REASONED PROPOSAL BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. ON THE APPROVAL OF THE REMUNERATION POLICY FOR THE COMPANY'S BOARD OF DIRECTORS, INCLUDED IN POINT 7.2 OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED FOR JUNE 27 AND 28, 2023, AT THE FIRST AND SECOND QUORUM CALL, RESPECTIVELY

1. Introduction

In accordance with the provisions of Article 529 *novodecies* of the consolidated text of the Spanish Capital Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July ("**Capital Companies Law**"), the Board of Directors of Promotora de Informaciones, S.A. ("**PRISA**" or the "**Company**"), acting on a favourable report by the Nominations, Compensation and Corporate Governance Committee (attached to this report and endorsed in its entirety by the Board of Directors), drew up and approved at its meeting on May 23, 2023 this reasoned proposal to approve the remuneration policy for the directors of the Company, applicable to the years 2023, 2024 and 2025 ("**Remuneration Policy 2023-2025**" or "**Remuneration Policy**") from the date it is approved at the Ordinary Shareholders Meeting.

This proposal will be submitted for approval by the Ordinary General Shareholders' Meeting, which is expected to be held on June 27, 2023.

2. Justification of the proposed update

The current text of the Remuneration Policy for the directors of PRISA, which was approved by the Ordinary Shareholders' Meeting held on 28 June 2022, is applicable to the years 2022, 2023 and 2024 ("**Remuneration Policy 2022-2024**"). That text provides compensation for two executive directors (the executive chairmen of Santillana and PRISA Media).

As indicated in the CNRGC's report, in February 2023 Mr. Khalid bin Thani bin Abdullah Al Thani resigned his post as proprietary director and, to fill that vacancy, PRISA's Board of Directors appointed Ms. Pilar Gil Miguel (who from 1 July 2022 served as Grupo PRISA'S Financial Director) as executive director.

At the CNRGC's proposal and pursuant to section 7.9 of the 2022/2024 Remuneration Policy (which provides for the incorporation of new executive directors during the term of the policy), the Board of Directors approved Ms. Pilar Gil's contract for the provision of services to the Company. Thus, effective 1 March 2023 Ms. Gil entered into a services contract with PRISA that provides for her compensation as executive director (which, pursuant to the Policy, is determined by the level of responsibilities assigned to her as well as her professional qualifications).

In view of the foregoing and subject to Ms. Gil's appointment as director being ratified at the shareholders meeting, the Board of Directors considers it warranted to propose adapting the Remuneration Policy to the company's new governing structure (which now has three executive directors: Grupo PRISA's Financial Director and the executive chairmen of Santillana and PRISA Media), precisely to include the compensation system applicable to the new executive director.

The Board likewise proposes making the following amendments to the Remuneration Policy:

i. to eliminate the requirement that compensation for the Chairman of the Board of Directors be higher than the remuneration of the rest of the board members;

ii. to provide for the possibility that the same director may receive compensation for different positions that he may hold on the board;

iii. to include the Board of Director's power to determine (at the CNRGC's proposal) the amount of remuneration to be awarded as fixed compensation, as per diem expenses for attending meetings, or a combination of both, without exceeding the limits provided for in the Policy, which will not be changed; and

iv. to eliminate the limit on extraordinary incentives for executive directors envisioned in the Policy, with a view to providing the Board with greater flexibility when determining those incentives and in order to make the incentives system more efficient, facilitating adaptation to changing circumstances in the markets, while maintaining the conditions for receiving such incentives (such as clawback clauses and the directors's requisite uninterrupted term of service in Grupo PRISA);

In summary, the new 2023/2025 Remuneration Policy to be submitted for consideration at the shareholders meeting is in line with the previous one in force to-date, although adapted to the Company's new governing structure, including a specific compensation system for the new executive director, while implementing others that enable the directors' compensation sytem to likewise be adapted to possible reorganizations in the distribution of positions, functions and responsibilities on the Board of Directors, as well as to other circumstances that might prove essential when awarding extraordinary incentives to executive directors.

This amendment to the Policy likewise provides an opportunity to expand the information concerning the objectives linked to variable annual compensation, as well as to update the information concerning medium and long-term variable compensation for executive directors (specifically, the date of the shareholders' approval of the medium-term incentives payable in shares is included, together with the number of theoretical shares that have already been assigned to the executive directors). Other minor adjustments and improvements of a technical nature are also being made.

As is the case with the previous remuneration policy, the aim is to keep the remuneration structure of the members of the Board of Directors in line with the Group's general strategy, thus promoting a system of effective incentives that guarantees results-orientation, implementation of the Group's strategic plan and the creation of value for shareholders in a way that is sustainable in the medium and long term, while contributing to the interests of the Group and the long-term sustainability of the Company.

3. Validity period

Pursuant to article 529 novodecies of the LSC, the Remuneration Policy will be in effect for a maximum term of three years (2023-2025). Therefore, the Company must propose at the General Shareholders' Meeting a new remuneration policy to be applied starting in 2026, inclusive. Moreover, any amendment or substitution during the life of the Remuneration Plan will require the prior approval of shareholders, as set forth in current legislation.

Regarding 2023 the Remuneration Policy supersedes and replaces the text of the 2022-2024 Remuneration Policy.

Nevertheless, all the remuneration paid to directors or former directors under the Remuneration Policy 2022-2024 shall be valid, and approval of the new Remuneration Policy shall not in any way change the amounts accrued under the prior policy.

Equally valid is all compensation paid to Ms. Pilar Gil Miguel as executive director commencing on 1 March 2023, in accordance with the conditions of her new services contract entered into with the Company, which are expressly detailed in the 2023/2025 Remuneration Policy.

4. Conclusion

The Board of Directors of PRISA considers that the remuneration of the directors under the Remuneration Policy proposed to the General Shareholders' Meeting is reasonably proportional to the importance of the Company, its current organizational and economic situation and market standards for comparable companies. At the same time, the system of remuneration aims to promote the Company's long-term growth, profitability and sustainability, and includes the necessary precautions to prevent excessive assumption of risks and compensation for unfavourable results.

5. The proposed resolution submitted for the approval of the Ordinary General Shareholders' Meeting

Based on all the above, the proposed resolution submitted for the approval of the Ordinary General Shareholders' Meeting reads as follows:

"To approve, in accordance with article 529 novodecies of the Capital Companies Law and with the reasoned proposal approved by the Board of Directors which is accompanied by the required report of the Appointments, Remuneration and Corporate Governance Committee, the remuneration policy for the directors, for fiscal years 2023, 2024 and 2025.

With respect to financial year 2023, this remuneration policy replaces the text of the remuneration policy for directors, applicable for financial years 2022, 2023 and 2024 which was approved at the Ordinary Shareholders' Meeting held on June 28, 2022. All this is without prejudice to the remuneration accrued under the previous directors' remuneration policy, which will remain valid.

The new version of the Directors' Remuneration Policy has been made available to the shareholders on occasion of the call of the Shareholders' Meeting."

Madrid, 23 May, 2023

REPORT DRAFTED BY THE NOMINATIONS, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE OF PROMOTORA DE INFORMACIONES, S.A. ON THE PROPOSED RESOLUTION TO APPROVE THE REMUNERATION POLICY FOR THE DIRECTORS OF THE COMPANY, INCLUDED IN POINT 7.2 OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING TO BE HELD ON JUNE 27 AND 28, 2023, AT ITS FIRST AND SECOND QUORUM CALL, RESPECTIVELY

1. Purpose of the report

In accordance with the provisions of article 529 *novodecies* of the consolidated text of the Capital Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July ("Capital Companies Law"), and under article 28.4.(iii) of the Regulation of the Board of Directors of Promotora de Informaciones, S.A. ("**PRISA**" or the "**Company**"), the Nominations, Compensation and Corporate Governance Committee **("CNRGC")** drew up and approved this report at its meeting on May 23, 2023, to justify and explain the proposed resolution on the remuneration policy for the directors of the Company, applicable to the years 2023, 2024 and 2025. This report will be submitted to the Board of Directors, which in turn will submit it for approval to the General Shareholders' Meeting of PRISA.

