

“Mediaset España Comunicación, S.A”, according to the provisions of Section 82 of the Spanish Stock Markets Act No. 24/1988, of July 28th, reports the following:

RELEVANT FACT

The full text of each of the proposals relating to the resolutions to be submitted to the Ordinary General Shareholders' Meeting, convened by the Board of Directors of MEDIASET ESPAÑA COMUNICACION, S.A.”.

PROPOSED RESOLUTIONS

GENERAL MEETING OF SHAREHOLDERS

“MEDIASET ESPAÑA COMUNICACION, S.A.”

-27th and 28th of April 2017-

Item One .- Examination and approval of the Annual Accounts (Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Cash Flow Statement and the Annual Report) and Management Reports for both “MEDIASET ESPAÑA COMUNICACION, S.A.” , and its Consolidated Group of Companies for the year ending December 31st 2016.

- **Justification of the proposed resolution:**

Under Article 164 of the Companies Act, the General Meeting must approve, within the first six months of the year, the Annual Accounts and Management Report of the Company for the previous year, following its approval by the Board of Administration.

Likewise, pursuant to Section 42.6 of the Spanish Commerce Code (Código de Comercio), the consolidated Annual Accounts of any Group controlled by the Company (“MEDIASET ESPAÑA COMUNICACION, S.A.”) must be approved simultaneously at the Annual General Meeting.

The Annual Accounts are presented in accordance with International Financial Reporting Standards (IFRS).

- **Proposed resolution**

To approve the Company’s Annual Accounts, (including the Balance Sheet, the Profit and Loss Account, the Statement of changes in equity, Statement of cash flows as well as the Notes to the Annual Financial Statements) and the Management Report of both “MEDIASET ESPAÑA COMUNICACION, S.A.” and its Consolidated Group of

Companies for the year to 31st December, 2016, approved by the Board of Directors in its meeting of 23rd of February 2017 verified by the Audit and Compliance Committee without objections.

Item Two: Distribution of Profit for 2016.

- **Justification of the proposed resolution:**

The proposal for the distribution of profit to be carried out by the Board of Directors and which, pursuant to Section 164 of the Companies Act, is submitted for approval at the Annual General Meeting:

- **Proposed resolution**

1. To distribute the profit resulting from the financial year 2016, amounting to 147,201 thousand euros, as follows:

	(thousand €)
<u>Profit & Loss (profit)</u>	<u>147,201 euros</u>
To dividends	147,201 euros
Total	147,201 euros

2. To set the Dividend payable at 0.43716581 Euros per share, after deducting the amount that would correspond to the shares of the company.
3. The dividend is payable to shareholders of “MEDIASET ESPAÑA COMUNICACION, S.A.” on the 9th May 2017.

Item Three.- Distribution of an extraordinary dividend.

- **Justification of the proposed resolution:**

This extraordinary dividend is paid out of unrestricted reserves which, together with the ordinary dividend, allows the distribution of 100% of the consolidated net income obtained in 2016.

Proposed resolution:

Approve an extraordinary dividend, payable in cash from the disposable reserves, for a total

Of 28,519 thousand euros, equivalent to 0.08469633 euros per share after deducting the amount that would correspond to the shares of the company.

The dividend is payable to **shareholders** of "MEDIASET ESPAÑA COMUNICACION, S.A." on May 9th 2017.

Item Four.- Examination and approval of the management of the company's business by the Board of Directors during 2016

- **Justification of the proposed resolution:**

According to Article 164 of the Capital Companies Act, the General Meeting must censor social management within six months of the end of the year in question.

- **Proposed resolution**

To approve the management carried out by the Board of Directors in 2016

Item five. Awarding Company shares to Directors who perform executive duties and to Senior Managers of the Company, as part of their remuneration 2016.

- **Justification of the proposed resolution:**

It is proposed that a portion of the variable remuneration corresponding to the CEOs and Managing Directors, not exceeding 12,000 Euros per person, may be given in the form of Company shares.

This system, to which all employees of the Company and its Business Group can voluntarily opt, does not imply additional remuneration, but a form of payment of the remuneration to the recipients.

This same measure has already been proposed and approved in prior years (since 2006), should be approved by the General Meeting as required by Article 219 of the Companies Act.

