



**REPORT ISSUED BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. CONCERNING THE PROPOSED AMENDMENT OF THE BYLAWS REFERRED TO AS ITEM FIVE ON THE AGENDA OF THE GENERAL ORDINARY SHAREHOLDERS MEETING TO BE HELD ON APRIL 19, 2015 AND APRIL 20, 2015, IN AN INITIAL AND SECOND QUORUM CALL, RESPECTIVELY.**

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### **I. Object of the Report**

The Board of Directors of PROMOTORA DE INFORMACIONES, S.A. (hereinafter, Prisa or the **Company**), with the favourable report of the Corporate Governance Committee, is issuing this report to justify, pursuant to article 286 of the Capital Companies, the proposed amendments to the Bylaws included as item five on the Agenda of the next General Ordinary Shareholders Meeting to be held on April 19, 2015, on the initial call or, in the event that a sufficient quorum is not obtained, on April 20, 2015, in the same place on the second call.

### **II. Objective and justification for the proposal**

The primary purpose of the amendment of the articles of the Bylaws indicated in the following proposed resolutions, the approval of which is proposed to the Ordinary General Meeting of Shareholders, is to adapt the articles to the provisions of Act 31/2014 of 3 December 2014 which amends the Capital Companies Act for the improvement of corporate governance, as well as to make improvements and corrections of a purely technical, formal, systematic or grammatical nature, the inclusion of certain good governance measures and adaptation to the Company's internal reality and usual corporate governance practices.

It is also proposed that a consolidated text of the Bylaws should be approved, solely for the purposes of including the articles that have been amended and ensuring that all the provisions of the Bylaws are incorporated into a single public document.

### **III. Proposed resolution to be submitted for approval at the shareholders meeting**

**5- Amendment of the articles of the Bylaws set forth below to, as appropriate: (i) adapt them to the new wording of the Capital Companies Act given by Law 31/2014 of 3 December 2014; (ii) include certain measures in the area of good governance; and (iii) make some technical, formal, systematic or grammatical improvements.**

**5.1. Amendment of Articles 13, 14 and 15 (“General Meeting of Shareholders”), 17, 17 bis, 18, 20, 21, 21 bis, 21 ter, 21 quater, 22 and 23 (“The Board of Directors”) to adapt them to the new wording of the Capital Companies Act.**

- Renumbering of Article 13, which becomes Article 14, and adaptation of its wording to that of Article 495.2 of the Capital Companies Act, and replacement of the express reference to that provision with a general reference to the “Act”.
- Renumbering of Article 14, which becomes Article 15, adaptation of its wording to the provisions of Article 519 of the Capital Companies Act, and removal of the provision relating to universal general meetings.
- Renumbering of Article 15, which becomes Article 16, and amendment of its wording in order to: (i) move the provisions relating to majorities for the adoption of resolutions to the following Article; (ii) remove the reference to universal general meetings; (iii) supplement it with regard to the representation requirements in accordance with the terms of Article 187 of the Capital Companies Act; and (iv) include the special cases relating to reinforced quorums for the establishment of meetings envisaged in Article 194 of the said Act.
- Renumbering of Article 17, which becomes Article 19, and amendment of its wording to reflect the provisions of Article 529 septies of the Capital Companies Act in relation to the majority required for the appointment of the Chairman when he has executive functions, the fact that the Independent Liaising Director is necessary when the Chairman has executive functions, the requirements for his appointment and his functions.
- Renumbering of Article 17 bis, which becomes Article 20, which refers to the law applicable from time to time in relation to the definitions of the categories of Directors.
- Renumbering of Article 18, which becomes Article 21, and amendment of its wording to reduce the term of office of Directors from five to four years, in accordance with the provisions of Article 529 undecies of the Capital Companies Act.
- Renumbering of Article 20, which becomes Article 23, and amendment of its wording to: (i) remove the list of specific powers of the Board; and (ii) include the provisions of Articles 233.1, 234.1 and 249 of the Capital Companies Act in relation to the Board of Directors’ representative functions, and of Articles 249 bis, 529 ter and 529 nonies of the Capital Companies Act, in relation to powers that cannot be delegated and to the assessment of performance.
- Renumbering of Article 21, which becomes Article 24, and amendment of its wording in order to: (i) include the Chairman of the Board’s obligation to ensure that the Directors have the necessary information for the deliberation and adoption of resolutions sufficiently in advance, as established in Article 529 quinquies of the Capital Companies Act; and (ii) supplement the functions of the Secretary of the Board in accordance with Article 529 octies of the said Act.
- Renumbering of Article 21 bis, which becomes Article 25, and adaptation of its wording to the provisions on the composition of the Audit Committee set forth in Sections 1 and 2 of Article 529 quaterdecies of the Capital Companies Act.
- Renumbering of Article 21 ter, which becomes Article 26, and amendment of its wording in order to: (i) remove all references to the applicable law, as the establishment of this Committee is not compulsory; and (ii) include the same rules on composition as those applicable to the other Committees of the Board.

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- Renumbering of Article 21 quater, which becomes Article 27, and adaptation of its wording to the provisions on the composition of the Appointment And Remuneration Committee set forth in Article 529 quidecies of the Capital Companies Act.

- Renumbering of Article 22, which becomes Article 28, and amendment of its wording in order to include Directors' duty to have, prior to Board meetings and sufficiently in advance, the necessary information for the deliberation and adoption of resolutions, in accordance with Article 529 quinquies of the Capital Companies Act, as well as to increase the minimum number of Directors that may request the holding of a Board meeting to one third of the members of the Board, removing the possibility of this being requested by the Delegated Commission or the Managing Director on their own.

- Renumbering of Article 23, which becomes Article 29, and amendment of its wording in order to: (i) include Directors' obligation to personally attend Board meetings and the provisions on granting proxies provided for in Article 529 quater of the Capital Companies Act; and (ii) replace the phrase "half plus one" with "majority" in relation to the valid establishment of Board meetings, and the phrase "majority" with "absolute majority" with regard to the adoption of resolutions, to adapt its wording to that of Articles 247.2 and 248.1 of the Capital Companies Act.

Articles 14, 15, 16, 19, 20, 21, 23, 24, 25, 26, 27, 28 and 29 will henceforth have the following wording:

***"Article 14.- Kinds of Meetings.***

- 1. General Meetings of shareholders may be ordinary or extraordinary. They will be called and held in the manner determined by law, these Articles and the General Meeting Regulation. The holding of an annual Ordinary Meeting on the date resolved by the Board of Directors, within the term established by law, is mandatory.*
- 2. The Extraordinary General Meeting will meet when so resolved by the Board of Directors of the Company, or when so requested by a number of shareholders owning at least three percent (3%) of capital, in the request stating the matters to be considered at the meeting. In this case the Meeting must be called to be held within the two (2) months following the date of notarial demand on the administrators to call it, with the agenda necessarily to include the matters covered by the request."*

***"Article 15.- Preparation of the General Meeting.***

- 1. Every General Meeting will be called at the time and in the manner determined by law, the Articles and the General Shareholders Meeting Regulation.*
- 2. The call will include references to the Company, the place, day and time of the meeting, the agenda including the matters to be considered, the position of the person or persons making the call and the other legally-required references.*
- 3. Shareholders representing at least three percent (3%) of capital may request the publication of a supplement to the call of the Ordinary General Meeting including one*

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*or more points on the agenda, provided that the new points are accompanied by a explanation or, if applicable, an explained proposed resolution. That right may in no case be exercised in respect of the call of an Extraordinary General Meeting. Exercise of this right must be by certifiable notice, which must be received at the registered office within the five (5) days following publication of the call. The supplement to the call must be published at least fifteen (15) days before the scheduled Meeting date.*

- 4. Shareholders representing at least three percent (3%) of capital may, within the same term as indicated in the preceding subsection, present supported proposed resolutions regarding matters already on or that should be on the agenda for the Meeting called. The Company will see to dissemination of these proposed resolutions and such documentation as may be attached thereto to the other shareholders, in accordance with the provisions of law and the General Meeting Regulation.*
- 5. The shareholders prior to or during the meeting may request such reports, documents and clarifications as they deem to be necessary, in accordance with the provisions of law.”*

**“Article 16.- Holding the General Meeting.**

- 1. Place. The place of holding the Meeting will be as designated in the call, outside or within the location of the registered office, on the day and at the time indicated.*
- 2. Attendance. All shareholders owning at least sixty (60) shares, registered in the corresponding book entry accounting records five (5) days in advance of the date of holding the Meeting, and holding the corresponding attendance card, may attend the General Meeting.*

*The Board of Directors will attend the General Meeting. The Chairman of the General Meeting may authorise attendance of any other person he deems to be appropriate; however the Meeting may revoke that authorisation.*

- 3. Proxies. Shareholders may grant proxies to another person, complying with the requirements and formalities imposed by these Articles of Association, by the General Meeting Regulation and by law. The proxy will be specific to the meeting in question. This requirement will not apply when the representative is the spouse, ascendant or descendent of the represented shareholder. Nor will it apply when the representative has a general power of attorney granted in a public document with authority to manage all property the represented shareholder has in the country. A proxy will evidenced in writing in any of the following documents, in all cases with a handwritten signature: (i) the attendance card issued by the custodians participating in Iberclear, (ii) a letter or (iii) the standard form made available by the Company for these purposes to the shareholders, and also may be granted by way of remote electronic means of communication. In the latter case the provisions for the voting using the aforesaid means will apply, to the extent not incompatible with the nature of the proxy.*

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*The appointment of the representative by the shareholder and, if applicable, the revocation of that appointment, will be notified to the Company in the manner established in the General Meeting Regulation.*

- 4. Number of shareholders for quorum. Without prejudice to the provisions of law for special cases, the quorum for a General Shareholders Meeting on first call will be the presence, in person or by proxy, of shareholders holding at least twenty-five percent (25%) of the subscribed voting capital. On second call there will be a quorum for the Meeting whatever the capital in attendance.*

*Notwithstanding the provisions of the preceding paragraph, in order for the General Meeting to validly resolve on an increase or reduction of capital, or on any other amendment of the Articles of Association, on an issue of bonds, the disapplication or limitation of pre-emption rights in respect of new shares, transformation, merger splitup or bulk transfer of assets and liabilities, or relocation of the registered office outside of Spain, it will be necessary, on first call, for shareholders holding at least fifty percent (50%) of the subscribed voting capital to be present in person or by proxy. At second call, the presence of twenty five percent (25%) of said capital will be sufficient.*

