

**This document is a translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters involving the interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.**

*PWC LOGO*

## **INDEPENDENT REVIEW REPORT ON THE 2015 ANNUAL REPORT ON THE REMUNERATION OF THE DIRECTORS**

To the Board of Directors of Mediaset España Comunicación, S.A.

We have carried out a limited assurance of the Annual Report on the Remuneration of the Directors of Mediaset España Comunicación, S.A. for 2015, prepared in accordance with article 541 of the Companies Act, Order ECC/ 461/2013, of the 20<sup>th</sup> March, which lays down, inter alia, the minimum content and structure of the Annual Report on Directors' Remuneration, and Circular 4/ 2013, of the National Stock Market Commission (CNMV), which sets out the model for the Annual Reports on the Remuneration of the Directors of listed companies modified by Circular 7/2015, of 22<sup>nd</sup> December, of the CNMV.

### **Directors' Responsibility**

The preparation of the Annual Report on Directors' Remuneration and its content are the responsibility of the Board of Directors of Mediaset España Comunicación, S.A. They are also responsible for designing, implementing and maintaining the internal control which is considered necessary to ensure that the Annual Report on Directors' Remuneration is free from incorrect material, due to fraud or error.

The Board of Directors of Mediaset España Comunicación, S.A. are also responsible for implementing, adapting and maintaining the management systems from which the necessary information to prepare the Annual Remuneration report is obtained.

### **Our Responsibility**

Our responsibility is to issue an independent limited assurance report based on the procedures that we carried out and the evidence we obtained. We have conducted our limited assurance in accordance with The International Standards of Assurance Engagements (NIEA 3000) (Revised) "Assurance Engagements other than Auditory or the Reviews of Historical Financial Information", issued by the International Assurance and Auditing Standards Board (IAASB) of the International Federation of Accountants (IFAC).

The scope of a limited assurance engagement is substantially inferior to that of a reasonable assurance, and, therefore a lower level of assurance is provided. Under no circumstances may this report be understood as an audit report in the terms provided for in the auditing regulations in force in Spain

The procedures that have been carried out for the purpose of this engagement are based on our professional knowledge and, amongst others, include;

- Reading and understanding of the information prepared by the Company and included in the Annual Report on Directors' Remuneration 2015 and assessing whether such information incorporates the entire content required by article 541 of the Companies Act, Order ECC/ 461/2013, of the 20<sup>th</sup> March, and National Stock Market Commission's Circular 4/2013 of the 12<sup>th</sup> June, as reworded by Circular 7/2015, of 22<sup>nd</sup> December.

- Reading of legal documentation, minutes of the General Shareholders' Meeting and Board of Directors' meetings, individual and consolidated annual accounts for 2015, Annual Corporate Governance Report and internal and external correspondence related to the adequacy of the information included in the Annual Remuneration of Directors Report.

- . Conducting interviews with the personnel of Mediaset España Comunicación, SA, including members of management and other bodies responsible for the different management areas of the Company subject to the report.

- . Analysis and understanding of the procedures used by the Company to compile and validate the data and information presented in the Annual Remuneration of Directors Report.

- . Verification, by way of review tests based on samples, of the quantitative information included in the Annual Remuneration of Directors Report and its adequate compilation based on the data provided by the Management of Mediaset España Comunicación, SA, and, if necessary, with the figures included in the individual and consolidated annual accounts for 2015 provided by the Management of Mediaset España Comunicación, SA.

- . Obtaining a letter of representation concerning the work performed, duly signed by the persons responsible for the preparation and drafting of Annual Remuneration of Directors Report.

## **Our Independence and Quality Control**

We have carried out our work in accordance with the independence standards and the rest of the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which bases its fundamental principles on integrity, objectivity, competence and professional diligence, confidentiality and professional behavior.

In accordance with International Standard on Quality Control 1 (ISQC1), our firm has an exhaustive quality control system in place which includes documented policies and procedures relating to compliance with ethical requirements, professional standards and applicable legal provisions and regulations.

## **Limited Assurance Conclusion**

As a result of the procedures we have carried out and the evidence we have obtained, no matters have come to light which lead us to believe that the 2015 Annual Remuneration of Directors Report of Mediaset España Comunicación, S.A. contains any significant errors or has not been prepared, in all material respects, in accordance with article 541 of the Companies Act, Order ECC/ 461/2013, of the 20<sup>th</sup> March, and National Stock Market Commission's Circular 4/2013 of the 12<sup>th</sup> June, as reworded by Circular 7/2015, of 22<sup>nd</sup> December.

*PricewaterhouseCoopers Auditores, S.L.*

*Signed by Fernando Torres*

*24<sup>th</sup> February 2016*

**ANNEX 1**

**ANNUAL DIRECTORS REMUNERATION REPORT  
OF LISTED COMPANIES**

IDENTIFICATION DETAILS OF THE ISSUER

**YEAR END DATE OF REFERENCE**

31/12/2015

**C.I.F.**

A-79075438

**COMPANY NAME**

MEDIASET ESPAÑA COMUNICACION, S.A.