- **Proposed resolution**

Approve that the CEOs and Managing Directors of "MEDIASET ESPAÑA COMUNICACION, S.A." and its Consolidated Group of companies may receive part of the variable remuneration for the year 2016 in Company shares in accordance with the following conditions:

- Beneficiaries: All employees of “MEDIASET ESPAÑA COMUNICACION, S.A.” and the member companies of its Consolidated Group, including the Executive Directors thereof.
- Voluntary nature: Receipt of variable remuneration in shares is voluntary on the part of the beneficiaries.
- Maximum Limit: The maximum amount of shares to be received by each beneficiary will be the result of applying 12,000 euros to the average share price on the date of delivery.
- Origin of the shares: shares shall come from the treasury stock.
- Maximum number of shares to be given: will be the result of dividing 12,000 Euros between the average trading price of the share on the date of delivery.
- Value of shares: the average trading price of the share on the date of delivery.
- Duration: this remuneration system will apply until the date of delivery, which must be verified in any case before the expiration of three months from the date of approval by the Shareholders General Meeting.
- Delegation: the power to enforce the agreement is delegated to the Board of Directors.

Item Six Authorise the Board of Directors, so that they may establish a remuneration scheme aimed at Executive Directors and Managers of the Group of Companies linked to the value of the shares of the Company.

- **Justification of the proposed resolution:**

With regard to the remuneration scheme which, where appropriate, may be established based on the proposed resolution, this may involve the delivery of Company shares to Executive Directors, applying Section 219 Companies Act, whereby:

“1. In public limited companies, when the remuneration system of the administrators includes the delivery of shares or stock options, or remuneration linked to the value of the shares, it must be expressly provided for in the Articles of Association and its implementation will require the agreement of the shareholders General Meeting board.

2. The agreement of the shareholders General Meeting board shall include (i) the maximum number of shares that can be allocated each year to this remuneration system, (ii) the exercise price or the system of calculating the exercise price of the options on shares, (iii) the value of the shares, if, it is used as a reference and (iv) duration of the plan.

The proposal is a "medium term incentive and loyalty system, referenced to the market price of the company shares" and is directed at the Executive directors and senior management of the company (the "Plan")

The main objectives of this Plan 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 Plan, which is voluntary, receives each year, in equal amounts (i) a contribution from the recipient consisting of 25% of their "base" variable remuneration for 2017, and (ii) a contribution of the same amount by the company, resulting in a "joint contribution". The resulting amount will determine the assignment, in 2017, of a number of Company shares which shall be based on the average share price in the thirty days prior to the formulation of the annual accounts corresponding to 2016.

The right to receive the shares allocated is conditional upon the achievement of the objectives of "free cash flow" and "net income" previously budgeted for 2017, 2018 and 2019, so that the deficit in one year can be offset by the surplus of another and vice versa.

The shares allocated will be finally delivered after the Annual General Meeting approve the financial statements in 2019, once the level of compliance with the budgetary targets established for the three preceding years, and provided the recipient is still associated to the Group of Companies.

It should be added that the approval of this agreement is only to enable the Board of Directors, where appropriate, to approve a compensation system tied to the value of the shares of the Company.

- **Proposed resolutions:**

To approve the creation of a remuneration scheme (the "Remuneration Scheme") for Executive Directors and Senior Managers of the Consolidated Group, this consists of awarding Company shares. The basic features are as follows:

- Recipients: Executive Directors and Managers of the Group determined in each case by the Board of Directors, approximately 27 people.

- Maximum number of shares: The maximum number of shares that may be assigned in each of the three years of the Remuneration Scheme shall be equal to 0.33% of the share capital of the Company. Of this 0.33% a maximum of 0.11% will correspond to the Executive Directors of the company. The Company may not increase its share capital to meet payments under this Remuneration Scheme.
- Value of shares: the value of the shares to be taken as reference in order to assign each recipient will be that corresponding to the average share price in the thirty days prior to the holding of the Annual General Meeting to approve the annual accounts corresponding to each of the three years duration of the Remuneration Scheme.
- Exercise price: the shares to be allocated to each recipient in each year of the system will be the result of dividing the joint economic contribution made each year, by the recipient and the Company, between the value of the shares
- Date of delivery: Any date agreed upon by the Board of Directors, which shall be within 4 months of the date the Remuneration Scheme was approved by the AGM.
- Duration: Between 2017 to 2019, both included, the shares may be delivered at any time after the approval of the annual accounts for 2019, as determined by the Board of Directors.