- 5. Chairman of Meeting: The Chairman of the Meeting will be the person, if any, specified by the Board of Directors. In the absence of a specific decision by the Board, the Meeting will be chaired by the Chairman of the Board of Directors. In his absence, if any, it will be chaired by the Vice Chairman, and in the absence of both, by the attending Director with greatest seniority in the position and, in the absence of all of them, by the shareholder designated by the General Meeting.*

*The Chairman will submit the items on the agenda to deliberation and manage the discussions so that the meeting is held in an orderly manner. To that end he will have the appropriate powers of order and discipline.*

*The Chairman will be assisted by a Secretary, which will be the Secretary of the Board of Directors. In his absence, if any, the Deputy Secretary of the Board of Directors will act and, in his absence, the person designated by the Meeting.*

*The Meeting Officers will include the Chairman, the Secretary and the members of the Board of Directors in attendance.*

- 6. Voting by mail or remote electronic means of communication. Votes on proposals on matters on the Agenda of any kind of General Meeting may be cast by shareholders by mail or remote electronic means of communication. The identity of the person voting must be assured, in accordance with the requirements established in the General Meeting Regulation. Votes by e-mail will be cast using a recognised electronic signature or other form that the Board of Directors concludes will be suitable to ensure the authenticity and identity of the shareholder exercising the voting right. The shareholders who vote using remote methods must be counted as being present for the purpose of establishing the quorum. Votes cast using these methods must be in the possession of the*

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*Company, at its headquarters, at least twenty-four (24) hours in advance of the time contemplated for holding the General Meeting on first call. Otherwise, the vote will be deemed not to have been cast. In the call for each General Meeting the Board of Directors may determine a shorter advance term.*

*The Board of Directors has authority to develop the foregoing provisions, establishing rules, resources and procedures consistent with the state of the art to implement electronic voting and grant of proxies. In particular, the Board of Directors may, inter alia, regulate the use of alternative guarantees of electronic signatures for electronic voting.*

*The procedural rules adopted by the Board of Directors by virtue of the provisions of this section will be published on the Company's website.*

- 7. Voting. The Chairman will give details of the voting, summarise the number of votes in favor of and against the proposed resolution submitted to the General Meeting and announce the result aloud.*

*The General Shareholders Meeting Regulation will establish the procedures and systems for counting votes on proposed resolutions.”*

**“Article 19.- Nature, Number of Members and Positions.**

- 1. The Board of Directors is responsible for management, administration and representation of the Company, without prejudice to such authority as may correspond to the General Meeting in accordance with law and the Articles.*
- 2. The Board will be comprised of a minimum of three (3) and a maximum of seventeen (17) Directors, with the Meeting being responsible for their appointment and determination of their number. For that purpose, the Meeting may fix the number by express resolution, or indirectly by creating or not creating vacancies or appointing or not appointing new Directors, within the aforesaid minimum and maximum.*
- 3. From among its members, the Board will appoint a Chairman and, subject to the same condition, may appoint one or more Deputy Chairmen. From among its members it also may appoint a Delegated Commission or one or more Chief Executive Officers, to which it may give the power of representation, jointly and severally or jointly but not severally. It will also appoint a Secretary, who need not be a Director, and may appoint an Deputy Secretary, who also need not be a member of the Board.*
- 4. When the position of Chairman is to be held by an executive Director, the appointment of the Chairman will require the favorable vote of two thirds of the members of the Board of Directors.*

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5. *Also, if the Chairman is an executive Director, the Board of Directors, with the abstention of the executive Directors and on proposal of the Corporate Governance Committee, must appoint a Coordinating Director from among the independent Directors, who will be specifically empowered to request a call of the Board of Directors or inclusion of new points on the agenda for a Meeting already called, to coordinate and meet with the non-executive Directors and, if applicable, to lead the periodic evaluation of the Chairman of the Board of Directors.*
6. *The Board of Directors will approve a Regulation to govern its organisation and functioning.”*

**“Article 20.- Kinds of Directors.**

1. *The Board of Directors will be so comprised that proprietary and independent Directors represent a majority over executive Directors.*
2. *For purposes of the provisions of the preceding section, the Company will adjust the classes of Directors to the definitions and criteria set forth by the applicable laws from time to time.”*

**“Article 21.- Term of Office.**

*The term of a Director’s office will be four (4) years. A Director may be a reelected indefinitely for terms of the same length”.*

**“Article 23.- Representation of Company.**

1. *The management, administration and representation of the Company, judicially and extrajudicially, as regards all acts included within the corporate purpose, is the responsibility of the Board of Directors, which will act jointly, without prejudice to such delegations and powers of attorney as it may grant.*
2. *Authority that is non-delegable by law or in accordance with these Articles may not be delegated. Nor may such authority as the General Meeting has given to the Board without express authorisation of delegation. In any event the Board of Directors of the Company will reserve the following for its review and exclusive decision:*
  - a) *Determination of the general policies and strategies of the Company, in particular:*
    - i) *approval of the Strategic or Business Plan, as well as the annual budgets and management objectives;*
    - ii) *determination of investment and financing policy;*

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- iii) *definition of the structure of the Group of companies of which the Company is the controlling entity;*
- iv) *determination of the corporate governance policy of the Company and the Group of which it is the controlling entity;*
- v) *corporate social responsibility policy;*
- vi) *the policy for management and control of risks, including tax risks, and supervision of the internal information and control systems;*
- vii) *definition of the dividend policy; and*
- viii) *determination of the tax strategy of the Company.*
- b) *Approval of financial projections, as well as strategic alliances of the Company or its controlled companies, and the policy regarding treasury shares.*
- c) *Supervision of effective functioning of the committees it has constituted and the actions of the delegated bodies and executives it has appointed.*
- d) *Authorisation or waiver of the obligations deriving from the duty of loyalty.*
- e) *Any proposed amendment of the Company's corporate purpose.*
- f) *Its organisation and functioning and, in particular, approval and amendment of the Board of Directors Regulation.*
- g) *Preparation of the annual accounts and their presentation to the General Meeting.*
- h) *Approval of the financial information that listed companies must periodically disclose.*
- i) *Making any kind of report required by law to the Board of Directors, provided that the matter covered by the report is nondelegable.*
- j) *Appointment and removal of Managing Directors of the Company, delegation of authority, as well as establishment of the terms of their contracts.*
- k) *Appointment and removal of the executives reporting directly to the Board or to any of its members, as well as establishment of the basic terms of their contracts, including their compensation.*

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- l) *Proposal of the general compensation policy, and decisions related to compensation of Directors, within the framework of the Articles and the compensation policy approved by the General Meeting.*
  - m) *Calling general meetings and preparing the agenda and the proposed resolutions;*
  - n) *Approval of investments or transactions of any kind that by reason of their high amount or special characteristics are strategic or pose a special tax risk for the Company or the investee or controlled companies in question, unless approval thereof corresponds to the General Meeting, inter alia including the assumption of financial risks or making of derivative financial commitments, including but not limited to loans, credits, guarantees or other security.*
  - o) *Approval of the creation or acquisition of interests in special purpose vehicles or entities resident in countries or territories considered to be tax havens, and any other transactions or operations of a comparable nature the complexity of which might impair the transparency of the Company or its Group.*
  - p) *Those resolutions related to mergers, splitups and any relevant decision having to do with the status of the Company as a listed company, unless approval thereof corresponds to the General Meeting.*
  - q) *Approval, after a report from the Audit Committee, of related party transactions, on the terms contemplated in the Board Regulation.*
  - r) *Annual evaluation of the functioning of the Board of Directors, the functioning of its Committees, and proposal, based on the results, of an action plan correcting detected deficiencies.*
  - s) *Powers the General Meeting has delegated to the Board of Directors, unless expressly authorised by it to subdelegate them.*
3. *Resolutions related to the matters indicated in 2.n) and 2.o) above, the amount of which is not more than ten million (10,000,000) euros, may be adopted by the Delegated Commission in cases of urgency, duly justified, and must be ratified at the first Board meeting held after adoption of the resolution”.*

**“Article 24.- Authority of Board Positions.**

1. *Judicial and extrajudicial representation of the Company is held by the Chairman of the Board, as is the exercise of such functions, if any, as may be delegated to the Chairman by the Board of Directors. The Chairman, with the collaboration of the Secretary, also is responsible for ensuring that the Directors have the information necessary for deliberation and the adoption of resolutions, sufficiently in advance and in appropriate*

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*format, ensuring the good order of meetings of the Board, their call and review and oversight of all corporate resolutions, whatever the body from which they originate.*

- 2. Any substitution for the Chairman as regards the functioning of the Board of Directors in the event of temporary absence, temporary disability or express delegation by the Chairman is the responsibility of the Deputy Chairmen.*
- 3. The Secretary is responsible for entering a record of the conduct of meetings in the minute books and certifying their content and the resolutions adopted, retaining the documentation of the Board, seeing to it that the actions of the Board are consistent with applicable regulations and in accordance with the Articles and other internal rules, assisting the Chairman of the Board as appropriate.”*

**“Article 25.- Audit Committee.**

- 1. The Board of Directors will establish an Audit Committee. The Audit Committee will have the functions corresponding to it pursuant to applicable law, the Articles and the Company’s internal Regulations, without prejudice to any other function that may be given to it by the Board of Directors.*
- 2. The Audit Committee will be comprised of the number of Directors from time to time determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) members. All members of the Audit Committee will be non-executive Directors. They further must comply with the other requirements established by law. At least two (2) of the Audit Committee members will be independent, and at least one of them will be appointed considering his accounting and/or audit knowledge and experience.*

*The members of the Committee will be appointed by the Board of Directors on proposal of the Chairman, and will leave office when they do so in respect of their status as Directors, or when so resolved by the Board of Directors.*

- 3. The Chairman will be elected by the Board of Directors, from among the members of the Committee having the status of independent Directors, and further must satisfy the other legal requirements. The Chairman of the Committee must be replaced every four (4) years, and may be re-elected after one year elapses since he left office.*
- 4. The Secretary of the Board of Directors and, in his absence, the Deputy Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.*
- 5. The Committee will meet periodically based on need, and at least four (4) times per year, after call by its Chairman.*

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6. *The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Audit Committee, provided that they are compatible with the nature and functions of this Committee.”*

**“Article 26.- Corporate Governance Committee.**

1. *The Board of Directors will establish a Corporate Governance Committee, which will have the functions corresponding to it under the Articles and the Company’s internal Regulations, without prejudice to any other function that may be assigned to it by the Board of Directors.*
2. *The Corporate Governance Committee will be comprised of a minimum of three (3) and a maximum of five (5) non-executive Directors, to be determined by resolution of the Board of Directors on proposal of its Chairman. At least two (2) of them must be independent Directors.*
3. *The Corporate Governance Committee may require the attendance of the Company’s Managing Director at its meetings.*
4. *The members of the Corporate Governance Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.*
5. *The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.*
6. *The Secretary of the Board of Directors and, in his absence, the Assistant Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.*
7. *The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Committee, provided that they are compatible with the nature and functions of this Committee.”*