The complete updated text of the remuneration policy for PRISA directors is in the **Annex** to this report.

2. Justification of the proposed update

The current text of the Remuneration Policy for the directors of PRISA, which was approved by the Ordinary Shareholders' Meeting held on June 28, 2023, is applicable to the years 2022, 2023 and 2024 ("**Remuneration Policy 2021-2023**").

After the 2022/2024 Remuneration Policy was approved, in February 2023 Mr. Khalid bin Thani bin Abdullah Al Thani resigned his post as proprietary director and, to fill that vacancy, PRISA's Board of Directors appointed Ms. Pilar Gil Miguel (who from 1 July 2022 served as Grupo PRISA'S Financial Director) as executive director.

At the CNRGC's proposal and pursuant to section 7.9 of the 2022/2024 Remuneration Policy (which provides for the incorporationn of new executive directors during the term of the policy) the Board of Directors approved Ms. Pilar Gil's contract for the provision of services to the Company. Thus, effective 1 March 2023 Ms. Gil entered into a services contract with PRISA that provides for her compensation as executive director (which, pursuant to the Policy, is determined by the level of responsibilities assigned to her as well as her professional qualifications).

In view of the foregoing and subject to Ms. Gil's appointment as director being ratified at the shareholders meeting, the Board of Directors considers it warranted to propose adapting the Remuneration Policy to the company's new governing structure (which now has three executive directors: Grupo PRISA's Financial Director and the executive chairmen of Santillana and PRISA Media), precisely to include the compensation system applicable to the new executive director.

The Board likewise proposes making the following amendments to the Remuneration Policy:

i. to eliminate the requirement that compensation for the Chairman of the Board of Directors be higher than the remuneration of the rest of the board members;

ii. to provide for the possibility that the same director may receive compensation for different positions that he may hold on the board;

iii. to include the Board of Director's power to determine (at the CNRGC's proposal) the amount of remuneration to be awarded as fixed compensation, as per diem expenses for attending meetings, or a combination of both, without exceeding the limits provided for in the Policy, which will not be changed;

iv. to eliminate the limit on extraordinary incentives for executivev directors envisioned in the Policy, with a view to providing the Board with greater flexibility when determining those incentives and in order to make the incentives system more efficient, facilitating adaptation to changing circumstances in the markets, while maintaining the conditions for receiving such incentives (such as clawback clauses and the directors's requisite uninterrupted term of service in Grupo PRISA);

In summary, the new 2023/2025 Remuneration Policy to be submitted for consideration at the shareholders meeting is in line with the previous one in force to-date, although adapted to the Company's new governing structure, including a specific compensation system for the new executive director, while implementing others that enable the directors' compensation sytem to likewise be adapted to possible reorganizations in the distribution of positions, functions and responsibilities on the Board of Directors, as well as other circumstances that might prove essential when awarding extraordinary incentives to executive directors.

This amendment to the Policy likewise provides an opportunity to expand information concerning the objectives linked to variable annual compensation, as well as to update the information concerning the medium and long-term variable compensation for executive directors (specifically, the date of the shareholders' approval of the medium-term incentives payable in shares is included, together with the number of theoretical shares that have already been assigned to the executive directors).

Other minor adjustments and improvements of a technical nature are also being made.

3. Conclusion

The Nominations, Compensation and Corporate Governance Committee considers that the proposed Remuneration Policy for directors that is being submitted to the Board of Directors, which in turn will submit it to the General Shareholders' Meeting for approval, is reasonably proportional to the importance of the Company, its current economic situation and market standards for comparable companies. At the same time, the system of remuneration aims to promote the Company's long-term growth, profitability and sustainability, and includes the necessary precautions to prevent excessive assumption of risks and compensation for unfavourable results.

Madrid, May 23, 2023

ANNEX
REMUNERATION POLICY OF THE DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A.

English translation for information purposes only. In case of discrepancies between the Spanish original and the English translation, the Spanish version shall prevail.

DIRECTORS' REMUNERATION POLICY OF PROMOTORA DE INFORMACIONES, S.A. FOR FISCAL YEARS 2023, 2024 AND 2025

English translation for information purposes only. In case of discrepancies between the Spanish original and the English translation, the Spanish version shall prevail.

DIRECTORS' REMUNERATION POLICY OF PROMOTORA DE INFORMACIONES, S.A. FOR FISCAL YEARS 2023, 2024 AND 2025

1. INTRODUCTION

In accordance with the provisions of article 529 novodecies of the consolidated Spanish Capital Companies Law, approved by Legislative Royal Decree 1/2010 of July 2, 2010 (the "**LSC**"), the Shareholders' Meeting must approve the directors' remuneration policy, as a separate item on the agenda.

At the Ordinary Shareholders Meeting of Promotora de Informaciones, S.A. ("**PRISA**" or the "**Company**") held on 28 June 2022, the Remuneration Policy for directors was approved for the fiscal years 2022, 2023 and 2024 ("2022/2024 Remuneration Policy").

This document contains the directors' remuneration policy for Company directors, applicable for the remainder of 2023 and for 2024 and 2025, submitted for approval at the Ordinary General Shareholders' Meeting called for June 27 and 28, 2023, on first and second call, respectively (the "**Remuneration Policy**").

The Remuneration Policy is accompanied by a justifying report from the Appointments, Remuneration and Corporate Governance Committee ("**CNRGC**") and a reasoned proposal from the Company's Board of Directors, in accordance with article 529 *novodecies* of the LSC. Both documents will be made available to the shareholders on the Company's website as from the date of publication of the call notice of the aforementioned General Shareholders' Meeting.

2. INTERNAL PROCEDURE FOR DETERMINING THE REMUNERATION POLICY FOR DIRECTORS

This Remuneration Policy has been drafted and approved by the Board of Directors of PRISA, on the proposal of the CNRGC.

In accordance with the Company's Board of Directors Regulations, the Board of Directors is responsible for the decisions relating to the remuneration of directors, within the framework of the Articles of Association and the remuneration policy approved by the General Meeting.

The CNRGC is responsible for the following: (i) proposing to the Board of Directors the remuneration policy for directors, as well as individual compensation and all contratual conditions for executive directors, (ii) ensuring compliance with and periodically reviewing the remuneration policy applied to directors, and guaranteeing that their individual remuneration is proportional to their duties and dedication and to the remuneration of the Company's other directors and senior executives; and (iii) informing the Board on any proposals relating to the terms of the variable remuneration of executive directors, as well as other incentive plans for them; and where necessary, verifying the level of compliance with the objectives to which they are subject.

In preparing this Remuneration Policy, the CNRGC and the Board of Directors have taken into account the remuneration schemes of comparable companies and the employment conditions of the Group's workers.

In the process of preparing, reviewing and applying the current Remuneration Policy, at any time the appropriate management of any possible conflict of interests is guaranteed. In that regard:

i. When adopting its decisions concerning the Remuneration Policy (whether it be proposing a new policy or amending a current one), the CNRGC has the appropriate composition and working rules to avoid generating situations involving conflicts of interests. The majority of CNRGC members are independent directors, no executive director is a member of the committee, and assistance from an independent outside expert is requested when deemed necessary.

ii. The structure of directors' remuneration to compensate the performance of their executive functions follows a system for key Group executives (which is completely different from the composition and procedures of the CNRGC), thus guaranteeing that there can be no possible influence of executive directors in determining remuneration policies.

iii. The CNRGC conducts an annual review of the implementation of the current policy and compliance with the budgets earmarked for paying the executive directors' variable compensation, reporting in that regard to the Board of Directors.

iv. Executive directors do not participate in deliberations and discussions of the resolutions that the Board of Directors adopts in the application of the remuneration policy.

The foregoing measures greatly minimize any possible incident involving a conflict of interest within the framework of determining, reviewing and applying the current remuneration policy at any time.

