022 to 31/12/2022
PATRICIA ESTANY PUIG	Lead Independent Director	From 02/01/2022 to 31/12/2022
CARLOS FERNÁNDEZ SANCHIZ	Proprietary Director	From 01/01/2022 to 31/12/2022
ROSA MARÍA LLEAL TOST	Independent Director	From 01/01/2022 to 31/12/2022
ELMAR HEGGEN	Proprietary Director	From 01/01/2022 to 01/12/2022
MÓNICA RIBÉ SALAT	Independent Director	From 01/01/2022 to 31/12/2022
BEATRIZ ROGER TORRES	Independent Director	From 01/01/2022 to 31/12/2022
NICOLAS DE TAVERNOST	Proprietary Director	From 01/01/2022 to 31/12/2022

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

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total in 2022	Total in 2021
JOSÉ CREUHERAS MARGENAT				410	348				758	691
SILVIO GONZÁLEZ MORENO				985	889				1,874	1,854
JAVIER BARDAJÍ HERNANDO				754	593				1,347	1,095
MAURICIO CASALS ALDAMA	25	34						632	691	642
MARCO DRAGO	25	43	50						118	125
PATRICIA ESTANY PUIG	25	50	50						125	125
CARLOS FERNÁNDEZ SANCHIZ	25	32							57	53
ROSA MARÍA LLEAL TOST	25	44							69	39
ELMAR HEGGEN	25	24							49	53
MÓNICA RIBÉ SALAT	25	44							69	63
BEATRIZ ROGER TORRES	25	44							69	39
NICOLAS DE TAVERNOST	25	48	50						123	126

Observations

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

Name	Name of plan	Financial instruments at start of 2022		Financial instruments granted during 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
No data												

Observations

iii) Long-term saving schemes

Name	Remuneration from vesting of rights to savings schemes
No data	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	2022	2021	2022	2021	2022	2021	2022	2021
No data								

Observations

iv) Details of other items

Name	Concept	Amount of remuneration
JOSÉ CREUHERAS MARGENAT	Life insurance	13
SILVIO GONZÁLEZ MORENO	Health/life insurance	22
JAVIER BARDAJÍ HERNANDO	Health/life insurance	10

Observations

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

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total in 2022	Total in 2021
No data										

Observations

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

Name	Name of plan	Financial instruments at start of 2022		Financial instruments granted during 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
No data												

Observations

iii) Long-term saving schemes

Name	Remuneration from vesting of rights to savings schemes
No data	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	2022	2021	2022	2021	2022	2021	2022	2021
No data								

Observations

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iv) Details of other items

Name	Concept	Amount of remuneration
No data		

Observations

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c) Summary of remuneration (thousands of euros):

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

Name	Remuneration accruing in the Company					Remuneration accruing in group companies					Total in 2022, company + group
	Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2022, company	Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2022, group	
JOSÉ CREUHERAS MARGENAT	758			13	771						771
SILVIO GONZÁLEZ MORENO	1,874			22	1,896						1,896
JAVIER BARDAJÍ HERNANDO	1,347			10	1,357						1,357
MAURICIO CASALS ALDAMA	691				691						691
MARCO DRAGO	118				118						118
PATRICIA ESTANY PUIG	125				125						125
CARLOS FERNÁNDEZ SANCHIZ	57				57						57
ROSA MARÍA LLEAL TOST	69				69						69
ELMAR HEGGEN	49				49						49
MÓNICA RIBÉ SALAT	69				69						69

Name	Remuneration accruing in the Company					Remuneration accruing in group companies					Total in 2022, company + group
	Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2022, company	Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2022, group	
BEATRIZ ROGER TORRES	69				69						69
NICOLAS DE TAVERNOST	123				123						123
<b>TOTAL</b>	<b>5,349</b>			<b>45</b>	<b>5,394</b>						<b>5,394</b>

Observations

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

	Total amounts accrued and % annual variation									
	2022	% variation 2022/2021	2021	% variation 2021/2020	2020	% variation 2020/2019	2019	% variation 2019/2018	2018	
<b>Executive directors</b>										
JOSÉ CREUHERAS MARGENAT	771	9.67	703	13.94	617	10.18	560	6.26	527	
SILVIO GONZÁLEZ MORENO	1,896	1.12	1,875	3.14	1,818	-4.87	1,911	1.00	1,892	



Total amounts accrued and % annual variation									
	2022	% variation 2022/2021	2021	% variation 2021/2020	2020	% variation 2020/2019	2019	% variation 2019/2018	2018
JAVIER BARDAJÍ HERNANDO	1,357	22.92	1,104	2.99	1,072	56.04	687	-	0
<b>External directors</b>									
MAURICIO CASALS ALDAMA	691	7.63	642	85.01	347	-46.28	646	1.41	637
MARCO DRAGO	118	-5.60	125	17.92	106	-11.67	120	0.00	120
PATRICIA ESTANY PUIG	125	0.00	125	13.64	110	-12.00	125	-1.57	127
CARLOS FERNÁNDEZ SANCHIZ	57	7.55	53	1.92	52	-5.45	55	77.42	31
ROSA MARÍA LLEAL TOST	69	76.92	39	-	0	-	0	-	0
ELMAR HEGGEN	49	-7.55	53	10.42	48	45.45	33	-15.38	39
MÓNICA RIBÉ SALAT	69	9.52	63	8.62	58	-7.94	63	3.28	61
BEATRIZ ROGER TORRES	69	76.92	39	-	0	-	0	-	0
NICOLAS DE TAVERNOST	123	-2.38	126	10.53	114	-0.87	115	-7.26	124
<b>Consolidated results of the company</b>									
	150,394	-2.04	153,524	354.54	33,776	-78.46	156,794	0.18	156,511
<b>Average employee remuneration</b>									
	67	4.69	64	-18.99	79	23.44	64	-1.54	65



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OF LISTED COMPANIES**



Observations

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**D. OTHER INFORMATION OF INTEREST**

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

There are no issues relating to directors' remuneration that have not been included in this report.

The report includes information regarding plans for the Company's new remuneration policy that must be approved at the 2023 General Meeting. Nevertheless, the final wording of the proposed resolution by the Board to the General Shareholders' Meeting has yet to be adopted, so there could still be modifications.

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

22/02/2023

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

Yes

No