**“Article 27.- Appointment and Remuneration Committee.**

1. *The Board of Directors will establish an Appointment and Remuneration Committee, which will have the functions legally corresponding to it under applicable law, the Articles and the Company’s internal Regulations, without prejudice to any other function that may be assigned to it by the Board of Directors.*
2. *The Appointment and Remuneration Committee will be comprised of a minimum of three (3) and a maximum of five (5) Directors. All members of the Committee will be non-executive Directors, to be determined by resolution of the Board of Directors on proposal of its Chairman. At least two (2) of the members of the Committee must be independent Directors.*

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3. *The Appointment and Remuneration Committee may require the attendance of the Company's Managing Director at its meetings.*
4. *The members of the Appointment and Remuneration Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.*
5. *The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.*
6. *The Secretary of the Board of Directors and, in his absence, the Assistant Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.*
7. *The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Committee, provided that they are compatible with the nature and functions of this Committee."*

***"Article 28.- Board Meetings.***

1. *The Board will meet at least once each quarter, provided that the Chairman deems that to be appropriate or it is requested by a third of the members of the Board. In the latter two cases, the Chairman may not delay the sending of the call for more than five (5) days from the date the request is received.*
2. *The Board will be called by the Chairman or the person acting as such, indicating the agenda, by fax, telegram, email or certified letter addressed to each and every one of the Directors, at least seven (7) days before the day set for the meeting of the Board.*

*In the discretion of the Chairman, and in cases of urgency, the Board may be called, indicating the matters to be dealt with, without applying the term indicated above.*

3. *Directors comprising at least one third of the members of the Board may call it, indicating the agenda, to be held at the location of the registered office, if the Chairman, after a request to do so, without just cause has not made the call within a term of one month.*
4. *The Directors, sufficiently in advance, must have the information necessary for deliberation and adoption of resolutions on the matters to be covered at the meeting, unless the Board of Directors meets or is called exceptionally by reason of urgency."*

***"Article 29.- Quorum for Board Meetings.***

1. *The Board will be validly constituted when the majority of its members attend the meeting, in person or by proxy.*

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2. *Directors must attend meetings personally, preferably being physically present. However, if it is impossible for a Director to attend, the Director will grant a proxy to another Director. Non-executive Directors may do so only to another non-executive Director.*
3. *Resolutions will be adopted by majority vote of those present. In the case of a tie the Chairman will have a casting vote.*
4. *The Board may delegate approval of the minutes to two (2) Directors, who may be designated at the respective meeting.”*

**5.2. Amendment of Article 12 relating to the powers of the General Meeting of Shareholders, in order to adapt it to the new wording of the Capital Companies Act and include the provision stating that the General Meeting may not issue instructions to the Board or submit to it for its authorisation any decisions regarding management matters.**

*Renumbering of Article 12, which becomes Article 13, adapting its wording to that of Articles 160, 219.1 and 511 bis of the Capital Companies Act, and expressly including a provision stating that the General Meeting may not issue instructions to the Board of Directors or submit to it for its authorisation any decisions regarding management matters, pursuant to Article 161 of the Capital Companies Act.*

*Article 13 will henceforth have the following wording:*

**“Article 13.- Powers.**

1. *The General Shareholders Meeting is the supreme corporate authority. The General Meeting will decide on the matters attributed to it by these Articles of Association, its own Regulation or the law, in particular regarding the following:*
  - a) *Approval of the annual accounts, consolidated annual accounts, corporate management and allocation of profits*
  - b) *Determination of the number of members of the Board of Directors.*
  - c) *Appointment and removal of Directors, as well as ratification of Directors appointed by co-option by the Board of Directors.*
  - d) *Appointment, reelection and removal of the Statutory Auditors, as well as the liquidators.*
  - e) *Amendment of the Articles of Association.*
  - f) *Increase and reduction of the company’s capital.*
  - g) *Disapplication or limitation of pre-emption rights.*
  - h) *Issue of bonds and, in general, securities of any kind, including preferred shares.*

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- i) *Transformation, merger, splitup or bulk transfer of assets and liabilities and transfer of the registered office abroad.*
  - j) *Acquisition, disposition or contribution to another company of essential assets, as well as transfer to subsidiary entities of essential activities up to that time undertaken by the Company, even if it maintains full ownership thereof.*
  - k) *Authorisation to the Board of Directors to increase capital, in accordance with law, and to issue bonds of any kind, and delegation to the Board of Directors of any other powers in accordance with law and the Articles.*
  - l) *Approval and amendment of the General Meeting Regulation, subject to the provisions of law and the Articles.*
  - m) *Annual approval of compensation of the Board of Directors in accordance with article 22 of the Articles of Association.*
  - n) *Approval of the policy on compensation of Directors, in accordance with the provisions of applicable law and these Articles.*
  - o) *Authorisation of compensation of Directors consisting of the delivery of shares or options on shares or compensation indexed to the value of the shares.*
  - p) *Winding-up and liquidation of the Company, as well as transactions the effect of which is equivalent to that of liquidation of the Company.*
  - q) *Approval of the final liquidation balance sheet.*
  - r) *Exercise of any other competence attributed to it by law or the Articles and being apprised of or deciding regarding any other matter that the Board of Directors resolves is to be reported to or resolved by the Meeting because it is of special relevance to the interests of the company.*
2. *The Meeting may not give instructions to the Board of Directors or subject adoption by the Board of resolutions regarding management matters to its authorisation.”*

**5.3. Amendment of Article 15 bis, relating to special resolutions of the General Meeting of Shareholders, to replace the requirement for a reinforced majority for the adoption of certain resolutions with the rules set forth in Article 201 of the Capital Companies Act and to remove the reference to Class B shares, which have ceased to exist.**

*Renumbering of Article 15 bis, which becomes Article 17, and amendment of its wording in order to replace the previous statutory rules regarding the 69% reinforced majority requirement for the adoption of certain resolutions with the rules set forth in Article 201 of the Capital Companies Act, and removal of the reference to Class B shares which, following their mandatory conversion to ordinary shares, have ceased to exist.*

*Article 17 will henceforth have the following wording:*

**“Article 17.- Adoption of Resolutions.**

- 1. *Each share with a right to vote present in person or by proxy at the General Meeting will be entitled to one vote.*

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2. *Corporate resolutions will be adopted by simple majority of the votes of shareholders present at the Meeting in person or by proxy, a resolution being understood to have been adopted when it obtains more favorable than unfavorable votes.*
3. *Without prejudice to the provisions of law, the favorable vote of the absolute majority of the voting shares present in person or by proxy at the General Shareholders Meeting will be required if the capital present in person or by proxy is more than fifty percent (50%), or the favorable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent twenty-five percent (25%) or more of the subscribed voting capital without reaching fifty percent (50%), for approval of the following matters:*
  - a) *Articles amendments, including increase or reduction of capital, unless the law otherwise provides.*
  - b) *Issuance of bonds.*
  - c) *Transformation, merger or splitup in any of their forms, as well as bulk assignment of assets and liabilities and transfer of the Company's registered office abroad.*
  - d) *Disapplication or limitation of pre-emption rights for new shares."*

**5.4. Deletion of Articles 25 and 28 relating to directors' remuneration, and inclusion of their content in Article 19 ("Compensation of Directors"), which is amended for that purpose and for the purpose of adapting its wording to the Capital Companies Act.**

*Renumbering of Article 19, which becomes Article 22, and amendment of its wording to include in a single Article all the provisions relating to Directors' remuneration, and inclusion of the contents of the current Articles 25 and 28 of the Articles of Association, which are deleted, and of Articles 217.3, 219, 249, 529 septdecies and 529 octodecies of the Capital Companies Act, as well as removal of the list of components of executive Directors' remuneration, as the changes to the Capital Companies Act expressly confer on the Board of Directors the power to establish such Directors' remuneration without the need to set it out in the Bylaws, notwithstanding that should be included and detailed in the remuneration policy of the company shall submit to the approval of the General Shareholders Meeting.*

*Article 22 will henceforth have the following wording:*

***"Article 22.- Compensation of Directors.***

1. *The Directors may take any other position, with or without compensation, with the Company or any other company belonging to its Group, absent incompatibility, whether legal or found in the discretion of the Board.*
2. *The compensation of Directors will consist of a fixed annual amount. The maximum amount of annual compensation of all Directors in their capacities as such must be*

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*approved by the General Meeting and will remain in effect until modification thereof is approved.*

- 3. The compensation of the various Directors may vary based on the positions, duties and responsibilities given to them, and their serving on Board Committees, and may be in addition to payment of meeting attendance fees.*
- 4. The Board will be responsible for fixing the exact amounts of the fees, as well as the individual compensation that each Director is to receive, in any case respecting the limits established by the General Meeting and the categories of compensation contemplated in these Articles.*
- 5. Without prejudice to the aforesaid compensation, the compensation of the Directors also may consist of the delivery of shares, or options on shares or compensation indexed to the value of the shares. Use of this form of compensation will require a resolution of the General Meeting stating, if applicable, the maximum number of shares that can be allocated to this compensation scheme in each financial year, the exercise price or the calculation system for the exercise price of the share options, the value of the shares taken by way of reference if applicable, and the term of duration of this compensation scheme.*
- 6. The Company will secure civil liability insurance for its Directors.*
- 7. In addition, Directors who are assigned executive functions will be entitled to receive compensation for the performance of those functions, which will be determined by the Board of Directors in accordance with the provisions of the compensation policy for Directors approved by the General Meeting, and which will be included in a contract to be entered into by the Director and the Company, which must contain all categories in which the Director may obtain compensation for the performance of executive functions.*

*This contract must be approved in advance by the Board of Directors with the favorable vote of two thirds of its members, and must be attached as an annex to the minutes of the meeting. The affected Director must refrain from attendance, deliberation and participation in voting.*

*The contract must contain all references required by law and be consistent with the Company's compensation policy."*

**5.5. Amendment of Article 26 on replacements and appointments to the Board of Directors, in order to remove the requirement that a person can only be appointed to the Board by cooptation if he or she is a shareholder, in accordance with the Capital Companies Act.**

*Renumbering of Article 26, which becomes Article 31, adaptation of its wording to that of the proposed amendment of Article 24.2 of the Articles of Association, and removal of the*