3. VALIDITY PERIOD

In accordance with article 529 novodecies of the LCS, the Remuneration Policy will be valid from the date on which it is approved at the Ordinary Shareholders Meeting and for a maximum term of three years (2023-2025). Consequently, a new remuneration policy shall be submitted to the General Meeting, to be applied from 2026, inclusive.

Also, any amendment to or replacement of the Remuneration Policy during that validity period will require prior approval from the Shareholders' Meeting of the Company in accordance with applicable Law.

With respect to the fiscal year 2023, this Remuneration Policy substitutes and replaces the text of the Directors' Remuneration Policy 2022/2024.

Notwithstanding the above, all the remuneration paid to the directors or former directors under the Remuneration Policy for 2022/2024 shall be valid, and the approval of this Remuneration Policy shall not represent a modification of the amounts already accrued under the previous policy.

4. PRINCIPLES AND FUNDAMENTALS OF THE REMUNERATION POLICY

The remuneration for the members of the Board of Directors is determined in accordance with that established in the Articles of Association, in the Board of Directors Regulations and in the resolutions adopted by the Shareholders' Meeting.

The fundamentals of the Remuneration Policy for PRISA's directors, in their capacity as such and for discharging their executive duties, where applicable, consider the general principle that the directors' remuneration must be essential to attract, retain and motivate directors with an outstanding and appropriate professional profile so that they can contribute to the strategic objectives of the group of which PRISA is the parent company (the "**Group**").

This Policy is in line with the principles of the 2022/2024 Remuneration Policy, although it has been adapted to the Company's present management structure (which includes three executive directors), thus updating the information concerning the medium and long term variable compensation for executive directors, while likewise providing the Board of Directors with additional flexibility when determining the individual remuneration of non-executive directors (but without exceeding the limits provided for in the Policy). In particular, the Remuneration Policy is based on the following principles:

i. <u>Moderation and adaptation to the best market practices</u>: PRISA's aim is for the remuneration of directors to be moderate and to comply with market trends and references in relation to remuneration in the Company's sector of business or at companies that are comparable in size, activity or structure, so that they are in-keeping with the best market practices.

ii. <u>Proportionality</u>: The remuneration of non-executive directors and, in particular, independent directors, must reflect the effective dedication, qualification and responsibility required by the post, but must not be so high as to compromise the director's independence of mind.

iii. <u>The Company's long-term sustainability</u>: the directors' remuneration envisaged in this Policy maintains a reasonable proportion with the Company's relevance, its current economic and financial situation and with the market standards at comparable companies. Also, the remuneration system seeks to promote the Company's long-term profitability and sustainability and includes the necessary safeguards to prevent excessive risk-taking and the rewarding of poor results.

iv. <u>The directors' remuneration for discharging executive duties shall be based on the following criteria:</u>

(a) it must motivate them to remain at the company and guide their management with exigency and special focus on the long term, and it must be reasonably linked to the performance of the stock market price in that time period;

(b) it must reflect the Company's current situation, perspectives and aims of sustainable growth;

(c) it must include fixed and variable components, with an annual or multi-year scope, as appropriate, in cash and in kind, and in elements indexed to share value, or the value of the Group's businesses; determined according to the following criteria, in order for the weighting of the different remuneration components to be in line with market practices:

- it must keep fixed remuneration at moderate levels and not be modified during the term of the Policy, unless specific circumstances arise rendering it advisable to review and, thus, amend the present Policy.

- variable remuneration must represent an important part of total remuneration and that the medium-term remuneration must have a significant weight.

- the variable remuneration components are linked to the achievement of predetermined objectives established by the Board of Directors in application of the metrics set forth in this Policy, the majority of which are specific and quantifiable, are coherent with the Company's circumstances, are aligned with the Company's interests and business strategy, and contribute to stimulating compliance with the strategic plan and the Company's long-term sustainability, reinforcing continuity in the Group's competitive development.

- share-based remuneration, or remuneration indexed to the value of the Group's businesses, must also be significant, without constituting the sole criteria for defining variable remuneration.

- the variable remuneration must be partially received over time.

(d) a clause must be included in the respective contracts which enables the Company to claim the reimbursement of any variable remuneration paid in the event that it is subsequently objectively proven that it was determined based on incorrect or inaccurate data.

v. <u>Conditions of remuneration of employees as a group and of the management team</u>: In drafting the Remuneration Policy and determining the remuneration scheme and the rest of the remuneration terms and conditions of the directors and senior management, the Board of Directors has paid particular attention to the employment conditions in the Company and the Group.

In this respect, the Remuneration Policy is aligned with that of the rest of the Group's employees in Spain, both with respect to the principles that inspire it and in relation to the main components of the remuneration.

Moreover, with the aim of contributing to the maintenance of a proportional and balanced remuneration structure, the Board of Directors has worked with the aim of ensuring that the relation between the average remuneration of the directors and senior management and that of employees in Spain (counting 2,559 employees) should be reasonable, given the Company's situation and that of the sectors in which it operates, as well as market practice and that of other comparable education and media groups. In particular, the aim has been that the average remuneration of senior executives (counting six executives, and not taking into account the three executive directors) should not be more than 4,5 times the average salary of the workforce in Spain; that the average remuneration of the external directors (considering 11 external directors, including the chairman) should not represent more than 2.8 times the average salary of the workforce in Spain; and that the remuneration of the three executive directors should not represent more than 9.7 times the average salary of the workforce in Spain.

vi. Restrictions for the transfer of the shares that the directors may receive as part of their remuneration:

(a) Non-executive directors who receive shares in payment for their fixed remuneration have the obligation to maintain the ownership of those shares until they resign or are removed from the post of director.

(b) Moreover, the executive directors who receive shares in payment for their remuneration may not transfer them for at least three years since their allocation. These restrictions will not apply if the director holds, at the time of the transfer or exercise, a net economic exposure to the variation of the share price for a market value equivalent to an amount of at least twice his or her fixed annual compensation through shares, stock options or other financial instruments. These restrictions will also not apply in case of death of the executive director or termination of the executive director's contract: (i) on the grounds of a serious and willful breach of the obligations set forth in the contract by the company which is a party to the contract; (ii) at the discretion of the company which is a party to the contract, without a breach of the responsibilities or obligations of the executive director; and (iii) at the executive director's discretion following a change of control.

This will not apply to any shares that the director must dispose of to defray the costs and taxes related to their acquisition or, following a favorable report from the CNRGC, to address extraordinary situations that requires it.

5. MAXIMUM AMOUNT OF DIRECTORS' REMUNERATION

The maximum amount of the remuneration that the Company may pay to all directors each year will be the sum of:

a) The maximum annual total of 2,000,000 euros, to which the remuneration payable to the directors in their capacity as such may amount (for the items stipulated in sections 6.2.1, 6.2.2, 6.2.3 and 6.2.4 below).

b) The amounts for the items mentioned in section 7 below, which relate to the remuneration for executive responsibilities performed by the executive directors (including the amount to which they would be entitled in the event they cease in their duties as executive directors, according to the provisions set forth in their contracts).

The maximum amount resulting from what is described in this section shall continue to apply for as long as this Remuneration Policy is in force, unless the Shareholders' Meeting resolves to change it in the future

The remuneration included in this Remuneration Policy is expressed in gross figures, and each director will be responsible for satisfying any applicable taxes.