**REGISTERED OFFICE**

CARRETERA DE FUENCARRAL A ALCOBENDAS, 4, MADRID

## ANNUAL DIRECTORS REMUNERATION REPORT

### OF LISTED COMPANIES

## A. COMPANY REMUNERATION POLICY FOR THE CURRENT BUSINESS YEAR

A.1 Explain the remuneration policy of the Company. This section shall include information on:

- General principles and foundations of the remuneration policy.
- Significant changes made in relation to the remuneration policy applied during the previous year and the changes that have been made during the year on the conditions of exercise of previously awarded options.
- Criteria and composition of groups of comparable companies whose remuneration policies have been considered when establishing the remuneration policy of the company.
- The relative importance of variable vs. fixed remuneration and the criteria used to determine the various components of the remuneration package of the directors (remuneration mix).

### Explain the remuneration policy

The company's remuneration policy for its directors is regulated by Articles 37 and 56 of the Articles of Association and Article 28 of the company's Board of Directors Regulations. These provisions establish the competent bodies to approve or modify the remuneration policy, the principles on which it is based, its structure and its purpose. The regulations are available on our website and we invite you to read them in order to better understand the structure of the Mediaset España's remuneration policy as detailed in this report.

As for the criteria used to determine the remuneration policy of Directors for 2016 the same criteria applied in previous years has been taken into account:

- That the Directors receive remuneration according to the responsibilities assigned to them and with the dedication employed.
- That it is incentive based and therefore, likely to retain the most valuable professionals.
- That it is in line with the established market standards of companies of similar size and activity.
- That it prevents excessive risk taking and reward in case of unfavourable results.

With regards to independent directors, this policy also seeks that the amount of compensation is such that it provides incentives for their dedication and service to the Company, but that it does not compromise their independence.

In relation to the remuneration corresponding to the executive directors, the same scheme will be followed in 2016 as 2015, as indicated above, without any updates, and there are no planned increases in fixed remuneration.

With regards to the remuneration of the rest of the executive directors for their work within the company, in 2016 they will be paid a fixed part, complemented by a variable component tied to the results obtained in terms of the budgetary targets. This remuneration system has been a constant in the history of this Company.

As in previous years, the accrual and quantification of the variable remuneration depends on the degree to which Company achieves the budget for the financial year 2016, particularly relating to the following three variables: (i) gross advertising revenues, (ii) consolidated EBIT and (iii) free cash flow.

For the CEO, the variable remuneration constitutes 71% of his fixed remuneration and 41% of his full pay (assuming a 100% compliance level of the objectives on which the accrual and quantification of the variable remuneration is dependent).

With regards to the other Executive Directors, the variable component percentage of their remuneration is between 51% and 56% of the fixed component, and between 32% and 36% of full pay assuming a 100% compliance level of the objectives on which the accrual and quantification of the variable remuneration is dependent).

The same as last year, during 2016, there are no plans to amend the conditions regarding the exercise of options granted, or to grant new options on the shares of Mediaset España to the Directors.

**A.2 Information about the preparatory work and the decision making process has been followed to determine the remuneration policy and role played, if any, by the Remuneration Committee and other supervisory bodies in setting the remuneration policy. This information shall include, where appropriate, the mandate and composition of the Remuneration Committee and the identity of the external consultants whose services have been used to determine the remuneration policy. Likewise the position of the directors, if any, who have been involved in the definition of the remuneration policy, shall be expressed.**

<b>Explain the process for determining the remuneration policy</b>
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Different management bodies of the company and its shareholders are involved in the definition and approval process. This process begins within the Appointments and Remuneration Committee which analyses and approves the main defining lines of the remuneration of Directors and formulates this report.

The Appointments and Remuneration Committee is composed of the following directors:

Mr. José Ramón Álvarez-Rendueles – Chairman – independent  
Mr. Borja Prado Eulate –Independent  
Mr. Fedele Confalonieri - external proprietary.  
Mr. Giuliano Adreani - external proprietary.

Once the report has been prepared and in accordance with Article 37.2 of the Articles of Association, it is the Board of Directors that is responsible for approving the remuneration policy of its members.

As in previous years, each and every one of the Board of Directors has been actively involved in the approval of the report and under the direction and coordination of its Chairman, taking into account the comments and suggestions made by them.

In the end it is the shareholders of Mediaset, through the General Meeting, who evaluate and decide on a system and the manner in which the directors of the company receive their remuneration. Like last year, in 2015 the Company considered it appropriate to submit to a binding shareholder vote on the remuneration report, as with the rest of the points on the agenda. The report was approved by 69.39% of the share capital.

It should be noted, that external consultants have not been hired in the development of the 2015 and 2016 remuneration policy.

A3. Indicate the amount and nature of the fixed components, itemized where necessary, the remunerations for the performance of senior management functions of the executive directors, the additional remuneration as chairman or member of any committee of the board, allowances for participating in the board and its committees and other fixed director payments and an estimate of the fixed annual payment to which they give rise. Identify other benefits that are not paid in cash and the basic parameters for which are given.

Explain the fixed components of remuneration
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Following the provisions of the rules governing Mediaset España, the directors shall be entitled to receive a fixed amount and attendance fees for their position as Board members.

Accordingly, the amount approved at the General Meeting held in 2015 remains unchanged, and at the General Meeting to be held in 2016, it will be proposed to approve the maximum amount that Mediaset España can pay its directors in respect of (i) fixed annual remuneration and (ii) attendance fees, in the amount of 2,500,000 Euros each year. The limit to be proposed is the same as laid down in previous years.

In the rare event that the number of Board meetings or its Committees held in a given year should reach the maximum figure, the remaining Board meetings or any Committee meetings held during such period will not be entitled to receive allowances.