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*requirement for a person who is appointed to the Board by cooptation to be a shareholder, in accordance with the provisions of Article 529 decies of the Capital Companies Act.*

*Article 31 will henceforth have the following wording:*

***“Article 31.- Replacements and Appointments.***

- 1. In the event of temporary absence, temporary disability of the Chairman, or express delegation from the Chairman, the Deputy Chairman, if any, will assume the functions of the Chairman. Otherwise they will be assumed by the Director designated by the Board. Under the same circumstances as regards the Secretary, its functions will be assumed by the Deputy Secretary, if any, and in the absence thereof, the Director designated by the Board. In the minutes prepared the replaced position will be stated, adding the word “interim”, and the reason for acting on an interim basis.*
- 2. Vacancies occurring on the Board may be filled temporarily by the persons the Board appoints by co-option, until the next General Meeting.”*

**5.6. Amendment of Articles 1, 3, 4 and 5 (relating to “General Provisions”); Articles 6, 7, 8 and 9 (relating to “Share Capital and Shares”); Article 11 (“Bodies”); Article 16 (“Implementation of Corporate Resolutions”); Articles 29 bis and 29 ter (“Annual Corporate Governance Report and Website”); Articles 32, 33 and 34 (“The Company’s Financial and Administrative Regime”); Articles 35, 36 and 38 (relating to “Winding Up and Liquidation”); and Article 39 (“Referral to the Act”), in order to make technical, formal, systematic or grammatical improvements.**

*- Amendment of the wording of Articles 1 and 8 to replace the references to specific rules and provisions with a general reference to the laws or regulations applicable from time to time.*

*- Adaptation of the wording of Article 4 to that of Article 285.2 of the Capital Companies Act in relation to the acknowledgement of the Board of Directors’ power to change the registered office within the same municipality.*

*- Amendment of the wording of Articles 3, 5 and 34 in order to make purely technical improvements. Article 34 is also renumbered and becomes Article 40.*

*- Amendment of Article 6 to remove the reference to Class A shares because, following the mandatory conversion of non-voting Class B shares, there is only one class of ordinary shares.*

*- Listing of the paragraphs of Article 7.*

*- Renumbering of Articles 9, 11 and 33, which become Articles 10, 12 and 39, respectively, and amendment of their wording in order to replace all references to the “Management Board” contained in those Articles with references to the “Board of Directors”, on the basis that, under Article 529 bis of the Capital Companies Act, the management board of listed companies must in any event take the form of a Board of Directors, and to replace all*

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*references to specific rules and provisions with general references to the laws or regulations applicable from time to time.*

*- Renumbering of Articles 16, 29 bis, 29 ter, 32, 35, 38 and 39, which become, respectively, Articles 18, 34, 35, 38, 41, 44 and 45, and amendment of their wording to replace all references to specific rules and provisions with general references to the Act or to the laws or regulations applicable from time to time.*

*- Renumbering of Article 36, which becomes Article 42, and removal from its wording of the requirement for the number of liquidators to be an odd number, which was removed from Article 376 of the Capital Companies Act by Law 25/2011 of 1 August 2011.*

*The new wording of Articles 1, 3, 4, 5, 6, 7, 8, 10, 12, 18, 34, 35, 38, 39, 40, 41, 42, 44 and 45 will be as follows:*

***“Article 1.- Name and Applicable Law.***

*The name of the Company is Promotora de Informaciones, S.A. (hereinafter “PRISA” or the “Company”). It is governed by the legal or regulatory provisions applicable from time to time and by these Articles.”*

***“Article 3.- Duration of Company.***

*The Company commenced operations from the time of execution of the public deed of establishment. Its duration will be indefinite. If the law for commencement of any of the operations enumerated in the preceding article requires obtaining an administrative licence, registration in a public registry, or satisfaction of any other requirement, the Company may not initiate the aforesaid specific activity until the requirement has been satisfied.”*

***“Article 4.- Nationality and Registered Office.***

*The Company is of Spanish nationality and has its registered office in Madrid at Gran Vía, no 32. The Board of Directors is the body having competence to establish, close or transfer such branches, agencies or offices as it may deem to be appropriate, and to change the registered office within the same municipality.”*

***“Article 5.- Submission to Jurisdiction***

*For all such disputed questions as may arise between the Company and the shareholders by reason of corporate matters, both the Company and the shareholders, waiving their own forums, expressly submit to the judicial forum for the location of the registered office of the Company, except in those cases in which another forum is legally imposed.”*

***“Article 6.- Share Capital.***

- 1. The capital is 215,807,875.30 €. It is represented by 2,158,078,753 ordinary shares, all of the same class and series, having a nominal value of TEN CENTS ON THE EURO (€0.10) each, consecutively numbered from 1 to 2,158,078,753.*

*(Free translation from the original in Spanish language)*

2. *The capital is totally subscribed and paid up.*
3. *The Company may issue various classes of shares. Each class may have a different nominal value. Where more than one series of shares is created within the same class, all the shares making up a series will have the same nominal value.”*

**“Article 7.- Representation of Shares.**

1. *The shares are represented by book entries and exist as such by virtue of their registration in the corresponding accounting records, which will reflect the matters set forth in the deed of issuance and whether or not they are fully paid up.*
2. *Standing to exercise the rights of a shareholder, if applicable including transfer, is obtained by registration in the book entry records, which establishes a presumption of lawful ownership and entitles the registered holder to demand that the Company recognise it as a shareholder. Such standing may be demonstrated by showing the appropriate certificates, issued by the entity responsible for the book entry records.*
3. *If the Company confers any benefit on the one presumed to have standing, it will be released from the corresponding obligation, even if that person is not the actual owner of the share, provided that it does so in good faith and without gross negligence.*
4. *If the person or entity appearing as having standing from the entries in the accounting records has said standing by virtue of a fiduciary relationship or another of a comparable nature, the Company may require it to disclose the identity of the actual owners of the shares, as well as the acts of transfer and encumbrance thereof.”*

**“Article 8.- Non-Voting Shares.**

1. *The Company may issue non-voting shares for a nominal amount of no more than one half of paid-up capital. The legal scheme for non-voting shares will be as set forth in the applicable regulations, the Articles of Association and the resolution of the Board ordering the issue thereof.*
2. *The holders of non-voting shares will be entitled to receive the annual minimum dividend established in the issue resolution. Once the minimum dividend is declared, the owners of non-voting shares will be entitled to the same dividend as that payable on the ordinary shares. If there are distributable profits, the Company will be required to declare the minimum dividend referred to above.*
3. *The non-voting shares will enjoy pre-emption rights on the same terms as voting shares. However, that right may be disappplied in accordance with the provisions of applicable law and these Articles.*
4. *Subsequent issues of non-voting shares will require approval, by separate vote or special Meeting, of the existing non-voting shareholders.*

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5. *Until that minimum dividend has been paid, non-voting shares will have the same rights as ordinary shares and, in any event, maintain their economic advantages.*
6. *The General Meeting may issue non-voting shares convertible at a fixed rate (determined or determinable) or a variable rate. The issue resolution will determine whether the authority to convert or exchange lies in the shareholders and/or the Company or, if applicable, the conversion will occur on a mandatory basis at a given time.”*

**“Article 10.- Issue, Subscription and Payment for Shares.**

1. *The General Shareholders Meeting, complying with the legal requirements, may resolve to increase capital by issuing new shares or increasing the nominal value of those already existing. The General Shareholders Meeting will determine the terms and conditions of each new issue and the Board of Directors will have the authority necessary to implement the adopted resolutions, with the greatest breadth of discretion within the legal framework and the conditions established by the Meeting. If they have not been fixed by the Meeting, the Board of Directors may determine the form and the maximum term, which may not exceed five (5) years, in which pending payments on account of paid up capital, if any, are to be made, in accordance with law. In capital increases with issue of new shares, ordinary or preferred, against cash contributions, the shareholders, within the term given by the Board of Directors of the Company, which will not be less than fifteen (15) days after publication of the notice of the offer of subscription of the new issue in the Official Gazette of the Commercial Registry, will have a pre-emption right, proportional as legally provided, unless that right was disapplied in accordance with applicable regulations.*
2. *The General Meeting, satisfying the requirements established for amendment of the Articles of Association, may delegate the legally contemplated authority regarding capital increases to the Board of Directors.”*

**“Article 12.- Bodies.**

*The Company will be governed by the General Shareholders Meeting and administered and represented by the Board of Directors.”*

**“Article 18.- Implementation of Corporate Resolutions.**

1. *Competence. The Board of Directors will be responsible for implementation of all resolutions of the Meeting, without prejudice to such delegations or grants of powers of attorney as it may make in accordance with these Articles.*
2. *Drafting and Approval of Minutes. The minutes of the Meeting may be drafted and approved in the manner determined in the applicable regulations, and signed by the Chairman and the Secretary. If the Meeting is held with the presence of a notary requested to prepare minutes by the Board of Directors, as provided by law, the notarial*

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*minutes will be deemed to be minutes of the Board, approval thereof therefore not being required.”*

**“Article 34.- Annual Corporate Governance Report.**

- 1. The Board of Directors, after a report from the Corporate Governance Committee, annually will approve a corporate governance annual report of the Company, covering the matters legally contemplated together with such others as it deems to be appropriate.*
- 2. The annual corporate governance report will be approved prior to publication of the notice of call of the ordinary General Meeting of the Company for the financial year in question, and will be made available to the shareholders together with the other documentation of the General Meeting.*
- 3. In addition, the annual corporate governance report will be publicised as required in the regulations applicable from time to time.”*

**“Article 35.- Website.**

*The Company will maintain a website for the information of shareholders and investors ([www.prisa.com](http://www.prisa.com)) on which the documents and information contemplated by law will be included, and at least the following:*

- a) The current Articles of Association.*
- b) The General Shareholders Meeting Regulation.*
- c) The Board of Directors Regulation.*
- d) The annual financial report and other financial reports the Company regularly publishes and disseminates.*
- e) The Internal Code for conduct on the securities markets.*
- f) The corporate governance reports.*
- g) The documents related to Ordinary and Extraordinary General Meetings, with information regarding the agenda, proposals made by the Board of Directors, and any other relevant information that may be needed by shareholders to cast their votes, as well as any other documentation required by applicable legislation.*
- h) The information regarding the conduct of General Meetings, in particular regarding attendance at the General Meeting at the time it was held, resolutions adopted stating the number of votes cast and the sense thereof for each of the proposals on the Agenda.*