6. DIRECTORS' REMUNERATION IN THEIR CAPACITY AS SUCH

6.1 General criteria:

The remuneration for directors in their capacity as such, with the amounts determined by the Board of Directors at the CNRGC's proposal, shall include the following compensation: i) an annual fixed compensation, or ii) a per diem for directors attending board meetings and, when warranted, meetings of the committees on which they serve, or iii) a combination of the two (that is, a monthly fixed amount and, in addition, a per diem for attending meetings), in accordance with the following:

i. The remuneration of directors in their capacity as such is intended to adecuately compensate them based on principles of fairness, dedication and responsibility, without compromising their independence. Directors' remuneration is reasonably proportional to the Company's importance, its economic situation, and the market standards of comparable companies.

ii. The maximum annual remuneration amount for all the directors in their capacity as such shall be determined at the Shareholders' Meeting and included in the Remuneration Policy (see section 5.i above).

iii. At the proposal of the CNRGC, the Board of Directors shall individually distribute the aforementioned maximum remuneration amongst its members (that is, distribution among the directors of the maximum remuneration mentioned above) taking into account the functions and responsibilities of each director, the category to which each director belongs, whether they belong to the Board Committees and the other objective circumstances that the Board of Directors deems relevant.

    At the request of the CNRGC, the Board of Directors may set a lower remuneration for the proprietary directors.

6.2 Fixed remuneration of the directors in their capacity as such

6.2.1 Fixed annual remuneration of the non-Executive Chairman

The fixed annual remuneration of the Non-executive Chairman shall be a fixed amount for all items in the range of between 200,000 euros and 300,000 euros per annum.

The specific fixed amount payable to the non-Executive Chairman of the Company shall be established by the Board of Directors, at the proposal of the CNRGC, within that range, according to the levels of responsibility and dedication required as Chairman of the Board and of the Delegated Committee, and to the specific circumstances involved in the activities to be carried out by the non-Executive Chairman, also taking into account the specific characteristics of the person holding the post at any given time, such as his professional background and experience, his capacities and skills for performing the office.

This remuneration shall be paid fully in cash and prorated monthly, and it shall be incompatible with the receipt of the remuneration established in sections 6.2.2, 6.2.3 and 6.2.5.

In the event the Board of Directors decides to have the Chairman assume executive functions, his remuneration package will be determined by the Board at the proposal of the CNRGC, taking into account the provisions of section 7.9 concerning the addition of new executive directors.

6.2.2 Remuneration for serving on the Board of Directors

The maximum compensation that a director may receive as annual fixed remuneration and/or as a per diem for attendance at board meetings shall be 70,000 euros per year per director.

The fixed annual remuneration which the non-executive directors receive for serving on the Board of Directors shall be paid to each one fully in cash on a prorated monthly basis. The per diem for attending board meetings will be paid during the month in which the meeting for which compensation is paid was held.

As already indicated in section 6.1iii above, the Board of Directors at the CNRGC's proposal will determine the amount corresponding to each director according to a number of objective circumstances, and the figure may therefore not be the same for all of them.

Likewise, per diems for attendance at meetings may differ depending on whether attendance was in person or remotely. Moreover, the amount of per diems paid may be different for committee members, and the Board of Directors may set a maximum number of meetings for which per diems for attendance may be paid.

6.2.3 Remuneration for serving on the Board Committees:

In addition to the compensation provided for in section **¡Error! No se encuentra el origen de la referencia.**, non-executive directors may receive an additional annual fixed amount for serving on board committees and/or per diems for attendance at committee meetings. The fixed remuneration shall be paid in cash, prorated monthly. Per diems for attendance at committee meetings shall be paid during the month in which the meeting that the director attended was held.

The amount of the per diem for attendance at meetings approved by the Board of Directors may differ depending on whether attendance was in person or remotely. Moreover, the amount of per diems may be different for chairpersons and committee members, and the Board of Directors may limit the number of meetings for which per diems for attendance are paid.

The maximum amount that a director may receive as annual fixed compensation and/or for per diems for serving on committees are as follows:

i. Remuneration for participating on a Delegated Committee: 30,000 euros per annum per director.

ii. Remuneration for serving on the Audit and Compliance Committee, on the CNRGC and on the Sustainability Committee: 20,000 euros per annum per director, being two times this amount for the respective committee chairmen (i.e. 40,000 euros).

6.2.4 Remuneration for other posts on the Board of Directors

At the CNRGC's proposal, the Board of Directors may provide specific remuneration for any other post on the board, such as for the deputy chairman and coordinating director. Such compensation (which may be cumulative) shall be determined based on the level of responsibility and dedication required when performing their duties and on specific circumstances, likewise considering the individual characteristics of the person holding that office, such as their career trajectory and professional experience, abilities and aptitudes.

Considered individually, such compensation may not exceed the remuneration granted to the non-executive chairman of the board, shall be paid in full in cash prorated monthy and, at the Board of Director's discretion, may or may not be deemed compatible with the compensation provided for in sections **¡Error! No se encuentra el origen de la referencia.**, **¡Error! No se encuentra el origen de la referencia.** and **¡Error! No se encuentra el origen de la referencia.** of this Policy.

6.2.5 Participation on the Boards of Directors of other Group companies

PRISA's directors can accrue other fees for serving on the Boards of Directors of other Group companies, in accordance with their respective Articles of Association, which will be reported annually in the Annual Report on Company Directors' Remuneration.

6.2.6 Other remuneration items

The remuneration for the directors in their capacity as such does not envisage the grant of credits, advance payments or guarantees. Likewise, it does not envisage the participation of non-executive directors in employee welfare systems or entitlement to any compensation in the event of termination of their duties as directors; also, it does not envisage the grant of remuneration other than that described in this Remuneration Policy.

6.3 Other provisions

6.3.1 Expenses related to Board and Committee meetings

The expenses associated to travel, meals and accommodation to attend the meetings of the Board of Directors and Committees will be reimbursed by the Company to the directors, provided that they have been notified to the Company previously and accepted by it, and that they are duly justified.

6.3.2 Civil liability insurance

The Company has also contracted a civil liability insurance policy for all its directors on the usual market conditions and proportionate to the Company's circumstances.

7. DIRECTORS' COMPENSATION FOR PERFORMING EXECUTIVE DUTIES

On the date of approval of this Policy, PRISA's Board of Directors has three executive directors: an executive director who is the CFO of Grupo PRISA, an executive director who is the head and executive chairman of Santillana, and an executive director who is the head and executive chairman of PRISA Media. This Remuneration Policy will refer to these persons as "Executive Director PRISA", "Executive Director of Santillana" and "Executive Director of PRISA Media", respectively, and jointly as the "Executive Directors".

7.1. Remuneration items

The remuneration items comprising the Executive Directors' remuneration as well as the basic terms and conditions of their functions must be stated in a contract signed with the director in question, which must be approved previously by the Board of Directors, where the director must abstain from voting on and discussing the matter, with a two-thirds majority vote in favor.

The contracts of the Executive Directors may be entered into with the respective companies of the Group in which they exercise their executive functions. It may therefore be the companies in which they exercise their executive functions which pay the remunerations of the Executive Directors.

The contracts of the current Executive Director PRISA, Executive Director Santillana and Executive Director of PRISA Media, the terms of which are described in this Remuneration Policy, were entered into with PRISA, Santillana Educación Global, S.L.U. and with Prisa Media, S.L., respectively.

The Executive Directors shall not receive any amounts for the items envisaged in the previous section 6 (not including the remuneration due to them for their executive functions). Nevertheless, the Executive Directors are beneficiaries of the civil liability insurance arranged by the Company for its directors.

Remuneration of Executive Directors will be determined by the level of responsibility assigned and their inividual performance, in line with the market for equivalent levels of responsibiity and taking into account the Company's circumstances at all times, and may include the following items:

i. fixed remuneration
ii. short-term variable remuneration and medium- or long-term variable remuneration;
iii. employee welfare plan;
iv. remuneration in kind; and
v. insurance, savings plans, indemnities and exclusivity, post-contractual non-compete or seniority covenants.

7.2. Fixed remuneration

For their executive and senior management duties, the executive directors shall receive the following fixed cash amounts:

- Executive Director PRISA: 350,000 per annum, from the date of her appointment as director (28 February 2023). Her remuneration from 1 January-28 February 2023 was the compensation provided for in her previous contract as company CFO rather than as executive director.

- Executive Director of Santillana: 475,000 euros.