During the meeting of the Board of Directors on 24<sup>th</sup> February, following a favorable report from the Appointments and Remuneration Committee, it is expected that the amounts for fixed remuneration and attendance allowances are maintained the same as in 2015.

With regards to the executive director's remuneration in 2016, the same system followed in 2015, without any updates will be maintained.

It is anticipated that they are paid a fixed part, complemented by a variable part tied to the results in terms of budgetary targets, as described in the following sections of this report.

As for the amount representing the fixed portion of their salary, it will remain in line with that paid in 2015; no major changes are planned except for those already mentioned.

**A.4 Explain the amount, nature and main characteristics of the variable components of the remuneration systems.**

In particular:

- Identify each of the remunerative plans of which the directors are beneficiaries, its scope, and date of approval, implementation date, validity period and its main features. In the case of share option plans and other financial instruments, the general features of the plan will include information on the exercise conditions of such options or financial instruments for each plan.

- Indicate any remuneration from profit sharing or bonuses and why they were granted.
- Explain the basic parameters and grounds for any annual bonuses system (bonus).
- The classes of directors (executive directors, external directors, independent directors or other external directors) who are beneficiaries of remuneration schemes or plans that incorporate a variable remuneration.

Explain the variable elements of the remuneration systems
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As previously mentioned, the executive directors receive an integrated remuneration, amongst others, of a fixed part and a variable part, for the performance of their duties within the company,

The variable remuneration system is adopted at the beginning of each year by the Board of Directors. The objectives for 2016 are the following three: advertising revenue, consolidated group EBIT and Free Cash Flow. Each of the objectives is assigned a weight, 50%, 25% and 25%, respectively, the sum is 100%. The result of each target is independent of the rest.

For the CEO, the Bonus Target for 2016 is 659,000 € / year (for a 100% achievement of objectives), it is also possible to achieve between 50% of the bonus (for an 85% achievement of objectives), and 130% of the bonus (for a higher achievement of objectives of 105%).

Regarding the Chairman of the Board, the variable remuneration system and the targets for 2016 are the same as those of the CEO, maintaining the amounts received in the said year without any variations regarding those established in 2015.

With regards to the executive director Mr. Massimo Musolino, the variable remuneration system allows for a maximum expected achievement of 51% of the fixed remuneration. 17% depends on individual objectives, the same percentage depends on company objectives, 17%, which he must have achieved in order to receive the bonus, the remainder, 17% depends on the performance evaluation during the year.

Lastly, the executive director Mr. Mario Rodriguez, the variable remuneration system provided allows a maximum expected achievement of 56% of the fixed remuneration. 20% depends on individual objectives, the same percentage depends on company objectives, 20%, which he must have achieved in order to receive the bonus, the remainder, 16% depends on the performance evaluation during the year.

Accordingly, an agreement that allows the CEO and Managing Directors of the Company and its Group to receive part of the variable remuneration for 2015 in Company shares is expected to be submitted for approval to the General Meeting in accordance with the following conditions:

- (i) voluntary nature: receipt of variable remuneration in shares is voluntary on the part of the beneficiaries;
- (ii) ceiling: the maximum amount of shares to be received by each beneficiary is the result of applying 12,000 Euros at the average trading price on the date of delivery
- (iii) shares will come from the treasury stock;
- (iv) shares value: the average trading price of the share on the date of delivery;
- (v) Delivery time: the remuneration system will apply until the date of delivery, which will be verified before the expiry of one month from the date of approval by the General Meeting, if necessary.

Looking at 2016, no other variable remuneration plans are foreseen nor were any stock option plans approved.



The 2011 Plan is currently in force, adopted on 27th July 2011, the main features of which are listed below:

- (i) Exercisable between 27th July 2014 and 26th July 2016.
- (ii) Exercise price of each option: 5.83 €.
- (iii) Percentage of options, after verification of the above objectives: 50% of those initially assigned.

The plan is dependent on achieving the following objectives for their exercise: EBIT and Free Cash Flow budgeted in the year to which the plan corresponds. It is also a requirement to remain in the company during the vesting period (two years).

There is no profit sharing nor are there any different bonuses or rewards to those systems mentioned intended for 2016.

Note that the absolute amounts of variable remuneration which would give rise to the 2016 remuneration plan are as follows;

- (i) 1,007,107 Euros for a normal degree of achievement of objectives and
- (ii) 1,539,924 Euros for a maximum degree of achievement of objectives. The payment of the variable remuneration is scheduled for April 2017, once the annual accounts of the company have been approved, the same as in previous years.

Also, following a proposal from the Appointments and Remuneration Committee, a "medium term incentive and loyalty system, referenced to the market price of the company" applicable from 2016, will be presented to the Board of Directors to be held on February 24th this year for their approval.

This system is aimed at Executive Directors and senior management of the Company and its main objectives are as follows:

- Reward the sustainability of the company's results.
- Improve the remuneration structure.
- Align the interests of the "top management" with those of shareholders.

This system, receives in equal parts, a contribution from each beneficiary annually (25% of the bonus target) and a contribution charged to the company, establishing a given amount that will be invested in the purchase of company shares and attributed the beneficiary. It lasts three years (Rolling) and its accrual will depend on the achievement of the established budget targets, cumulatively, for each of the three years of accrual.