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- i) *The communications channels existing between the Company and the shareholders, in particular the pertinent explanations regarding exercise of the shareholders' information right, indicating the postal and e-mail addresses to which the shareholders may address them.*
- j) *The resources and procedures for granting proxies for the General Meeting.*
- k) *The resources and procedures for exercising remote voting, if applicable including those established to evidence attendance and voting by remote means at General Meetings.*
- l) *The material disclosures made to the National Securities Market Commission."*

***"Article 38.- Allocation of Profits.***

1. *The General Meeting will decide upon the allocation of the profits for the financial year, in accordance with the approved Balance Sheet.*
2. *After covering the requirements established by law or the Articles, dividends may only be paid out of the profit for the financial year or unrestricted reserves, if net book value is not and will not become, as a result of the distribution, less than the company's capital.*

*When there are losses from previous financial years causing the value of the net assets of the Company to be less than the company's capital, the profit will be used to offset these losses.*

*In addition, profits may not be distributed unless the unrestricted reserves are at least equal to the amount of research and development expenses recorded under assets on the balance sheet.*

*In any event, an unrestricted reserve must be set aside equal to the goodwill recorded under assets in the balance sheet. For this purpose, a part of the profit representing at least five percent (5%) of the said goodwill figure will be allocated. If there are no profits, or if they are insufficient, unrestricted reserves will be used.*

3. *The legal reserve will be constituted in accordance with the provisions of law. Another reserve also will be constituted by subtracting at least ten percent (10%) from profits, after reduction by taxes, until establishing a fund equivalent to at least twenty percent (20%) but not more than fifty percent (50%) of paid up capital to cover such allocations as may be resolved by the General Meeting. The General Meeting in addition may establish such voluntary reserves as it deems to be appropriate."*

***"Article 39.- Distribution of Profits.***

*(Free translation from the original in Spanish language)*

1. *If there are distributable profits, the Company is required to resolve to distribute a minimum dividend if there are non-voting shares in accordance with the provisions of law or these Articles.*
2. *The net profits obtained by the Company in each financial year will be distributed among the shareholders in proportion to their shares, after covering the corporate obligations, the legal, articles and voluntary reserves, if any, and the emoluments of the Board of Directors, without prejudice to the provisions of section 1 above.*

*The General Meeting will determine the time and form of payment in the resolution to distribute dividends. The Board of Directors may resolve to distribute amounts on account of dividends, with the limitations and requirements established by law.”*

**“Article 40.- Prescription of Dividends.**

*Dividends for a financial year not received by a shareholder within five (5) years after the date indicated for payment will prescribe in favor of the Company.”*

**“Article 41.- Winding Up of Company.**

1. *The winding up of the Company will occur in the cases indicated by law.*
2. *If the Company is to be wound up because the Company’s assets have been reduced to an amount less than half of capital, the winding up may be avoided by way of a resolution to increase or reduce capital, in accordance with the provisions of law.”*

**“Article 42.- Form of Liquidation.**

1. *The General Shareholders Meeting having resolved to wind up the Company, the General Shareholders Meeting, on proposal of the Board, will open the liquidation period and appoint one or more liquidators, fixing the powers thereof. This appointment extinguishes the powers of the Board.*
2. *The General Meeting during the liquidation period will retain the same authority as during the normal life of the Company. In particular it will have the authority to approve accounts and the final liquidation balance sheet.”*

**“Article 44.- Liquidation Rules.**

1. *Without prejudice to the provisions of law, on a general basis all shares (ordinary and non-voting) will be entitled to the same liquidation share, if any exists.*
2. *Notwithstanding the foregoing, the holders of non-voting shares will, on the terms set forth from time to time by applicable law, be entitled to receive repayment of the paid-up value, before any amount is distributed to the other shares in the event of liquidation of*

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the Company, if the liquidation share of all shares is less than the paid-up value of the non-voting shares.

3. Otherwise the provisions of law regarding the matter will apply.”

**“Article 45.- Remittance to Law**

*For all matters not contemplated in these Articles the provisions of regulations applicable from time to time will be observed and applied.”*

**5.7. Renumbering of the articles and approval of a consolidated text of the Bylaws as a result of the above amendments.**

*- Renumbering of Articles 8 bis, 10, 24, 27, 29, 30, 31 and 37, which become, respectively, Articles, 9, 11, 30, 32, 33, 36, 37 and 43, all of them with the previous wording.*

*- Approval of the following consolidated text of the Articles of Association, solely for the purposes of including the Articles that have been amended pursuant to the above resolutions and so that all the provisions of the Bylaws are included in a single public instrument:*

**ARTICLES OF ASSOCIATION  
PROMOTORA DE INFORMACIONES, S.A.**

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**CHAPTER I  
GENERAL PROVISIONS**

**Article 1.- Name and Applicable Law.**

The name of the Company is Promotora de Informaciones, S.A. (hereinafter "**PRISA**" or the "**Company**"). It is governed by the legal or regulatory provisions applicable from time to time and by these Articles.

**Article 2.- Purpose.**

1. The purpose of the Company is:

- a) The management and exploitation of all kinds of information and social communications media, its own or those of others, whatever the technical medium, inter alia including the publication of printed newspapers.

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- b) The promotion, planning and implementation, on its own behalf or on behalf of others, directly or through third parties, of all kinds of communications, industrial, commercial or services projects, businesses or undertakings.
  - c) The constitution of companies, participation, even majority participation, in existing companies, and association with third parties in operations and businesses, by way of collaboration formulas.
  - d) The acquisition, direct or indirect holding, exploitation by way of lease or otherwise and disposition of all kinds of assets, personal and real properties and rights.
  - e) The engagement and rendering of consulting services, acquisitions and management of third party interests, whether by way of brokerage, representation or any other manner of collaboration, for its own account or for the account of others.
  - f) Acting in the capital and money markets by way of management thereof, purchase and sale of fixed income, equity or any other kind of securities, on its own behalf.
2. The described activities are understood to refer to companies and undertakings, operations or businesses, domestic or foreign, complying with the respective legal rules.
  3. The activities comprising the corporate purpose may be undertaken by the Company, in whole or in part, indirectly by way of interests in other companies having an analogous purpose.

### **Article 3.- Duration of Company.**

The Company commenced operations from the time of execution of the public deed of establishment. Its duration will be indefinite. If the law for commencement of any of the operations enumerated in the preceding article requires obtaining an administrative licence, registration in a public registry, or satisfaction of any other requirement, the Company may not initiate the aforesaid specific activity until the requirement has been satisfied.

### **Article 4.- Nationality and Registered Office.**

The Company is of Spanish nationality and has its registered office in Madrid at Gran Vía, no 32. The Board of Directors is the body having competence to establish, close or transfer such branches, agencies or offices as it may deem to be appropriate, and to change the registered office within the same municipality.

### **Article 5.- Submission to Jurisdiction**

For all such disputed questions as may arise between the Company and the shareholders by reason of corporate matters, both the Company and the shareholders, waiving their own

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forums, expressly submit to the judicial forum for the location of the registered office of the Company, except in those cases in which another forum is legally imposed.

## **CHAPTER II**

### **CAPITAL AND SHARES**

#### **Article 6.- Share Capital.**

1. The capital is 215,807,875.30 €. It is represented by 2,158,078,753 ordinary shares, all of the same class and series, having a nominal value of TEN CENTS ON THE EURO (€0.10) each, consecutively numbered from 1 to 2,158,078,753.
2. The capital is totally subscribed and paid up.
3. The Company may issue various classes of shares. Each class may have a different nominal value. Where more than one series of shares is created within the same class, all the shares making up a series will have the same nominal value.

#### **Article 7.- Representation of Shares.**

1. The shares are represented by book entries and exist as such by virtue of their registration in the corresponding accounting records, which will reflect the matters set forth in the deed of issuance and whether or not they are fully paid up.
2. Standing to exercise the rights of a shareholder, if applicable including transfer, is obtained by registration in the book entry records, which establishes a presumption of lawful ownership and entitles the registered holder to demand that the Company recognise it as a shareholder. Such standing may be demonstrated by showing the appropriate certificates, issued by the entity responsible for the book entry records.
3. If the Company confers any benefit on the one presumed to have standing, it will be released from the corresponding obligation, even if that person is not the actual owner of the share, provided that it does so in good faith and without gross negligence.
4. If the person or entity appearing as having standing from the entries in the accounting records has said standing by virtue of a fiduciary relationship or another of a comparable nature, the Company may require it to disclose the identity of the actual owners of the shares, as well as the acts of transfer and encumbrance thereof.

#### **Article 8.- Non-Voting Shares.**

1. The Company may issue non-voting shares for a nominal amount of no more than one half of paid-up capital. The legal scheme for non-voting shares will be as set forth in the

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applicable regulations, the Articles of Association and the resolution of the Board ordering the issue thereof.

2. The holders of non-voting shares will be entitled to receive the annual minimum dividend established in the issue resolution. Once the minimum dividend is declared, the owners of non-voting shares will be entitled to the same dividend as that payable on the ordinary shares. If there are distributable profits, the Company will be required to declare the minimum dividend referred to above.
3. The non-voting shares will enjoy pre-emption rights on the same terms as voting shares. However, that right may be disapplied in accordance with the provisions of applicable law and these Articles.
4. Subsequent issues of non-voting shares will require approval, by separate vote or special Meeting, of the existing non-voting shareholders.
5. Until that minimum dividend has been paid, non-voting shares will have the same rights as ordinary shares and, in any event, maintain their economic advantages.
6. The General Meeting may issue non-voting shares convertible at a fixed rate (determined or determinable) or a variable rate. The issue resolution will determine whether the authority to convert or exchange lies in the shareholders and/or the Company or, if applicable, the conversion will occur on a mandatory basis at a given time.

#### **Article 9.- Redeemable Shares.**

The Company may issue redeemable shares for a nominal value not greater than a quarter of the share capital and in compliance with other legally established requirements.

#### **Article 10.- Issue, Subscription and Payment for Shares.**

1. The General Shareholders Meeting, complying with the legal requirements, may resolve to increase capital by issuing new shares or increasing the nominal value of those already existing. The General Shareholders Meeting will determine the terms and conditions of each new issue and the Board of Directors will have the authority necessary to implement the adopted resolutions, with the greatest breadth of discretion within the legal framework and the conditions established by the Meeting. If they have not been fixed by the Meeting, the Board of Directors may determine the form and the maximum term, which may not exceed five (5) years, in which pending payments on account of paid up capital, if any, are to be made, in accordance with law. In capital increases with issue of new shares, ordinary or preferred, against cash contributions, the shareholders, within the term given by the Board of Directors of the Company, which will not be less than fifteen (15) days after publication of the notice of the offer of subscription of the new issue in the Official Gazette of the Commercial Registry, will have a pre-emption right, proportional as legally provided, unless that right was disapplied in accordance with applicable regulations.