- Executive Director of Prisa Media: 400,000 euros.

These amounts will remain invariable unless the Board of Directors agrees to adjust them in accordance with the provisions of section 0 below.

7.3. Variable remuneration

Part of the Executive Directors' remuneration will be variable, with a view to reinforcing their commitment to the Company and incentivizing better performance of their functions.

Variable remuneration for Executive Directors will be determined in the Board of Directors' pre-established objectives based on the metrics contained in this Policy, linked to financial, nonfinancial and social responsibility factors and, when warranted, on their specific and quantifiable performance within the framework of the metrics set forth below, so that the variable remuneration does not derive simply from the general performance of the markets, of the Company's activity sector or other similar circumstances.

The objectives will be in line with Company strategy and will promote long-term sustainability and profitability. The aim of the Company, in this respect (just as with the rest of the Group's senior managers) is to design competitive remuneration packages that permit attracting and retaining outstanding professionals while establishing a link between remuneration, results and the achievement of objectives for the Company and the Group.

The Executive Directors' variable remuneration currently includes an annual short-term variable amount (see section 7.3.2 below) and a medium-term incentive plan (see section 7.3.3 below).

Likewise, the Executive Directors may be beneficiaries of an extraordinary incentive linked to the success of key strategic transactions for the interests of the Group, if so decided by the Board of Directors in virtue of section 7.3.4 below.

The Executive Directors' variable remuneration objectives are approved by the Board of Directors at the CNRGC's proposal, based on the metrics previously set forth in this Policy. In addition, the Sustainability Committee will propose to the CNRGC the terms for variable remuneration based on sustainability matters.

At the proposal of that Committee, the Board of Directors is also responsible for assessing the degree of achievement of the established objectives.

Pursuant to the provisions of article 529 novodecies.6 of the LSC, after receiving the CNRGC's favorable report, the Board of Directors may apply temporary exceptions to the executive directors' variable remuneration components when this serves the Company's long-term interests and sustainability as a whole, or to ensure its viability.

7.3.1. Actions taken by the Company in relation to the remuneration plan, to reduce exposure to excessive risk and adjust it to the Company's long-term objectives, values and interests

The variable remuneration system established by the Company includes the following provisions for these purposes:

i. The variable remuneration of the Executive Directors aims to boost their commitment to the Company and create incentives for a better performance of their duties. It also represents a relevant part of all their remunerations and is linked to the achievement of targets that have been set in advance by the Board of Directors, which are mostly specific and quantifiable, so that it does not derive solely from the general performance of the markets, the Company's sector of activity or other similar circumstances.

ii. Every year a variable compensation system is defined which complies with formal procedures for determining the amounts to be paid to the Executive Directors. The objectives are set down in writing in advance, based on the metrics contained in this Policy, and their achievement is determined according to the Company' results and approved by the Board of Directors, at the proposal of the CNRGC.

iii. The variable components of the remuneration are sufficiently flexible to allow them to be modulated to the extent of removing them completely. There is no entitlement to receive a guaranteed annual variable remuneration. The involvement of the CNRGC favors the consideration of the risks associated with the remunerations in the discussions and their proposal to the Board of Directors, both to determine them and in the assessment process of the yearly and multi-year incentives.

iv. All the variable remuneration has maximum payable amounts fixed.

v. Remuneration linked to the Company's earnings shall take into account any qualifications stated in the external auditor's report that reduce those earnings.

vi. The contracts of the Executive Directors contain a clawback clause that permits the Company to claim a reimbursement of the variable components of remuneration when they have been paid based on data whose inaccuracy is verified subsequently. This measure has effects for the remuneration received after the entry into force of the respective contracts with the Company. Likewise, the Medium-Term Incentive Plan 2020-2023 and the Medium-Term Incentive Plan 2022-2024, referred to in item 7.3.3. below, envisages the corresponding malus and clawback clauses.

vii. It should be noted that the CNRGC as a whole has the appropriate knowledge, skills and experience regarding the Company's remueration policies and practice, as well as the incentives and risks that may arise in that regard, including knowledge, skills and experience concerning the mechanisms for adapting the remuneration structure to corporate risks and financial performance.

7.3.2. Annual variable remuneration

The annual variable remuneration of the Executive Directors is that regulated in their respective contracts. Under these contracts, the Executive Directors will receive variable remuneration which does not vest, in cash, according to the degree of compliance with objectives assigned to them for each of the annual periods covered by his contract, and which shall be set each year by the Board of Directors at the proposal of the CNRGC. Likewise, the Sustainability Committee shall propose to the CNRGC the conditions for awarding variable compensation for the Company's executive directors and members of senior management that are linked to sustainability objectives.

The annual variable remuneration of the Executive Directors, which will be determined according to a scale of achievement, will be linked mainly to the achievement of specific and quantifiable objectives set by the Board of Directors. The determination of the annual variable remuneration of the Executive Directors takes mainly into account the quantitative business-related objectives, which include the Group's operational and financial objectives; as well as qualitative objectives related to the metrics linked to environmental, social and corporate governance (ESG) factors, being likewise able to establish qualitative objectives related to the skills and behavior required from executives of their characteristics.

In particular, to determine the short-term variable remuneration of the Executive Directors for the year 2023, 100% of the objectives will be quantitative (there will be no cualitative variables) based on the 2023 budget of Grupo PRISA, Santillana and Prisa Media, respectively, in accordance with the following detail:

Executive Director	**Metrics**
Executive Director Santillana	Ebit Santillana
	Cash Flow Santillana
	Objectives ESG
	Individual Objective 1: Cash Flow included in Group Cash Pool
	Individual Objective 2: Ebitda Private Santillana Brazil + Private Santillana Mexico Privado + Private Santillana Colombia
Executive Director Prisa Media	Ebitda PRISA Media
	Cash Flow PRISA Media
	Objectives ESG
	Individual objective 1: Ebitda/Earnings PRISA Media
	Individual objective 2: Subscriber market share for El País
Executive Director PRISA	Ebitda Grupo PRISA
	Cash Flow Grupo PRISA
	Objectives ESG
	Individual objective 1: ratio of net debt leverage/Ebitda
	Individual objective 2: liquidity position

These objectives seek to improve our financial and operative performance, with specific emphasis on Ebit/Ebitda (depending on whether referring to Santillana (Ebit) or PRISA Media/PRISA (Ebitda)) and to cash flow, with a relative weight of 37.50% being assigned to each with regard to total variable remuneration. Likewise, 5% of the compensation will be linked to achieving ESG objectives and 20% will be based on individual quantitative objectives linked to the specific needs of Group businesses.

These metrics will be based on the fiscal year budget, and a weight and achievement level has been established for each.

The ESG objectives for annual variable remuneration (5%) were determined taking into account three of the pillars of the company's 2022-2025 Master Sustainability Plan: i) contribution to the fight against climate change; ii) impact on the public, educational institutions and stakeholders via ESG content and events and iii) commmitment to equality.

One of the ESG objectives applies to the three executive directors: implementation of the Environmental Management Plan. The remaining ESG objectives are specific to each of the executive directors, depending on the business area for which they are responsible.

The compliance scale for the Ebit/Ebitda, cash flow and individual objectives is as follows:

Degree of compliance	Payment coefficient
<90%	0%
90%	50%
100%	100%
>120%	135%
≥135%	150%

The intermediate points between the minimum degree of compliance and 100% are calculated by linear interpolation; from 100% the reward is linear and from 120% or 135% the reward is 135% or 150% respectively, as shown in the tables above.

Concerning ODS objectives, a binary compliance assessment will be applied (achieved or not achieved) without assessing the degree of achievement.

Likewise, for 2023 a "key objective" has been established for all executive directors, which shall determine whether or not they receive short-term variable remuneration. This objective requires achieving the 2023 guidance that was announced to the markets with regard to free cash flow (i.e., the Group's 2023 free cash flow must exceed 40M€).