The right to receive shares, in any case shall be subject to the maintenance of the employment relationship at the end of each triennium.

A.5: Explain the main features of the long-term savings systems, including retirement and any other survivorship benefits, financed partly or wholly by the company, whether internally or externally gifted, with an estimate of their amount or equivalent annual cost, indicating the type of plan, if it is a contribution or a fixed benefit, conditions for strengthening the economic rights of directors and compatibility with any type of compensation for early termination of the contractual relationship between the company and the director.

Also indicate the contributions on behalf of directors' plans to fixed contribution pension or the increase of vested rights in the case of contributions to fixed benefit plans.

Explain long-term savings plans
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There are no long-term saving plans provided for 2016. Indicate that as a result of contractual agreements by one of the Executive Directors, Mr. Massimo Musolino, an annual provision is made, consisting of one thirteenth of the sum of annual fixed and variable remuneration, to become effective at the time when the said Director ceases employment in the company. The annual cost is 50,241 euros.

**A.6: Indicate any agreed or paid indemnities in the case of termination of appointment as a director.**

Explain the Indemnifications
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Regarding the existence of any severance agreed or paid upon termination of directors duties, it is noted that there are no agreed or paid indemnities in the case of termination of appointment as a director, except as provided for in the employment contract of the executive director Mr. Massimo Musolino, which has a system dependent on the ordinary employment relationship with the following content:

1) Voluntary redundancy: accrual per year: Fixed salary + bonus, year divided by 13.5, the total remuneration is the sum of the amounts generated by the number of years worked:

- $(\text{total salary} / 13.5) \times \text{number of years worked}$
- Allows for partial settlements, as accrued over the periods.

2) Termination by fair or unfair dismissal: legal allowance, as well as that provided for in point 1) above

**A.7: Indicate the conditions to be respected in the contracts of those who are exercising executive functions in management as executive directors. Among others, information about the duration, limits on amounts of indemnifications, permanence clauses, notice periods and payments as a replacement of that notice period, and any other clauses regarding hiring bonuses, as well as indemnifications for early termination or termination of the contractual relationship between the company and the executive director. Including, among others, covenants or non-compete agreements, exclusivity, permanence or loyalty and post-contractual non-compete.**

Explain the conditions of the executive directors' contracts
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The executive directors of the company who, at the date of preparation of this report, perform senior management functions are as follows: Mr. Paolo Vasile, Mr Massimo Musolino and Mr. Mario Rodríguez Valderas.

Mr. Paolo Vasile's contract is commercial in nature and is linked, in terms of duration and functions, to his CEO status of the Company, without providing shielding or permanency conditions.

As for the contracts of the executives directors Mr. Massimo Musolino and Mr. Mario Rodríguez Valderas, both are governed by employment legislation, no special conditions exist, except those mentioned in the preceding paragraph, concerning severance.

In the case of Mr. Musolino, an exclusivity clause does exist, which prohibits concurrency, and the prohibition of joining another company, to maintain employment or professional relationship with, directly or indirectly, persons, companies and entities engaged in business or commercial activities that are or may be in competition with the objects of Mediaset, or the specific activity performed by it. As for the period of notice specified, it is set to two (2) months in the case of resignation. In the case of noncompliance, Mediaset will be entitled to deduct the assets for the period defaulted from the liquidation.

His contract also includes a severance clause mentioned previously in section A.6.

**A.8 Explain any additional remuneration paid to directors for services rendered other**

than those inherent in their position.

Explain the supplementary remuneration.

As in 2015, there is no additional remuneration planned for 2016 for the directors and the services rendered other than those inherent to their position.

A.9 Indicate any remuneration in the form of advances, credits and guarantees, indicating the interest rate, its key features and any amounts repaid, as well as the obligations on their behalf by way of guarantee.

Explain advances, credits and guarantees

At the date of preparation of this report there have not been any advances, loans or guarantees granted. If any are granted after the date hereof, it will be promptly reported. Note that no amount was paid as an advance in 2015.

A.10 Explain the main features of remuneration in kind

Explain remuneration in kind

For the year 2016, in progress, it is planned to maintain the scope and main features of remuneration in kind which the directors will receive.

The main features are:

CEO: (i) company car; (ii) housing and parking in Spain (Madrid); (iii) Life and Accident insurance; (iv) Medical Insurance for himself and his beneficiaries; (v) Tax payments on account paid by the employer. Regarding the rest of the executive directors: ((i) company car; (ii) Life and Accident insurance; (iii) Medical Insurance for himself and his beneficiaries; (iv) Tax payments on account paid by the employer. Both cases have little relevance from an economic point of view. The amount of remuneration in kind for 2015 is set out in paragraph E. of this Report.

A.11 Indicate the remuneration accrued by the board member by virtue of payments made by the listed company to a third party in which the board member provides services when such payments are meant to serve as remuneration for his services in the company.

Explain the compensation payable by the board member by virtue of payments made by the listed Company to a third party in which the board member provides services.

As mentioned in our report last year, Mediaset España's directors do not perceive any amounts of remuneration from another company.

A12. Any other remunerative concept other than those mentioned above, whatever their nature or company of the group which meets it, especially when it is considered a related party transaction or the issuance distorts the true picture of total remuneration earned by the director.

Explain other concepts of remuneration

There are no additional remuneration concepts to those already mentioned in this report provided for 2016.