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2. The General Meeting, satisfying the requirements established for amendment of the Articles of Association, may delegate the legally contemplated authority regarding capital increases to the Board of Directors.

**Article 11.- Free Transferability of Shares.**

The shares of the Company will be freely transferable by any legal means.

**CHAPTER III**

**GOVERNANCE, ADMINISTRATION AND REPRESENTATION OF THE  
COMPANY**

**Article 12.- Bodies.**

The Company will be governed by the General Shareholders Meeting and administered and represented by the Board of Directors.

**GENERAL SHAREHOLDERS MEETING**

**Article 13.- Powers.**

1. The General Shareholders Meeting is the supreme corporate authority. The General Meeting will decide on the matters attributed to it by these Articles of Association, its own Regulation or the law, in particular regarding the following:
  - a) Approval of the annual accounts, consolidated annual accounts, corporate management and allocation of profits.
  - b) Determination of the number of members of the Board of Directors.
  - c) Appointment and removal of Directors, as well as ratification of Directors appointed by co-option by the Board of Directors.
  - d) Appointment, reelection and removal of the Statutory Auditors, as well as the liquidators.
  - e) Amendment of the Articles of Association.
  - f) Increase and reduction of the company's capital.
  - g) Disapplication or limitation of pre-emption rights.

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- h) Issue of bonds and, in general, securities of any kind, including preferred shares.
  - i) Transformation, merger, splitup or bulk transfer of assets and liabilities and transfer of the registered office abroad.
  - j) Acquisition, disposition or contribution to another company of essential assets, as well as transfer to subsidiary entities of essential activities up to that time undertaken by the Company, even if it maintains full ownership thereof.
  - k) Authorisation to the Board of Directors to increase capital, in accordance with law, and to issue bonds of any kind, and delegation to the Board of Directors of any other powers in accordance with law and the Articles.
  - l) Approval and amendment of the General Meeting Regulation, subject to the provisions of law and the Articles.
  - m) Annual approval of compensation of the Board of Directors in accordance with article 22 of the Articles of Association.
  - n) Approval of the policy on compensation of Directors, in accordance with the provisions of applicable law and these Articles.
  - o) Authorisation of compensation of Directors consisting of the delivery of shares or options on shares or compensation indexed to the value of the shares.
  - p) Winding-up and liquidation of the Company, as well as transactions the effect of which is equivalent to that of liquidation of the Company.
  - q) Approval of the final liquidation balance sheet.
  - r) Exercise of any other competence attributed to it by law or the Articles and being apprised of or deciding regarding any other matter that the Board of Directors resolves is to be reported to or resolved by the Meeting because it is of special relevance to the interests of the company.
3. The Meeting may not give instructions to the Board of Directors or subject adoption by the Board of resolutions regarding management matters to its authorisation.

**Article 14.- Kinds of Meetings.**

1. General Meetings of shareholders may be ordinary or extraordinary. They will be called and held in the manner determined by law, these Articles and the General Meeting Regulation. The holding of an annual Ordinary Meeting on the date resolved by the Board of Directors, within the term established by law, is mandatory.
2. The Extraordinary General Meeting will meet when so resolved by the Board of Directors of the Company, or when so requested by a number of shareholders owning at

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least three percent (3%) of capital, in the request stating the matters to be considered at the meeting. In this case the Meeting must be called to be held within the two (2) months following the date of notarial demand on the administrators to call it, with the agenda necessarily to include the matters covered by the request.

#### **Article 15.- Preparation of the General Meeting.**

1. Every General Meeting will be called at the time and in the manner determined by law, the Articles and the General Shareholders Meeting Regulation.
2. The call will include references to the Company, the place, day and time of the meeting, the agenda including the matters to be considered, the position of the person or persons making the call and the other legally-required references.
3. Shareholders representing at least three percent (3%) of capital may request the publication of a supplement to the call of the Ordinary General Meeting including one or more points on the agenda, provided that the new points are accompanied by a explanation or, if applicable, an explained proposed resolution. That right may in no case be exercised in respect of the call of an Extraordinary General Meeting. Exercise of this right must be by certifiable notice, which must be received at the registered office within the five (5) days following publication of the call. The supplement to the call must be published at least fifteen (15) days before the scheduled Meeting date.
4. Shareholders representing at least three percent (3%) of capital may, within the same term as indicated in the preceding subsection, present supported proposed resolutions regarding matters already on or that should be on the agenda for the Meeting called. The Company will see to dissemination of these proposed resolutions and such documentation as may be attached thereto to the other shareholders, in accordance with the provisions of law and the General Meeting Regulation.
5. The shareholders prior to or during the meeting may request such reports, documents and clarifications as they deem to be necessary, in accordance with the provisions of law.

#### **Article 16.- Holding the General Meeting.**

1. Place. The place of holding the Meeting will be as designated in the call, outside or within the location of the registered office, on the day and at the time indicated.
2. Attendance. All shareholders owning at least sixty (60) shares, registered in the corresponding book entry accounting records five (5) days in advance of the date of holding the Meeting, and holding the corresponding attendance card, may attend the General Meeting.

*(Free translation from the original in Spanish language)*

3. The Board of Directors will attend the General Meeting. The Chairman of the General Meeting may authorise attendance of any other person he deems to be appropriate; however the Meeting may revoke that authorisation.
4. Proxies. Shareholders may grant proxies to another person, complying with the requirements and formalities imposed by these Articles of Association, by the General Meeting Regulation and by law. The proxy will be specific to the meeting in question. This requirement will not apply when the representative is the spouse, ascendant or descendent of the represented shareholder. Nor will it apply when the representative has a general power of attorney granted in a public document with authority to manage all property the represented shareholder has in the country. A proxy will be evidenced in writing in any of the following documents, in all cases with a handwritten signature: (i) the attendance card issued by the custodians participating in Iberclear, (ii) a letter or (iii) the standard form made available by the Company for these purposes to the shareholders, and also may be granted by way of remote electronic means of communication. In the latter case the provisions for the voting using the aforesaid means will apply, to the extent not incompatible with the nature of the proxy.
5. The appointment of the representative by the shareholder and, if applicable, the revocation of that appointment, will be notified to the Company in the manner established in the General Meeting Regulation.
6. Number of shareholders for quorum. Without prejudice to the provisions of law for special cases, the quorum for a General Shareholders Meeting on first call will be the presence, in person or by proxy, of shareholders holding at least twenty-five percent (25%) of the subscribed voting capital. On second call there will be a quorum for the Meeting whatever the capital in attendance.
7. Notwithstanding the provisions of the preceding paragraph, in order for the General Meeting to validly resolve on an increase or reduction of capital, or on any other amendment of the Articles of Association, on an issue of bonds, the disapplication or limitation of pre-emption rights in respect of new shares, transformation, merger splitup or bulk transfer of assets and liabilities, or relocation of the registered office outside of Spain, it will be necessary, on first call, for shareholders holding at least fifty percent (50%) of the subscribed voting capital to be present in person or by proxy. At second call, the presence of twenty five percent (25%) of said capital will be sufficient.
8. Chairman of Meeting: The Chairman of the Meeting will be the person, if any, specified by the Board of Directors. In the absence of a specific decision by the Board, the Meeting will be chaired by the Chairman of the Board of Directors. In his absence, if any, it will be chaired by the Vice Chairman, and in the absence of both, by the attending Director with greatest seniority in the position and, in the absence of all of them, by the shareholder designated by the General Meeting.

*(Free translation from the original in Spanish language)*

9. The Chairman will submit the items on the agenda to deliberation and manage the discussions so that the meeting is held in an orderly manner. To that end he will have the appropriate powers of order and discipline.
10. The Chairman will be assisted by a Secretary, which will be the Secretary of the Board of Directors. In his absence, if any, the Deputy Secretary of the Board of Directors will act and, in his absence, the person designated by the Meeting.
11. The Meeting Officers will include the Chairman, the Secretary and the members of the Board of Directors in attendance.
12. Voting by mail or remote electronic means of communication. Votes on proposals on matters on the Agenda of any kind of General Meeting may be cast by shareholders by mail or remote electronic means of communication. The identity of the person voting must be assured, in accordance with the requirements established in the General Meeting Regulation. Votes by e-mail will be cast using a recognised electronic signature or other form that the Board of Directors concludes will be suitable to ensure the authenticity and identity of the shareholder exercising the voting right. The shareholders who vote using remote methods must be counted as being present for the purpose of establishing the quorum. Votes cast using these methods must be in the possession of the Company, at its headquarters, at least twenty-four (24) hours in advance of the time contemplated for holding the General Meeting on first call. Otherwise, the vote will be deemed not to have been cast. In the call for each General Meeting the Board of Directors may determine a shorter advance term.
13. The Board of Directors has authority to develop the foregoing provisions, establishing rules, resources and procedures consistent with the state of the art to implement electronic voting and grant of proxies. In particular, the Board of Directors may, inter alia, regulate the use of alternative guarantees of electronic signatures for electronic voting.
14. The procedural rules adopted by the Board of Directors by virtue of the provisions of this section will be published on the Company's website.
15. Voting. The Chairman will give details of the voting, summarise the number of votes in favor of and against the proposed resolution submitted to the General Meeting and announce the result aloud.
16. The General Shareholders Meeting Regulation will establish the procedures and systems for counting votes on proposed resolutions.

**Article 17.- Adoption of Resolutions.**

*(Free translation from the original in Spanish language)*



1. Each share with a right to vote present in person or by proxy at the General Meeting will be entitled to one vote.
2. Corporate resolutions will be adopted by simple majority of the votes of shareholders present at the Meeting in person or by proxy, a resolution being understood to have been adopted when it obtains more favorable than unfavorable votes.
3. Without prejudice to the provisions of law, the favorable vote of the absolute majority of the voting shares present in person or by proxy at the General Shareholders Meeting will be required if the capital present in person or by proxy is more than fifty percent (50%), or the favorable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent twenty-five percent (25%) or more of the subscribed voting capital without reaching fifty percent (50%), for approval of the following matters:
  - a. Articles amendments, including increase or reduction of capital, unless the law otherwise provides.
  - b. Issuance of bonds.
  - c. Transformation, merger or splitup in any of their forms, as well as bulk assignment of assets and liabilities and transfer of the Company's registered office abroad.
  - d. Disapplication or limitation of pre-emption rights for new shares.