The short-term variable remuneration of Executive Directors achieving 100% of the 2023 objectives amounts to 250,000 euros, with the possibility of increasing that figure up to a maximum of 150% in the event the level of achievement of the objectives exceeds 135% and, thus, the maximum that each of the Executive Director can receive for this item of compensation is 375,000 euros (gross).

Nevertheless, the 2023 short-term annual variable remuneration for PRISA's executive director is 250,000 euros, prorated from the date of her appointment as director (28 February 2023), since her compensation from 1 January-28 February 2023 corresponds to the amounts provided for in her previous contract as company CFO rather than as executive director.

For the following years (2024 and 2025), the Board shall have the discretion to establish the variable remuneration system for the Executive Directors within the framework of the metrics established in this Policy (i.e., it will determine the weighting for each of them, the compliance scales and whether or not to have a "key objective").

This remuneration accrues annually and the degree of achievement of these objectives will be measured at the close of each fiscal year. The CNRGC will verify the degree of compliance with the objectives to which the short-term variable remuneration is subject, and will submit it for final approval by the Board of Directors. The payment will be made in arrears for the previous year within the first six months of the calendar year following the year in which the amount was generated.

The Executive Directors' contracts may include a *malus* clause based on the deferral of a portion of the amount to be paid as variable remuneration for a sufficient period. If any event occurs prior to the time of payment that makes it advisable, the corresponding variable remuneration may not be paid, whether fully or partially.

In the event exceptional supervening circumstances arise during the year, and with a view to guaranteeing that the variable remuneration effectively reflects the Executive Directors's professional performance, the CNRGC and the Board of Directors may modify the previously-established objectives and/or assessment criteria, reporting those changes in the Annual Report on Directors Remuneration, and which shall be put to an advisory vote of the shareholders at the Ordinary Shareholders Meeting.

In each Annual Report on Directors' Remuneration, the Company will provide details not only of how this Policy is implemented but of the specific objectives established for each year and their degree of achievement.

7.3.3. Medium- and long-term variable remuneration

i. <u>Medium-term Incentive Plan 2020-2025, linked to the creation of value in Santillana through the implementation of a corporate transaction and payable in cash.</u>

The Executive Director of PRISA and the Executive Director of Santillana are beneficiaries of a medium-term incentive plan linked to the creation of value in Santillana in the period between September 1, 2020 and December 31, 2025. The plan was approved by the Board of Directors at its meeting held on January 26, 2021 and amended by the board on 24 May 2022 for the purpose of defining when it may be considered that there has been a revaluation in Santillana and extending its duration until the year 2025 (initially it was until the year 2023).

Executive Director PRISA was a beneficiary of this plan while she was CFO and continues to be so after being appointed the company's executive director on 28 February 2023.

The aim of this plan is to link part of the remuneration of certain key directors of PRISA and Santillana (among whom are the Executive Director of PRISA and the Executive Director of Santillana) with the interests of PRISA shareholders in a multi-year framework and long-term value creation for the shareholders. In this respect, the plan aims to (i) create incentives for the participants to maximize value creation for the education businesses (Santillana) for the shareholders in a period of approximately three years, (ii) reward the extraordinary efforts required to achieve the value-creation objectives set; and (iii) recognize the contribution of value by the participants to PRISA and Santillana.

The incentive plan will allow the beneficiaries to participate in the creation of value for Santillana during the reference period, provided that they exceed a minimum revaluation target for Santillana (1.4 billion euros) and comply with the rest of the conditions established in the regulation of the plan approved by the Board of Directors of PRISA. It will be understood that there has been a revaluation in the event that one of the corporate transactions provided for in the Plan Regulation have been concluded (i.e., the sale or flotation of Santillana), and the price or value determined for Santillana in the transaction is higher than the aforementioned minimum revaluation target of 1,400 million euros.

The beneficiaries will have the right to receive in cash a percentage of the value created for Santillana, understood as the positive difference between the enterprise value of Santillana on the date on which the specific corporate transaction is carried out and the initial date (September 1, 2020), taking into account the amount of the distributed dividends as well as capital flow. Santillana's enterprise value at the completion date will be that resulting from a valuation made by one or more independent experts. The enterprise value of Santillana at the initial date has been set at 1,25 billion euros.

The percentage of the value creation to which the beneficiaries may be entitled will in turn depend on the level of revaluation of Santillana, according to a predetermined scale that in the case of the Executive Director of Santillana may be up to a maximum of 1.65% of this value creation and in the case of the Executive Director of PRISA may be up to a maximum of 0.99% of this value creation.

Although the duration of the plan extends until December 31, 2025, the plan will be settled early on the date on which the specific corporate transaction provided for is executed.

In order to receive the corresponding incentive, the Executive Director of Santillana and the Executive Director of PRISA must maintain their contractual relationship with the Group until the payment date of the incentive, except for certain cases of termination which are duly specified in the regulation of the Plan.

The Incentive Plan includes the following malus and clawback clauses normally used in incentive plans similar in nature, which will be applicable for a period of two years from the payment date of the incentive. In the case of the Executive Director of Santillana, the period for which said clauses will be applicable is three years.

Finally, if there are significant internal or external changes that do not represent a change in control (for example, in the Group's scope of consolidation, macroeconomic or regulatory environment) that demonstrate the need to revise the objectives that have been established, the Board of Directors may modify the terms of the Santillana Incentive Plan and its objectives, which will be duly reported in the corresponding Annual Report on Directors' Remuneration.

ii. <u>Medium-term 2021-2025 incentive plan linked to the creation of value of PRISA Media and payable in shares</u>

The Executive Director of PRISA Media is the beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023, 2024 and 2025 and is payable in shares.

The plan was approved by the Board of Directors of PRISA in December 2021 and was subsequently modified by the Board (to extend it until 2025 in line with the Company's Strategic Plan and to modify the timeframe for payment) on 26 April and 24 May 2022. The Plan was also approved at the Ordinary Shareholders Meeting held on 28 June 2022.

Executive Director of PRISA Media has been awarded a number of theoretical shares equivalent to €500,000 gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered (he has been assigned 923,494 theoretical shares for each year of the Plan, that is, a total of 3,693,976 theoretical shares). The calculations have been made considering the average stock market value of PRISA shares during the last quarter of 2021.

This plan aims to link a portion of the remuneration of PRISA Media's Executive Director to the interests of PRISA's shareholders within a multi-year framework and to generate long-term value for shareholders.

The incentive plan will allow its beneficiary to participate in the creation of value of PRISA Media during the reference period provided that minimum targets are exceeded and the other conditions established in the plan's Regulations approved by the Board of Directors of PRISA are met.

In order to accrue the incentive, the Executive Director of PRISA Media must maintain his or her contractual relationship with PRISA Media during the entire term of the Plan until de award date. The departure of the executive (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to settlement, unless the Board of Directors, at the proposal of the Appointments and Remuneration Committee, where appropriate, adopts a different criterion.

The incentive plan includes the corresponding malus and clawback clauses, which are customary in incentive plans of a similar nature. The clawback clause will be applicable during the year following the date of delivery of the shares.

iii. Medium-term 2021-2025 incentive plan linked to the creation of value of Santillana and payable in shares

In addition to the 2020-2025 medium-term incentive plan linked to the creation of value in Santillana by concluding a corporate transaction (provided for in section i) above), the Executive Director of Santillana is the beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in Santillana's budget (linked to EBIT and Cash Flow) in fiscal years 2022, 2023, 2024 and 2025 and is payable in shares. The plan was approved by the Board of Directors of PRISA on May 24, 2022 and was also approved at the Ordinary Shareholders Meeting held on 28 June 2022.

Executive Director of Santillana has been awarded a number of theoretical shares equivalent to €500,000 gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered (he has been assigned 923,494 theoretical shares for each year of the Plan, that is, a total of 3,693,976 theoretical shares). The calculations have been made considering the average stock market value of PRISA shares during the last quarter of 2021.