A.13 Explain the actions taken by the company in relation to the remuneration scheme to reduce excessive risk exposure and adjust the objectives, values and long-term interests of the company, which shall include, where appropriate, a reference to: measures envisaged to ensure that the remuneration policy takes the long-term results of the company into account, measures establishing an appropriate balance between fixed and variable components of remuneration, measures taken in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company, recovery formulas or clauses to reclaim variable components of remuneration based on the results when such components are paid on the basis of data, which has subsequently proven to be manifestly inaccurate and measures designed to prevent conflicts of interest, where applicable

Explain the actions taken to reduce the risks
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The Board of Directors believes that there is an appropriate balance between fixed and variable remuneration of the CEO of the Company as when the latter reaches its maximum, it could mean up to 48% of the total remuneration that can accrue in their favour including all concepts.

We understand that this ratio fully meets the objectives of proportionality, preservation and encouragement that, as we have noted in previous sections, the variable remuneration system must comply with.

Regarding the existence of policies for the prevention or the resolution of a conflict of interest situation:

In Article 34 of the Board of Directors Regulations it provides that:

"Directors should refrain from attending and participating in deliberations on matters in which they have a personal interest.

It will also be considered a personal interest when the matter affects any person related to a director.

The director, by himself or through related persons shall not perform professional or commercial transactions with the Company unless the conflict of interest is previously reported to the Board, following a report from the Appointments and Remuneration Committee approving the operation".

In turn, Mediaset España and its Group of Companies Ethics Code provides that:

"Conflict of interest is defined as any situation in which conflict arises between (or may arise), whether directly or indirectly, the interests of the Company, or the integrated companies of Mediaset España- on the one hand, and the personal interest of the person subject to compliance with this code on the other. A personal interest will exist when the matter affects, either directly or indirectly through a related person. In this regard, it will be regulated in this document and also in the "Internal Rules of Conduct of Mediaset España Comunicación and its group of companies for its conduct in the Stock Market."

The latter document provides the following in relation to conflicts of interest:

"Persons affected by this Regulation, except for the Directors of the Company, which shall be governed in this matter by the provisions of the Board of Directors regulations, are required to inform the Director of the Compliance Department (hereinafter DCN ) about possible conflicts of interest "

Conflict of interest is defined as any situation in which conflict arises between (or may arise), whether directly or indirectly, the interests of the Company, the integrated companies of Mediaset España and the personal interest of the person subject to this internal Regulation of Conduct. A personal interest will exist when the matter affects them or a person linked with them.

When communicating to the Director of the DCN, the Affected Person shall state that the conflict affects him personally or by way of a Related Person, in which case you should identify them. It is also necessary to specify the circumstances that led to the conflict, detailing, where appropriate, the object and the principal terms of the transaction or decision, the amount or approximate economic evaluation, and the Department or the person of the company Mediaset España with which they had the respective contacts.

Once aware of the commencement of such contacts, the Affected Person shall give such notice immediately and, in any case, before the appropriate decision-making or closing of the transaction.

This information must be kept up to date taking into account any changes or separations of the situations previously mentioned.

If in doubt about whether the Affected Person could be involved in a conflict of interest for any reason, such Person shall transfer the query in writing to the DCN. The Affected Person must also refrain from taking any action until the query is answered by the Director of the DCN.

Also, the Affected Person must not participate in or influence the decision-making by any other corporate body, committee or division involved in the transaction or decision that may affect persons or entities with which a conflict exists. Similarly, the Affected Person must not access confidential information related to such conflict.

In the case of Company Directors, the Secretary of the Board shall inform the DCN of the conflicts of interest that he has been notified of.

## **B: FUTURE FORECASTED REMUNERATION POLICY**

**Repealed**

## **C: GLOBAL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE LAST FINANCIAL YEAR**

C1. Briefly explain the main features of the structure and remunerative concepts of the remuneration policy applied in the Financial Year Ended, leading to the breakdown of the individual remuneration earned by each of the directors that are reflected in Section D of this report and a summary of the decisions taken by the board to implement these concepts.

<b>Overview of how the remuneration policy was applied last year.</b>
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During 2015 the remuneration of directors' scheme has been based on the provisions of the Company's governance rules, therefore incorporating the elements discussed in the previous sections

Consequently, the General Meeting held in April 2015, approved to fix the maximum amount that the Company could pay all of its Directors in respect of (i) fixed annual remuneration and (ii) attendance fees in the amount of 2,500,000 Euros each year. The agreement was adopted by 99.87% equity.

Following on from this, the exact amount of the allowances and remuneration of Board members shall be established by the Board of Directors at the amount of 75,000 Euros fixed remuneration and 4,000 Euros in attendance fees, and will be eight thousand (8,000) Euros in the case of the Chairmen of the Committees.

It must be specified that as in previous years, the above mentioned limit was not exceeded.

In addition to the above concepts executive Directors have received remuneration for the following:

- Remuneration for the performance of executive duties.
- Variable remuneration correlated to the Company's performance indicators, with the same characteristics as those planned for previous and following years, which have been detailed in the previous sections.
- Part beneficial including pension systems and insurance.

For his part the Chairman of the Board of Directors, who has no executive functions, has received a complementary remuneration consisting of a fixed and variable amount, which has been granted in response to the special dedication required by his office.

No stock options were granted to any of the directors nor, do any long-term savings systems exist. No advances, loans or guarantees of any kind have been made and all payments have been made individually, and there are no further additional remunerations to those discussed.