**Article 18.- Implementation of Corporate Resolutions.**

1. Competence. The Board of Directors will be responsible for implementation of all resolutions of the Meeting, without prejudice to such delegations or grants of powers of attorney as it may make in accordance with these Articles.
2. Drafting and Approval of Minutes. The minutes of the Meeting may be drafted and approved in the manner determined in the applicable regulations, and signed by the Chairman and the Secretary. If the Meeting is held with the presence of a notary requested to prepare minutes by the Board of Directors, as provided by law, the notarial minutes will be deemed to be minutes of the Board, approval thereof therefore not being required.

**BOARD OF DIRECTORS**

**Article 19.- Nature, Number of Members and Positions.**

1. The Board of Directors is responsible for management, administration and representation of the Company, without prejudice to such authority as may correspond to the General Meeting in accordance with law and the Articles.

*(Free translation from the original in Spanish language)*

2. The Board will be comprised of a minimum of three (3) and a maximum of seventeen (17) Directors, with the Meeting being responsible for their appointment and determination of their number. For that purpose, the Meeting may fix the number by express resolution, or indirectly by creating or not creating vacancies or appointing or not appointing new Directors, within the aforesaid minimum and maximum.
3. From among its members, the Board will appoint a Chairman and, subject to the same condition, may appoint one or more Deputy Chairmen. From among its members it also may appoint a Delegated Commission or one or more Chief Executive Officers, to which it may give the power of representation, jointly and severally or jointly but not severally. It will also appoint a Secretary, who need not be a Director, and may appoint an Deputy Secretary, who also need not be a member of the Board.
4. When the position of Chairman is to be held by an executive Director, the appointment of the Chairman will require the favorable vote of two thirds of the members of the Board of Directors.
5. Also, if the Chairman is an executive Director, the Board of Directors, with the abstention of the executive Directors and on proposal of the Corporate Governance Committee, must appoint a Coordinating Director from among the independent Directors, who will be specifically empowered to request a call of the Board of Directors or inclusion of new points on the agenda for a Meeting already called, to coordinate and meet with the non-executive Directors and, if applicable, to lead the periodic evaluation of the Chairman of the Board of Directors.
6. The Board of Directors will approve a Regulation to govern its organisation and functioning.

**Article 20.- Kinds of Directors.**

1. The Board of Directors will be so comprised that proprietary and independent Directors represent a majority over executive Directors.
2. For purposes of the provisions of the preceding section, the Company will adjust the classes of Directors to the definitions and criteria set forth by the applicable laws from time to time .

**Article 21.- Term of Office.**

*(Free translation from the original in Spanish language)*

The term of a Director's office will be four (4) years. A Director may be reelected indefinitely for terms of the same length.

**Article 22.- Compensation of Directors.**

1. The Directors may take any other position, with or without compensation, with the Company or any other company belonging to its Group, absent incompatibility, whether legal or found in the discretion of the Board.
2. The compensation of Directors will consist of a fixed annual amount. The maximum amount of annual compensation of all Directors in their capacities as such must be approved by the General Meeting and will remain in effect until modification thereof is approved.
3. The compensation of the various Directors may vary based on the positions, duties and responsibilities given to them, and their serving on Board Committees, and may be in addition to payment of meeting attendance fees.
4. The Board will be responsible for fixing the exact amounts of the fees, as well as the individual compensation that each Director is to receive, in any case respecting the limits established by the General Meeting and the categories of compensation contemplated in these Articles.
5. Without prejudice to the aforesaid compensation, the compensation of the Directors also may consist of the delivery of shares, or options on shares or compensation indexed to the value of the shares. Use of this form of compensation will require a resolution of the General Meeting stating, if applicable, the maximum number of shares that can be allocated to this compensation scheme in each financial year, the exercise price or the calculation system for the exercise price of the share options, the value of the shares taken by way of reference if applicable, and the term of duration of this compensation scheme.
6. The Company will secure civil liability insurance for its Directors.
7. In addition, Directors who are assigned executive functions will be entitled to receive compensation for the performance of those functions, which will be determined by the Board of Directors in accordance with the provisions of the compensation policy for Directors approved by the General Meeting, and which will be included in a contract to be entered into by the Director and the Company, which must contain all categories in which the Director may obtain compensation for the performance of executive functions.

This contract must be approved in advance by the Board of Directors with the favorable vote of two thirds of its members, and must be attached as an annex to the minutes of the meeting. The affected Director must refrain from attendance, deliberation and participation in voting.

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The contract must contain all references required by law and be consistent with the Company's compensation policy.

**Article 23.- Representation of Company.**

1. The management, administration and representation of the Company, judicially and extrajudicially, as regards all acts included within the corporate purpose, is the responsibility of the Board of Directors, which will act jointly, without prejudice to such delegations and powers of attorney as it may grant.
2. Authority that is non-delegable by law or in accordance with these Articles may not be delegated. Nor may such authority as the General Meeting has given to the Board without express authorisation of delegation. In any event the Board of Directors of the Company will reserve the following for its review and exclusive decision:
  - a) Determination of the general policies and strategies of the Company, in particular:
    - i. approval of the Strategic or Business Plan, as well as the annual budgets and management objectives;
    - ii. determination of investment and financing policy;
    - iii. definition of the structure of the Group of companies of which the Company is the controlling entity;
    - iv. determination of the corporate governance policy of the Company and the Group of which it is the controlling entity;
    - v. corporate social responsibility policy;
    - vi. the policy for management and control of risks, including tax risks, and supervision of the internal information and control systems;
    - vii. definition of the dividend policy; and
    - viii. determination of the tax strategy of the Company.
  - b) Approval of financial projections, as well as strategic alliances of the Company or its controlled companies, and the policy regarding treasury shares.
  - c) Supervision of effective functioning of the committees it has constituted and the actions of the delegated bodies and executives it has appointed.
  - d) Authorisation or waiver of the obligations deriving from the duty of loyalty.

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- e) Any proposed amendment of the Company's corporate purpose.
- f) Its organisation and functioning and, in particular, approval and amendment of the Board of Directors Regulation.
- g) Preparation of the annual accounts and their presentation to the General Meeting.
- h) Approval of the financial information that listed companies must periodically disclose.
- i) Making any kind of report required by law to the Board of Directors, provided that the matter covered by the report is nondelegable.
- j) Appointment and removal of Managing Directors of the Company, delegation of authority, as well as establishment of the terms of their contracts.
- k) Appointment and removal of the executives reporting directly to the Board or to any of its members, as well as establishment of the basic terms of their contracts, including their compensation.
- l) Proposal of the general compensation policy, and decisions related to compensation of Directors, within the framework of the Articles and the compensation policy approved by the General Meeting.
- m) Calling general meetings and preparing the agenda and the proposed resolutions;
- n) Approval of investments or transactions of any kind that by reason of their high amount or special characteristics are strategic or pose a special tax risk for the Company or the investee or controlled companies in question, unless approval thereof corresponds to the General Meeting, inter alia including the assumption of financial risks or making of derivative financial commitments, including but not limited to loans, credits, guarantees or other security..
- o) Approval of the creation or acquisition of interests in special purpose vehicles or entities resident in countries or territories considered to be tax havens, and any other transactions or operations of a comparable nature the complexity of which might impair the transparency of the Company or its Group.
- p) Those resolutions related to mergers, splitups and any relevant decision having to do with the status of the Company as a listed company, unless approval thereof corresponds to the General Meeting.
- q) Approval, after a report from the Audit Committee, of related party transactions, on the terms contemplated in the Board Regulation.

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- r) Annual evaluation of the functioning of the Board of Directors, the functioning of its Committees, and proposal, based on the results, of an action plan correcting detected deficiencies.
  - s) Powers the General Meeting has delegated to the Board of Directors, unless expressly authorised by it to subdelegate them.
3. Resolutions related to the matters indicated in 2.n) and 2.o) above, the amount of which is not more than ten million (10,000,000) euros, may be adopted by the Delegated Commission in cases of urgency, duly justified, and must be ratified at the first Board meeting held after adoption of the resolution.

**Article 24.- Authority of Board Positions.**

- 1. Judicial and extrajudicial representation of the Company is held by the Chairman of the Board, as is the exercise of such functions, if any, as may be delegated to the Chairman by the Board of Directors. The Chairman, with the collaboration of the Secretary, also is responsible for ensuring that the Directors have the information necessary for deliberation and the adoption of resolutions, sufficiently in advance and in appropriate format, ensuring the good order of meetings of the Board, their call and review and oversight of all corporate resolutions, whatever the body from which they originate.
- 2. Any substitution for the Chairman as regards the functioning of the Board of Directors in the event of temporary absence, temporary disability or express delegation by the Chairman is the responsibility of the Deputy Chairmen.
- 3. The Secretary is responsible for entering a record of the conduct of meetings in the minute books and certifying their content and the resolutions adopted, retaining the documentation of the Board, seeing to it that the actions of the Board are consistent with applicable regulations and in accordance with the Articles and other internal rules, assisting the Chairman of the Board as appropriate.

**Article 25.- Audit Committee.**

- 1. The Board of Directors will establish an Audit Committee. The Audit Committee will have the functions corresponding to it pursuant to applicable law, the Articles and the Company's internal Regulations, without prejudice to any other function that may be given to it by the Board of Directors.
- 2. The Audit Committee will be comprised of the number of Directors from time to time determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) members. All members of the Audit Committee will be non-executive Directors. They further must comply with the other requirements established by law. At least two

(2) of the Audit Committee members will be independent, and at least one of them will be appointed considering his accounting and/or audit knowledge and experience.

The members of the Committee will be appointed by the Board of Directors on proposal of the Chairman, and will leave office when they do so in respect of their status as Directors, or when so resolved by the Board of Directors.

3. The Chairman will be elected by the Board of Directors, from among the members of the Committee having the status of independent Directors, and further must satisfy the other legal requirements. The Chairman of the Committee must be replaced every four (4) years, and may be re-elected after one year elapses since he left office.
4. The Secretary of the Board of Directors and, in his absence, the Deputy Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.
5. The Committee will meet periodically based on need, and at least four (4) times per year, after call by its Chairman.
6. The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Audit Committee, provided that they are compatible with the nature and functions of this Committee.

**Article 26.- Corporate Governance Committee.**

1. The Board of Directors will establish a Corporate Governance Committee, which will have the functions corresponding to it under the Articles and the Company's internal Regulations, without prejudice to any other function that may be assigned to it by the Board of Directors.
2. The Corporate Governance Committee will be comprised of a minimum of three (3) and a maximum of five (5) non-executive Directors, to be determined by resolution of the Board of Directors on proposal of its Chairman. At least two (2) of them must be independent Directors.
3. The Corporate Governance Committee may require the attendance of the Company's Managing Director at its meetings.
4. The members of the Corporate Governance Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.
5. The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.