This plan aims to link a portion of the remuneration of Executive Director of Santillana to the interests of PRISA's shareholders within a multi-year framework and to generate long-term value for shareholders.

The incentive plan will allow its beneficiary to participate in the creation of value of Santillana during the reference period provided that minimum targets are exceeded and the other conditions established in the plan's Regulations approved by the Board of Directors of PRISA are met.

In order to accrue the incentive, the Executive Director of Santillana must maintain his or her contractual relationship with Santillana during the entire term of the Plan until de award date. The departure of the executive (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to settlement, unless the Board of Directors, at the proposal of the Appointments and Remuneration Committee, where appropriate, adopts a different criterion. As an exception to the foregoing, the Executive Director of Santillana will maintain his right to receive the incentive already accrued previously, which will be paid on the respective award Date, in certain cases of termination of his relationship with the Group, provided for in the Plan Regulations.

The incentive plan includes the corresponding malus and clawback clauses, which are customary in incentive plans of a similar nature. The clawback clause will be applicable during the year following the date of delivery of the shares.

iv. 2022-2025 Incentive Plan, payable in shares, of the Executive Director of PRISA

In addition to the 2020-2025 Incentive Plan for the execution of a corporate operation in Santillana and which is payable in cash (see section i) above), Executive Director of PRISA is beneficiary of a medium-term incentive plan linked to the achievement of certain quantitative financial targets set out in PRISA´s budget (linked to the Cash Flow of Grupo PRISA) in fiscal years 2022, 2023, 2024 and 2025, payable in shares.

The Plan was approved by the Board of Directors on 26 July 2022 and, given that PRISA's executive director was a beneficiary of the plan as CFO, she continues to be so after being appointed as the company's executive director on 28 February 2023, although the application of the Plan from that date (that is, for 2023, 2024 and 2025) is subject to approval at the annual shareholders meeting to be held on 27 June 2023, or on 28 June 2023 if a quorum is not present on the 27th.

Mrs Gil has been granted a number of theoretical shares equivalent to €300,000 gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered (he has been assigned 554,097 theoretical shares for each year of the Plan, that is, a total of 2,216,388 theoretical shares). The calculations have been made considering the average stock market value of PRISA shares during the last quarter of 2021.

This plan aims to link a portion of the remuneration of Executive Director of PRISA to the interests of PRISA's shareholders within a multi-year framework and to generate long-term value for shareholders.

The incentive plan will allow its beneficiary to participate in the creation of value of Santillana during the reference period provided that minimum targets are exceeded and the other conditions established in the plan's Regulations approved by the Board of Directors of PRISA are met.

In order to accrue the incentive, the Executive Director of PRISA must maintain his or her contractual relationship with Santillana during the entire term of the Plan until de award date. The departure of the executive (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to settlement, unless the Board of Directors, at the proposal of the Appointments and Remuneration Committee, where appropriate, adopts a different criterion.

The incentive plan includes the corresponding malus and clawback clauses, which are customary in incentive plans of a similar nature. The clawback clause will be applicable during the year following the date of delivery of the shares.

7.3.4. Extraordinary incentives for the execution of key strategic transactions for the interests of Prisa Group

During the financial years 2023, 2024 and 2025, the Executive Directors will be entitled to receive a variable remuneration which does not vest, in cash, when the Board of Directors, following a favorable report of the CNRGC, considers that it is in the best interest of the Company to incentivize and reward his performance in the configuration, preparation, negotiation and execution of corporate transactions thar are relevant for the future of the Group.

The three Executive Directors, two or only one of them may be beneficiaries of these extraordinary incentives, depending on a decision of the Board of Directors of PRISA.

In any case, the extraordinary incentives that may be granted shall include clawback clauses, thus PRISA will able to claim a reimbursement of all or part of the extraordinary incentive paid in certain scenarios.

Moreover, the Executive Directors shall maintain their relationship with Grupo PRISA without any interruption until the payment date of the corresponding incentive, except in certain cases such as death, permanent disability, or the termination of the labor or mercantile relationship under certain circumstances.

In the event of a takeover or change of control affecting PRISA, among other circumstances provided for, the Board of Directors, at the proposal of the CNRGC, may resolve to early terminate the plan. In such cases, the incentive component related to the performance of the share may be considered fulfilled for the purposes of its accrual.

Targets to be reached by the beneficiaries of these plans may be complemented with any other parameters that the Board of Directors resolves to include, following the proposal of the CNRGC.

7.4. Review of the Executive Directors' remuneration

Pursuant to article 217.4 of the LSC that provides that director's remuneration should in any case be reasonably proportional to the importance of the Company, its economic situation at any time and the market standard for comparable businesses, the directors' remuneration will be periodically reviewed and adjusted. During the term of this Policy, any possible variations in the annual fixed remuneration and variable remuneration targets for Executive Directors will be determined by the Board of Directors at the CNRGC's proposal, based on information concerning the evolution of the Spanish salary market, the forecasted growth each year, and the corresponding market studies and analyses, among other aspects.

Those variations and the underlying motives for such review will in any case be explained in the corresponding Annual Report on Directors Remuneration.

7.5. Indemnity in case of termination of the functions as executive director

The right to receive an indemnity in certain cases of early termination of executive functions is established in the contracts of the Executive Directors with PRISA (in the case of the Executive Director of PRISA), Grupo Santillana Educación Global, S.L.U. (in the case of the Executive Director of Santillana) and PRISA Media, S.L. (in the case of the Executive Director of PRISA Media).

In the event that the contracts of the Executive Directors are terminated: i) at the request of the executive director in the event of serious and culpable breach by the Company of the obligations established in the contract; ii) at the will of the executive director in the event of a change of control (as "change of control" is defined in the contracts), iii) at the sole will of the Company with which the contract has been entered into; iv) as a consequence of the termination or non-renewal of the position of director of Prisa Media, S.L., Grupo Santillana Educación Global, S.L.U., or PRISA depending on the director in question, or v) in the event of total or partial revocation of the powers delegated to the executive director or of the powers granted to him by the Company (in the case of the Executives Directors of Santillana and PRISA Media), the executive directors shall be entitled to receive the following indemnities:

i. Executive Director of Prisa Media, would receive gross indemnity equivalent to eighteen months of his fixed remuneration and his annual variable remuneration in cash.

ii. Executive Director of Santillana would receive:

  a) A total indemnity of 1,643,020 euros gross. In order to determine this figure, the following amounts have been taken into account:

    - the amounts of indemnity for unfair dismissal that would have corresponded to Executive Director of Santillana due to the termination of the ordinary and senior management employment relationships that Executive Director of Santillana has maintained with the different entities of the Prisa Group from 18 October 1989 until the entry into force of the current contract and

    - a gross up to mitigate the loss that Executive Director of Santillana will incur as a result of not being able to benefit from the maximum exemption provided for in article 7.e) of the Personal Income Tax Act for severance payments for dismissal or termination of employees.

  b) Gross supplementary remuneration equivalent to the amount established at that time as the maximum amount of the Social Security contributory unemployment benefit, for the maximum period established for such benefit. In any case, if Executive Director of Santillana obtains the payment of unemployment benefits from the corresponding public body, he will be required to reimburse to the Company the amount received as such supplementary remuneration up to the amount of the benefit obtained, and must make the reimbursement within a maximum period of one month from the date on which the unemployment benefit was recognised. However, this gross supplementary remuneration will not be paid in the event of termination of the contract as a result of a change of control.

iii. Executive Director PRISA would receive:

a) A total indemnity of 942,272 euros gross. In order to determine this figure, the following amounts have been taken into account:

- the amounts of indemnity for unfair dismissal that would have corresponded to Executive Director of PRISA due to the termination of the ordinary employment relationship that Executive Director of PRISA has maintained with PRISA from 13 March 2000 until the entry into force of the current contract and,

- a gross up to mitigate the loss that Executive Director of PRISA will incur as a result of not being able to benefit from the maximum exemption provided for in article 7.e) of the Personal Income Tax Act for severance payments for dismissal or termination of employees.

b) Gross supplementary remuneration equivalent to the amount established at that time as the maximum amount of the Social Security contributory unemployment benefit, for the maximum period established for such benefit. In any case, if Executive Director of PRISA obtains the payment of unemployment benefits from the corresponding public body, he will be required to reimburse to the Company the amount received as such supplementary remuneration up to the amount of the benefit obtained, and must make the reimbursement within a maximum period of one month from the date on which the unemployment benefit was recognised. However, this gross supplementary remuneration will not be paid in the event of termination of the contract as a result of a change of control.