It must be noted that no severance has been paid to the directors and the Executive Directors contracts have not suffered any modifications in 2015.

Throughout the drafting process the Appointments and Remuneration Committee, the Board of Directors and the General Meeting have all been involved.

## D BREAKDOWN OF INDIVIDUAL REMUNERATION ACCRUED BY EACH OF DIRECTORS

Name	Type	Remuneration financial year 2014
MARIO RODRIGUEZ VALDERAS	Executive	From 09/04/2014 to 31/12/2014.
HELENA REVOREDO DELVECCHIO	Independent Board member	From 01/01/2014 to 31/12/2014.
MASSIMO MUSOLINO	Executive	From 01/01/2014 to 31/12/2014.
FRANCISCO DE BORJA PRADO EULATE	Independent Board member	From 01/01/2014 to 31/12/2014.
ALEJANDRO ECHEVARRIA BUSQUET	External	From 01/01/2014 to 31/12/2014.
GIUSEPPE TRINGALI	Proprietary Board member	From 01/01/2014 to 31/12/2014.
ANGEL DURANDEZ ADEVA	Independent Board member	From 01/01/2014 to 31/12/2014.
MARCO GIORDANI	Proprietary Board member	From 01/01/2014 to 31/12/2014.
PAOLO VASILE	Executive	From 01/01/2014 to 31/12/2014.
JOSE RAMON ALVAREZ-RENDUELES	Independent Board member	From 01/01/2014 to 31/12/2014.
FEDELE CONFALONIERI	Proprietary Board member	From 01/01/2014 to 31/12/2014.
GIULIANO ADREANI	Proprietary Board member	From 01/01/2014 to 31/12/2014.
ALFREDO MESSINA	Proprietary Board member	From 01/01/2014 to 31/12/2014.
MANUEL POLANCO MORENO	Proprietary Board member	From 01/01/2014 to 31/10/2014.
JUAN LUIS CEBRIAN ECHARRI	Proprietary Board member	From 01/01/2014 to 31/10/2014.
PIER SILVIO BERLUSCONI	Proprietary Board member	From 01/01/2014 to 09/04/2014.

D.1 Fill out the following tables on the individual remuneration of each of the Board of Directors (including remuneration for the period of executive functions) accrued during the year

**a) Remuneration accrued in the company covered in this report:**

**i) Cash Remuneration (in thousands of €)**

Nombre	Salaries	Fixed Remuneration	Allowances	Short Term Variable Remuneration	Long Term Variable Remuneration	Remuneration for membership of Board Committees	Indemnifications	Other items	Total 2015	Total 2014
MASSIMO MUSOLINO	487	75	24	229	0	0	0	18	833	857
MARIO RODRIGUEZ VALDERAS	336	75	24	188	0	0	0	8	631	515
ALFREDO MESSINA	0	75	28	0	0	0	0	0	103	100
FEDELE CONFALONIERI	0	75	48	0	0	0	0	0	123	116
MARCO GIORDANI	0	75	44	0	0	0	0	0	119	108
GIULIANO ADREANI	0	75	64	0	0	0	0	0	139	116
ANGEL DURANDEZ ADEVA	0	75	64	0	0	0	0	0	139	120
FRANCISCO DE BORJA PRADO EULATE	0	75	40	0	0	0	0	0	115	108
JOSE RAMON ALVAREZ-RENDUELES	0	75	72	0	0	0	0	0	147	120
HELENA REVOREDO DELVECCHIO	0	75	20	0	0	0	0	0	95	88
GIUSEPPE TRINGALI	0	75	24	0	0	0	0	0	99	92
ALEJANDRO ECHEVARRIA BUSQUET	0	75	72	245	0	0	0	635	1,027	1,025
PAOLO VASILE	930	75	36	791	0	0	0	22	1,854	1,607

ii) Payments schemes based on shares iii) Long term saving schemes

PAOLO VASILE												
Plan 2010												
Implementati on Date	Ownership of options at the beginning of year 2015						Options assigned during the year 2015					
	N° Options	affected shares	Price exer. (€)	Exercise period			N° Options	affected shares	Price exer. (€)	Exercise period		
28/07/2010	134,500	134,500	7,00	Exercisable from 28/07/2013 to 27/07/2015			0	0	0	Not applicable		
Conditions: Not Applicable												
Shares delivered during the period 2015			Exercised in the year 2015 Options				Opts. expired and unexercised	Options at year-end 2015				
N° shares	Price	Amount	Price exer. (€)	N° Options	affected shares	Gross profit (k€)	N° Options	N° Options	affected shares	Price exer. (€)	Exercise period	
0	0	0	7,00	134,500	134,500	700	0	0	0	0	Not applicable	

Other requirements for exercise: Not applicable

PAOLO VASILE												
Plan 2011												
Implementati on Date	Ownership of options at the beginning of year 2015						Options assigned during the year 2015					
	N° Options	affected shares	Price exer. (€)	Exercise period			N° Options	affected shares	Price exer. (€)	Exercise period		
27/07/2011	67,250	67,250	5,83	Exercisable from 27/07/2014 to 26/07/2016			0	0	0	Not applicable		
Conditions: Not Applicable												
Shares delivered during the period 2015			Exercised in the year 2015 Options				Opts. expired and unexercised	Options at year-end 2015				
N° shares	Price	Amount	Price exer. (€)	N° Options	affected shares	Gross profit (k€)	N° Options	N° Options	affected shares	Price exer. (€)	Exercise period	
0	0	0	0	0	0	0	0	67,250	67,250	5,83	27/07/2014 to 26/07/2016	