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6. The Secretary of the Board of Directors and, in his absence, the Assistant Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.
7. The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Committee, provided that they are compatible with the nature and functions of this Committee.

**Article 27.- Appointment and Remuneration Committee.**

1. The Board of Directors will establish an Appointment and Remuneration Committee, which will have the functions legally corresponding to it under applicable law, the Articles and the Company's internal Regulations, without prejudice to any other function that may be assigned to it by the Board of Directors.
2. The Appointment and Remuneration Committee will be comprised of a minimum of three (3) and a maximum of five (5) Directors. All members of the Committee will be non-executive Directors, to be determined by resolution of the Board of Directors on proposal of its Chairman. At least two (2) of the members of the Committee must be independent Directors.
3. The Appointment and Remuneration Committee may require the attendance of the Company's Managing Director at its meetings.
4. The members of the Appointment and Remuneration Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.
5. The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.
6. The Secretary of the Board of Directors and, in his absence, the Assistant Secretary, will act as Secretary of this Committee. The Secretary will issue minutes of the meetings of the Committee on the terms set by the Board of Directors.
7. The operating rules established by the Articles of Association in respect of the Board of Directors will apply to the Committee, provided that they are compatible with the nature and functions of this Committee.

**Article 28.- Board Meetings.**

1. The Board will meet at least once each quarter, provided that the Chairman deems that to be appropriate or it is requested by a third of the members of the Board. In the latter two cases, the Chairman may not delay the sending of the call for more than five (5) days from the date the request is received.

*(Free translation from the original in Spanish language)*



2. The Board will be called by the Chairman or the person acting as such, indicating the agenda, by fax, telegram, email or certified letter addressed to each and every one of the Directors, at least seven (7) days before the day set for the meeting of the Board.

In the discretion of the Chairman, and in cases of urgency, the Board may be called, indicating the matters to be dealt with, without applying the term indicated above.

3. Directors comprising at least one third of the members of the Board may call it, indicating the agenda, to be held at the location of the registered office, if the Chairman, after a request to do so, without just cause has not made the call within a term of one month.
4. The Directors, sufficiently in advance, must have the information necessary for deliberation and adoption of resolutions on the matters to be covered at the meeting, unless the Board of Directors meets or is called exceptionally by reason of urgency.

#### **Article 29.- Quorum for Board Meetings.**

1. The Board will be validly constituted when the majority of its members attend the meeting, in person or by proxy.
2. Directors must attend meetings personally, preferably being physically present. However, if it is impossible for a Director to attend, the Director will grant a proxy to another Director. Non-executive Directors may do so only to another non-executive Director.
3. Resolutions will be adopted by majority vote of those present. In the case of a tie the Chairman will have a casting vote.
4. The Board may delegate approval of the minutes to two (2) Directors, who may be designated at the respective meeting.

#### **Article 30.- Minute Book.**

The resolutions of the Board will be entered in a Minute Book, which will be signed by the Chairman and the secretary or those replacing them. Certifications will be issued by the Secretary with the approval of the Chairman.

#### **Article 31.- Replacements and Appointments.**

1. In the event of temporary absence, temporary disability of the Chairman, or express delegation from the Chairman, the Deputy Chairman, if any, will assume the functions of the Chairman. Otherwise they will be assumed by the Director designated by the

*(Free translation from the original in Spanish language)*

Board. Under the same circumstances as regards the Secretary, its functions will be assumed by the Deputy Secretary, if any, and in the absence thereof, the Director designated by the Board. In the minutes prepared the replaced position will be stated, adding the word "interim", and the reason for acting on an interim basis.

2. Vacancies occurring on the Board may be filled temporarily by the persons the Board appoints by co-option, until the next General Meeting.

#### **Article 32.- Removal and Termination.**

In addition to the legal grounds for termination, Directors will leave their positions by revocation of their appointments by the General Meeting or by their own resignation.

### **OTHER ATTORNEYS IN FACT**

#### **Article 33.- Attorneys in Fact for Specific Matters.**

The Board may grant powers of attorney for specific matters to other persons, in this regard executing the corresponding deeds of power of attorney.

### **D. ANNUAL CORPORATE GOVERNANCE REPORT AND WEBSITE**

#### **Article 34.- Annual Corporate Governance Report.**

1. The Board of Directors, after a report from the Corporate Governance Committee, annually will approve a corporate governance annual report of the Company, covering the matters legally contemplated together with such others as it deems to be appropriate.
2. The annual corporate governance report will be approved prior to publication of the notice of call of the ordinary General Meeting of the Company for the financial year in question, and will be made available to the shareholders together with the other documentation of the General Meeting.
3. In addition, the annual corporate governance report will be publicised as required in the regulations applicable from time to time.

#### **Article 35.- Website.**

The Company will maintain a website for the information of shareholders and investors ([www.prisa.com](http://www.prisa.com)) on which the documents and information contemplated by law will be included, and at least the following:

*(Free translation from the original in Spanish language)*

- a) The current Articles of Association.
- b) The General Shareholders Meeting Regulation.
- c) The Board of Directors Regulation.
- d) The annual financial report and other financial reports the Company regularly publishes and disseminates.
- e) The Internal Code for conduct on the securities markets.
- f) The corporate governance reports.
- g) The documents related to Ordinary and Extraordinary General Meetings, with information regarding the agenda, proposals made by the Board of Directors, and any other relevant information that may be needed by shareholders to cast their votes, as well as any other documentation required by applicable legislation.
- h) The information regarding the conduct of General Meetings, in particular regarding attendance at the General Meeting at the time it was held, resolutions adopted stating the number of votes cast and the sense thereof for each of the proposals on the Agenda.
- i) The communications channels existing between the Company and the shareholders, in particular the pertinent explanations regarding exercise of the shareholders' information right, indicating the postal and e-mail addresses to which the shareholders may address them.
- j) The resources and procedures for granting proxies for the General Meeting.
- k) The resources and procedures for exercising remote voting, if applicable including those established to evidence attendance and voting by remote means at General Meetings.
- l) The material disclosures made to the National Securities Market Commission.

## **CHAPTER IV**

### **THE COMPANY'S ECONOMIC AND ADMINISTRATIVE SCHEME**

#### **Article 36.- Financial Year.**

The financial year begins on the first of January and ends on 31 December.

#### **Article 37.- Annual Accounts and Statutory Auditors.**

*(Free translation from the original in Spanish language)*

1. The Board of Directors, within the term established by law, will prepare the Annual Accounts, the Management Report and the Proposal for Allocation of Profits and, if applicable, the consolidated Accounts and Management Report.
2. The Company's Annual Accounts and Management Report, as well as the consolidated Annual Accounts and Management Report, must be reviewed by the Statutory Auditors.

**Article 38.- Allocation of Profits.**

1. The General Meeting will decide upon the allocation of the profits for the financial year, in accordance with the approved Balance Sheet.
2. After covering the requirements established by law or the Articles, dividends may only be paid out of the profit for the financial year or unrestricted reserves, if net book value is not and will not become, as a result of the distribution, less than the company's capital.

When there are losses from previous financial years causing the value of the net assets of the Company to be less than the company's capital, the profit will be used to offset these losses.

In addition, profits may not be distributed unless the unrestricted reserves are at least equal to the amount of research and development expenses recorded under assets on the balance sheet.

In any event, an unrestricted reserve must be set aside equal to the goodwill recorded under assets in the balance sheet. For this purpose, a part of the profit representing at least five percent (5%) of the said goodwill figure will be allocated. If there are no profits, or if they are insufficient, unrestricted reserves will be used.

3. The legal reserve will be constituted in accordance with the provisions of law. Another reserve also will be constituted by subtracting at least ten percent (10%) from profits, after reduction by taxes, until establishing a fund equivalent to at least twenty percent (20%) but not more than fifty percent (50%) of paid up capital to cover such allocations as may be resolved by the General Meeting. The General Meeting in addition may establish such voluntary reserves as it deems to be appropriate.

**Article 39.- Distribution of Profits.**

1. If there are distributable profits, the Company is required to resolve to distribute a minimum dividend if there are non-voting shares in accordance with the provisions of law or these Articles.
2. The net profits obtained by the Company in each financial year will be distributed among the shareholders in proportion to their shares, after covering the corporate

*(Free translation from the original in Spanish language)*

obligations, the legal, articles and voluntary reserves, if any, and the emoluments of the Board of Directors, without prejudice to the provisions of section 1 above.

3. The General Meeting will determine the time and form of payment in the resolution to distribute dividends. The Board of Directors may resolve to distribute amounts on account of dividends, with the limitations and requirements established by law.

**Article 40.- Prescription of Dividends.**

Dividends for a financial year not received by a shareholder within five (5) years after the date indicated for payment will prescribe in favor of the Company.

**CHAPTER V**

**WINDING UP AND LIQUIDATION**

**Article 41.- Winding Up of Company.**

1. The winding up of the Company will occur in the cases indicated by law.
2. If the Company is to be wound up because the Company's assets have been reduced to an amount less than half of capital, the winding up may be avoided by way of a resolution to increase or reduce capital, in accordance with the provisions of law.

**Article 42.- Form of Liquidation.**

1. The General Shareholders Meeting having resolved to wind up the Company, the General Shareholders Meeting, on proposal of the Board, will open the liquidation period and appoint one or more liquidators, fixing the powers thereof. This appointment extinguishes the powers of the Board.
2. The General Meeting during the liquidation period will retain the same authority as during the normal life of the Company. In particular it will have the authority to approve accounts and the final liquidation balance sheet.

**Article 43.- Compensation of Liquidators.**

The General Meeting, when providing for appointment of the liquidators, will determine the fees or compensation they are to receive for their management.

**Article 44.- Liquidation Rules.**

1. Without prejudice to the provisions of law, on a general basis all shares (ordinary and non-voting) will be entitled to the same liquidation share, if any exists.

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2. Notwithstanding the foregoing, the holders of non-voting shares will, on the terms set forth from time to time by applicable law, be entitled to receive repayment of the paid-up value, before any amount is distributed to the other shares in the event of liquidation of the Company, if the liquidation share of all shares is less than the paid-up value of the non-voting shares.
3. Otherwise the provisions of law regarding the matter will apply.

**CHAPTER VI  
REMITTANCE TO LAW**

**Article 45.- Remittance to Law**

For all matters not contemplated in these Articles the provisions of regulations applicable from time to time will be observed and applied.

February 27, 2015