Likewise, in the above cases, the Executive Directors shall be entitled to receive, as part of their severance payment, the proportional part of the annual variable remuneration of reference (referred to in section 7.3.2. above) corresponding to the time worked during the year in which the termination occurs. The Executive Directors shall not be entitled to receive the annual variable remuneration corresponding to the year in which the Agreement is terminated, if such termination is due to the will of the Executive Directors, or by decision of the Company based on non-compliance by the Executive Directors, except in those cases in which the termination due to the will of the Executive Directors occurs within the last two months of the fiscal year, in which case they shall be entitled to receive the proportional part of the annual variable remuneration (corresponding to the time worked during the year in which the termination occurs) that, if applicable, would have corresponded to them, provided that the annual objectives established are proportionally reached. The annual variable remuneration will be paid within the first half of the calendar year following the year of generation.

In any of the above cases, the aforementioned amounts will not be paid until the Company has been able to verify that the Executive Directors have complied with the criteria or conditions established for their payment.

7.6. Other terms and conditions of the contract with the Executive Directors

The essential terms and conditions of the Executive Directors' contracts for services, in addition to the aforementioned remuneration items, are as follows:

(i) Duration: indefinite, without prejudice to the fact that the contracts are subject to the currency of their respective positions as Executive Chairman of Santillana and PRISA Media and Executive Director of PRISA.

(ii) Exclusivity and non-competition: exclusivity for the Company and the PRISA Group, and Executive Directors may not, under any contractual relationship, provide services to or carry out professional activities with other persons or entities. It also includes a specific non-competition prohibition.

(iii) Term of advance notice: In the event of termination of the contract by decision of the Executive Directors, they must send notice to the Company indicating such circumstance at least three months in advance. In the event of total or partial non-compliance with the notice period, the Executive Director shall be required to pay the fixed remuneration in cash corresponding to the unfulfilled notice period.

In the event of termination of the contract at the request of the Executive Directors in the event of a change of control (as "change of control" is defined in their contracts), they must notify the Company of their decision within two months of the occurrence of the change of control and must give one month's notice. In the event of breach of the notice obligation, the Executive Directors shall indemnify the Company with an amount equivalent to the fixed remuneration applicable at the time of termination of the contract corresponding to the unfulfilled notice period.

The Company, in the event of corporate withdrawal, must give at least three months' notice. In the event of total or partial non-compliance with the notice period, the Company shall be required to pay the fixed remuneration in cash corresponding to the unfulfilled notice period.

(iv) Post-contractual noncompetition: The contracts of the Executive Directors include a post-contractual non-competition clause by virtue of which the Executive Director undertakes (i) to refrain from engaging in activities in competition with those of the Company with which they have entered into the contract, either on their own account or on behalf of a third party, in the manner and to the extent specified in their contracts, and (ii) not to hire any person who on the date of termination of the contract is employed by the Company with which they have entered into the contract or any other company of its group, and not to contribute to any employee of such group leaving it.

This non-competition covenant will last for 12 months after termination of this agreement for any reason.

The Executive Directors would receive, as economic consideration for such obligations, remuneration equivalent to six monthly payments of the fixed remuneration in force at the time of termination of the contract. In the event of breach of the aforementioned post-contractual non-competition agreement, the Executive Directors shall be required to reimburse the amount of the remuneration received for such concept and an indemnity in an amount equal to six monthly payments of the fixed remuneration in force at the time of termination of the contract.

7.7. Other remuneration in kind

7.7.1. Life and accident insurance

PRISA has signed a policy with an insurance company that covers the contingencies of death for any reason, absolute disability and total permanent disability with a coverage amount equivalent to two and a half years of the fixed remuneration of the beneficiary (the fixed remuneration received in the previous year), additional coverage in the case of accidental death or absolute disability by reason of accident, and further additional coverage in the event of death or permanent disability by traffic accident. Within the Company's Board of Directors, the only beneficiaries of this policy are the Executive Directors. The death benefit has an age limit of 75 years, and the supplementary risk coverage also has an age limit of 65 years.

According to the conditions of the policy, the insured capital for the Executive Directors is that corresponding to two and a half years of the fixed remuneration for their respective posts received in the immediately preceding year.

The insurance premiums are adjusted annually in light of the claims reported on PRISA's Group policies and the insureds' ages. For this purpose, in the first quarter of each year, the premiums attributable to the Executive Directors are revised.

The amounts of the premiums will be detailed in the relevant Annual Report on Directors' Remuneration.

7.7.2. Private health insurance

The Group's policy applicable to all executives includes private health insurance in the form of reimbursement of expenses. On the Company's Board of Directors, the only beneficiaries of this insurance are the Executive Directors, as well as their family members, respecting the age limits appearing in the corresponding policy.

The private health insurance premiums are adjusted annually in light of the claims under PRISA's Group policies and the evolution of the Consumer Price Index in the health sector, according to the broker's proposal. In the last quarter of each year, the premium for the following year is established.

The amounts of the premiums will be detailed in the relevant Annual Report on Directors' Remuneration.

7.8. Other benefits

The Executive Directors will also be entitled to the use of a chauffeured vehicle according to the terms of PRISA Group's vehicle fleet policy.

7.9. Addition of New Executive Directors

Applying the principles of this Remuneration Policy, if during the life of this policy additional executive directors are appointed (which implies that a current member of PRISA's board will become an executive director), their remuneration will be determined by the level of responsibility assigned them and their professional experience, maintaining an internal balance and external competiveness, and providing compensation in accordance with the best market practices.

In that regard and given the company's interest in ensuring the viability and continuity of corporate management, at the CNRGC's proposal the Board of Directors may apply temporary exceptions to this Policy, with the understanding that such exceptions will apply only until an ordinary shareholders meeting is held, at which time the remuneration policy should be adapted as may be required.

To that end, the CNRGC and Board of Directors will determine the items and amounts in the new executive director's remuneration package, specifically taking into account the director's level of compensation prior to assuming executive functions, market conditions and comparable posts, previous experience and cualifications, and the duties to be assigned and responsibilities undertaken, which shall be duly reflected in the corresponding contract to be signed by the company and new executive director.

New executive directors shall be entitled to compensation upon termination of their executive functions in the Company equal to 18 months of their gross fixed remuneration and their variable annual compensation in cash, provided that such termination is not the result of the directors' nonperformance nor is exclusively voluntary.

The foregoing not withstanding, at the CNRGC's proposal the Board of Directors may authorize payment of extraordinary remuneration or an incentive to attract talent and to compensate new executive directors for the loss of variable income or contractual rights upon leaving their previous position, to the extent necessary to ensure the hiring of candidates most appropriate for the company's interests.

The hiring of new executive directors, as well as their specific compensation during their first fiscal year as executive director will be disclosed in the corresponding Annual Report on Directors Remuneration. In addition, at the next ordinary shareholders meeting the Remunerations Policy will be presented for amendment or a new one approved, providing the individual details of the new directors' compensation.

8. OTHER REMUNERATION OF THE DIRECTORS FOR SERVICES PROVIDED OTHER THAN THOSE INHERENT IN THEIR POSITION

The Company can compensate certain directors for providing other services, at the proposal of the CNRGC and through a resolution by the Board of Directors. Such remuneration shall be compatible with other compensation that the director may receive pursuant to section 6.2. above, which in the case of independent directors may in no case be an amount that may compromise the performance of their duties or their independence.

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