Other requirements for exercise: Not applicable



MASSIMO MUSOLINO												
Plan 2011												
Implementati on Date	Ownership of options at the beginning of year 2015						Options assigned during the year 2014					
	N° Options	affected shares	Exercise price. (€)	Exercise period			N° Options	affected shares	Exercise price. (€)	Exercise period		
27/07/2011	31	31	5,83	Exercisable from 27/07/2014 to 26/07/2016			0	0	0	Not applicable		
Conditions: Not Applicable												
Shares delivered during the period 2014			Exercised in the year 2015 Options				Opts. expired and unexercised	Options at year-end 2014				
N° shares	Price	Amount	Exercise price. (€)	N° Options	affected shares	Gross profit (k€)	N° Options	N° Options	affected shares	Exercise price. (€)	Exercise period	
0	0	0	0	0	0	0	0	31	31	5,83	Exercisable from 27/07/2014 to 26/07/2015	
Other requirements for exercise: Not applicable												

MASSIMO MUSOLINO												
Plan 2010												
Implementati on Date	Ownership of options at the beginning of year 2014						Options assigned during the year 2014					
	N° Options	affected shares	Exercise price. (€)	Exercise period			N° Options	affected shares	Exercise price. (€)	Exercise period		
28/07/2010	61.000	61.000	7,00	Exercisable from 28/07/2013 to 27/07/2015			0	0	0	Not applicable		
Conditions: Not Applicable												
Shares delivered during the period 2014			Exercised in the year 2015 Options				Opts. expired and unexercised	Options at year-end 2014				
N° shares	Price	Amount	Exercise price. (€)	N° Options	affected shares	Gross profit (k€)	N° Options	N° Options	affected shares	Exercise price. (€)	Exercise period	
0	0	0	7,00	61,000	61,000	317	0					
Other requirements for exercise: Not applicable												

**MARIO RODRIGUEZ VALDERAS**
**Plan 2010**

Implementation Date	Ownership of options at the beginning of year 2014				Options assigned during the year 2014			
	Nº Options	affected shares	Exercise price. (€)	Exercise period	Nº Options	affected shares	Exercise price. (€)	Exercise period
28/07/2010	36.000	36.000	7,00	Exercisable from 28/07/2013 to 27/07/2015	0	0	0	Not applicable

Conditions: Not Applicable

Shares delivered during the period 2014			Exercised in the year 2014 Options				Opts. expired and unexercised	Options at year-end 2014			
Nº shares	Price	Amount	Exercise price. (€)	Nº Options	affected shares	Gross profit (k€)	Nº Options	Nº Options	affected shares	Exercise price. (€)	Exercise period
0	0	0	7,00	36	36	187	0	0	0	0,00	

Other requirements for exercise: Not applicable

**MARIO RODRIGUEZ VALDERAS**
**Plan 2011**

Implementation Date	Ownership of options at the beginning of year 2014				Options assigned during the year 2014			
	Nº Options	affected shares	Exercise price. (€)	Exercise period	Nº Options	affected shares	Exercise price. (€)	Exercise period
27/07/2011	24.400	24.400	5,83	Exercisable from 27/07/2014 to 26/07/2016	0	0	0	Not applicable

Conditions: Not Applicable

Shares delivered during the period 2014			Exercised in the year 2014 Options				Opts. expired and unexercised	Options at year-end 2014			
Nº shares	Price	Amount	Exercise price. (€)	Nº Options	affected shares	Gross profit (k€)	Nº Options	Nº Options	affected shares	Exercise price. (€)	Exercise period
0	0	0	0	0	0	0	0	24.400	24.400	5,83	Exercisable from 27/07/2014 to 26/07/2016

Other requirements for exercise: Not applicable

iii) Long term saving schemes

iv) Other benefits (in thousands of €)

PAOLO VASILE			
Advanced remuneration, loans granted			
Type of interest rate for the operation		Essential features of the operation	Any repaid amounts
0,00		N/A	N/A
Life insurance premiums		Guarantees given by the company in favor of Board Members	
Financial Year 2015	Financial Year 2014	Financial Year 2015	Financial Year 2014
8	8	None	None

MASSIMO MUSOLINO			
Advances remuneration, loans granted			
Type of interest rate for the operation		Essential features of the operation	Any repaid amounts
0,00		N/A	N/A
Life insurance premiums		Guarantees given by the company in favor of Board Members	
Financial Year 2015	Financial Year 2014	Financial Year 2015	Financial Year 2014
6	1	None	None

<b>MARIO RODRIGUEZ VALDERAS</b>			
<b>Advances remuneration, loans granted</b>			
<b>Type of interest rate for the operation</b>		<b>Essential features of the operation</b>	<b>Any repaid amounts</b>
0,00		N/A	N/A
<b>Life insurance premiums</b>		<b>Guarantees given by the company in favor of Board Members</b>	
<b>Financial Year 2015</b>	<b>Financial Year 2014</b>	<b>Financial Year 2015</b>	<b>Financial Year 2014</b>
2	0	None	None