With the objective of facilitating the implementation of the above resolutions, the Annual General Meeting unanimously resolves to delegate to the Board of Directors all the necessary powers for the purpose, with explicit authority for the Board in turn to delegate these powers in any individual members of the Board

Item Seven.- Annual remuneration of directors Report of Mediaset España Comunicación, S.A.

- **Justification of the report:**

Following the recommendations of the listed companies Good Governance Code of and with the provisions of Article 541 of the Companies Act, the Board of Directors following a favourable report from the Appointments and Remuneration Committee has prepared the Annual Report on remuneration of directors of Mediaset Spain Communication SA to be put to the vote of the General Shareholders Meeting Board. The Report includes complete, clear and understandable information about the remuneration policy of the company for the current year, it also includes an overall summary of how the remuneration policy was applied during 2016, and includes details of individual remuneration earned by each of the directors.

This policy is consistent with that followed by the Company during 2015, as follows from the corresponding Remuneration Report for that year, approved by the Ordinary General Meeting of Shareholders held on April 15, 2015.

In this regard, it should be recalled that the Transitory Provision of Law 31/2014, of December 3, established that, in the event that *"the first ordinary general shareholders' meeting to be held as of January 1, 2015 (As the case may be), it will be understood that the remuneration policy of the company contained therein has also been approved for the purposes of the provisions of article 529 novodecies "*, according to the Which *"the remuneration policy of the directors thus approved shall remain in force for the three years following that in which it was approved by the general meeting."*

It should be noted that the Report on the Remuneration of Directors to be submitted to the General Meeting has been specifically verified by an independent entity and has been put at the disposal of shareholders, together with the other documents relating to the General Meeting, from the date of the call.

t The attached Annual Report on Directors' Remuneration is attached as **Annex I**, which is also available to shareholders on the CNMV website and on our website ([http://www.mediaset.es/inversores/en /](http://www.mediaset.es/inversores/en/)).

- **Resolution proposed:**

Approve the Remunerations of the Directors Report of Mediaset España Comunicación, S.A. corresponding to the year 2016.

Item Eight.- Appointment of Auditors for both “MEDIASET ESPAÑA COMUNICACION, S.A.”, and its consolidated group of companies.

Justification of the proposed resolution:

The acquisition of its own shares by the company must be authorized by the General Meeting. This is stipulated in Article 146 of the Corporations Act, which requires that the terms and conditions under which the purchase is to be made are submitted to the General Meeting.

This same article provides that the persons who must carry out the audit of accounts shall be appointed for an initial period of time that may not be less than three years nor more than nine from the date on which the first year to be audited begins.

In the present case, the audit firm that the Board of Directors proposes, on the advice of the Audit and Compliance Committee, must render its services as such for the first time to the Company, so that they cannot be appointed for an initial period less than three years, which is the one that is suggested.

- **Proposed resolution**

Elect as auditors of "MEDIASET ESPAÑA COMUNICACION, S.A and its Consolidated Group of companies for the years 2017, 2018 and 2019 the company " Deloitte, S.L with its registered address in Madrid, Plaza de Pablo Ruiz Picasso, nº 1, Torre Picasso, C.I.F. B-79104469, Madrid commercial registry, Entry 35217, Sheet 14, Section 8, page M-54414, number S0692 Roac inscription.

Item Nine.- Delegation of powers to sign, interpret, correct and execute previous resolutions, as well as to substitute the powers received by the Board of Directors from the Annual Meeting.

- **Resolution proposed:**

Delegate the Board of Directors with the express power of substitution in any of its CEOs and the Secretary of the Board of Directors, so any of them, individually, may formalize the resolutions adopted at the hereby Meeting in a deed and in particular, to file at the Commercial Registry, the certification of the resolutions approving the Financial Reports and distribution of profits, attaching the documents legally required, as well as to grant all public or private documents as required to obtain the corresponding entry of the resolutions adopted in the Commercial Register, including requests for partial registration, with powers, including, to remedy or rectify in accordance with the verbal or written assessment that the Registrar may make.

Mario Rodríguez Valderas

Secretary of the Board