**b) Remunerations accrued by the board members of the company for membership of the Board in other companies of the group: i)**

**Cash Remuneration (in thousands of €)**

<b>Name</b>	<b>Salaries</b>	<b>Fixed Remuneration</b>	<b>Allowances</b>	<b>Short Term Variable Remuneration</b>	<b>Long Term Variable Remuneration</b>	<b>Remuneration for membership of Board Committees</b>	<b>Indemnifications</b>	<b>Other items</b>	<b>Total Financial Year 2014</b>	<b>Total Financial year 2013</b>
ALEJANDRO ECHEVARRÍA BUSQUET	0	0	0	0	0	0	0	0	0	0

**ii) Payment schemes based on shares**

**iii) Long term saving schemes**

**c) Summary of the remuneration (in thousands of €):**

This summary must include all amounts of remuneration included in this report which have been accrued by the Board Member, in thousands of Euros.

For Long-term Savings Schemes, contributions or allocations made to such scheme

Name	Retribution accrued in the Company				Retribution accrued in Companies of the group				Totals		
	Total Retribution in cash	Amount of shares granted	Gross Profit of exercised options	Total financial year 2015 Compan y	Total Retribution in cash	Amount of shares granted	Gross Profit of exercised options	Total financial year 2015 group	Total financial year 2015	Total financial year 2014	Contribu tion to saving schemes during the financial year
ALEJANDRO ECHEVARRIA BUSQUET	1,027	0	0	1,027	0	0	0	0	1,027	1,174	0
PAOLO VASILE	1,854	0	700	2,554	0	0	0	0	2,554	1,737	0
MASSIMO MUSOLINO	833	0	317	1,150	0	0	0	0	1,150	915	0
MARIO RODRIGUEZ VALDERAS	631	0	187	818	0	0	0	0	818	548	0
ALFREDO MESSINA	103	0	0	103	0	0	0	0	103	100	0
FEDELE CONFALONIERI	123	0	0	123	0	0	0	0	123	116	0
MARCO GIORDANI	119	0	0	119	0	0	0	0	119	108	0
GIULIANO ADREANI	139	0	0	139	0	0	0	0	139	116	0
ANGEL DURANDEZ ADEVA	139	0	0	139	0	0	0	0	139	120	0
FRANCISCO DE BORJA PRADO EULATE	115	0	0	115	0	0	0	0	115	108	0
JOSE RAMON ALVAREZ-RENDUELES	147	0	0	147	0	0	0	0	147	120	0
HELENA REVOREDO DELVECCHIO	95	0	0	95	0	0	0	0	95	88	0
GIUSEPPE TRINGALI	99	0	0	98	0	0	0	0	98	1,302	0
<b>TOTAL</b>	<b>5,424</b>	<b>0</b>	<b>1,204</b>	<b>6,628</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,628</b>	<b>6,552</b>	<b>0</b>

## D.2 Report on the relationship between the remuneration received by the directors and the profits or other performance of the organization, explaining, where appropriate, how variations in the performance of the company have been able to influence the variation of salaries of the directors.

As indicated previously in section A4, there is a high degree of interaction between the variable remuneration which the Directors may receive and the results or performance of the Company.

Note that the accrual of variable remuneration, which may constitute up to 40% of the total remuneration payable to the Managing Directors, is dependent on the achievement of three objectives that clearly determine the economic performance of the Company:

- Advertising revenue.
- Consolidated EBIT.
- Free Cash Flow.

This variable remuneration is payable only if and when the above objectives are met by a percentage equal to or greater than 85%. Below this level there is no variable compensation fulfilment.

An 85% fulfillment level of the objectives corresponds to 50% of variable remuneration and, from there, it is subject to a sliding scale, with an expected maximum level of performance equal to or higher than 105% that would correspond to 130% of the variable remuneration.

## D.3 Report on the result of the advisory vote of the general meeting on the Annual Remuneration Report of the previous year, indicating the number of negative votes if they have been issued:

	Number	% of the total
<b>Votes</b>	298,862,784	99.99%

	Number	% of the total
<b>Negative Votes</b>	91,454,642	30,60%
<b>Votes in Favor</b>	207,396,499	69,39%
<b>Abstentions</b>	11,643	0,00%

## E: OTHER RELEVANT INFORMATION

If there is any relevant aspect relating to the remuneration of directors that has not been possible to include in the other sections of this report, but it is necessary to include in order to gather more comprehensive and reasoned information on the structure and remuneration practices of the Company in relation to the directors, briefly explain.

Note that in the remunerations mentioned in previous paragraphs the base of payment in kind has not been taken into account for the following directors:

Paolo Vasile: 78,725.69 Euros.

Massimo Musolino: 41,216.12 Euros.

Mario Rodríguez: 21,850.37 Euros.

Indicate that, as contained in the Annual Corporate Governance Report the director Giuseppe Tringali has received from the company Publiespaña, SAU, which is 100% owned by Mediaset España, the amount of 654 thousand Euros for carrying out institutional functions and advisory work.

It should be noted that data for 2014 contained in this report does not include the remuneration that Mssers. Juan Luis Cebrián, Manuel Polanco and Pier Silvio Berlusconi perceived in that financial year for not being part of the Board of Directors in 2015.

This annual remuneration report has been approved by the Board of Directors of the Company at its meeting held on 24/02/2016.

Indicate whether any Directors voted against or abstained from the approval of this report

Sí  No