

MEDIASET *españa.*

**RULES OF THE AUDIT
AND COMPLIANCE COMMITTEE
OF**

MEDIASET ESPAÑA COMUNICACIÓN, S.A.

Article 1: General Provisions

The Audit and Compliance Committee set up by the Board of Directors of Mediaset España Comunicación S.A. shall be governed by the provisions of the Articles of Association, the Rules of the Board of Directors and these Rules.

Article 2: Objective

The objective of these Rules is to establish guidelines for the activities of the Audit and Compliance Committee of Mediaset España Comunicación S.A. (hereinafter Mediaset), as well as its organization and operating rules.

Article 3: Composition

The members of the Audit and Compliance Committee shall be appointed by the Board of Directors from among its members on the proposal of the Appointments and Remuneration Committee. The number of members shall be determined by the Board of Directors, with a minimum of three (3) and a maximum of six (6).

The Audit and Compliance Committee shall be composed of outside directors, and the Board of Directors shall strive to maintain a balance between directors representing groups of shareholders and independent directors. Without prejudice to the above, executive directors and senior management may attend when there is express agreement to this effect by members of the Committee.

The members, and in particular the Chairman, shall be appointed with reference to their knowledge and experience in the field of accounting, auditing and risk management.

The Chairman of the Audit and Compliance Committee shall be appointed by the Board of Directors and shall be replaced every four (4) years. He may be re-elected after a period of one (1) year has elapsed since he stepped down.

The Audit and Compliance Committee shall have a Secretary, who does not have to be a member of the Committee, and in no case may be an executive director.

The members of the Audit and Compliance Committee shall be appointed and dismissed by the Board of Directors, and shall always be obliged to stand down as members of the Committee when they do so as members of the Board of Directors.

If there is a vacancy in the position of Chairman, or he is absent or ill, he shall be replaced by the oldest member present. In the case of the Secretary, the post shall be filled by the youngest of the members.

Article 4: Operation

4.1: Notice and venue of meetings

The Audit and Compliance Committee shall meet at least once every quarter, and as often as necessary, upon being convened by the Chairman, acting on his own initiative or in response to a request by three (3) Committee members, the Executive Committee or the Board of Directors. It shall in any case meet when the Board of Directors requires it to do so to issue reports, present proposals or adopt agreements.

One of its meetings must be held to evaluate the efficiency of and compliance with the corporate governance rules of Mediaset as well as to prepare information which is to be approved by the Board of Directors for inclusion in the annual disclosure documents.

The meeting should be convened with a maximum of seven (7) days', and with a minimum of forty-eight (48) hours' notice, by fax, telegram or e-mail.

Without prejudice to the stipulations above, the Audit and Compliance Committee shall be considered to be validly constituted without the need for a notice convening the meeting if all its members, whether present in person or by proxy, unanimously agree that the session be held and accept the points to be dealt with in the agenda.

If there are justifiable reasons for doing so, the Chairman may convene the Audit and Compliance Committee by telephone. In this case, the minimum notice and other requirements outlined above shall not apply.

The meetings of the Audit and Compliance Committee shall ordinarily be held at the company's registered office, but may also be held in any other place decided on by the Chairman and designated at the time when the meeting is convened.

4.2: Constitution and approval of resolutions

The Audit and Compliance Committee shall be deemed to be validly constituted when at least one half plus one of its membership are present personally or by proxy. Its resolutions shall be approved when voted for by a majority of those present.

In the event of a tie, the Chairman has the casting vote. The members of the Committee may grant proxies to other members, with a maximum of two (2) proxies being held by any one member.

Any member of the management team or of the staff of Mediaset who is asked to attend the meetings and cooperate with the Audit and Compliance Committee or furnish any information available to him is required to do so. The Audit and Compliance Committee may also require that the Auditors be present at its meetings.

The Secretary of the Audit and Compliance Committee shall take the minutes of each meeting, which shall then be reported to the Board of Directors.

Article 5: Functions

The main functions of the Audit and Compliance Committee are, but are not limited to, the following:

5.1: Regarding the external auditors

The Audit and Compliance Committee shall deal with all matters related to the external Auditors of Grupo Mediaset and, in connection with this, shall be responsible for:

a) Proposing to the Board of Directors the appointment of the Auditors, the terms under which they are to be hired, the time period for which they are appointed, and, if necessary, the termination or non-renewal of their appointment. In this respect, the Audit Commission shall refrain from proposing the appointment of any auditing firm when they are aware i) that the audit firm falls under any disqualifying circumstances according to the audit law and regulations, or ii) that the fees to be paid by Mediaset to such an audit firm on all accounts are foreseen to exceed five percent (5%) of the company's total income during the previous business year.

The Audit and Compliance Committee shall propose the same auditors for Mediaset and the companies in its Group.

If the Auditors resign, the Committee shall examine the reasons for the decision.

b) Acting as a communication channel between the Board of Directors and the Auditors, evaluating the results of each audit and the response of the management team of Mediaset to the Auditors' recommendations; and mediating as well as acting as arbitrator in the event of disagreement between the management of Mediaset and the Auditors regarding the principles and policies to be applied in preparing the financial statements. In this regard, it shall ensure that no qualifications are included by the auditor in the accounts presented by the Board of Directors.

c) Proposing that the recommendations issued by the Auditors are complied with, unless the Committee considers that it should maintain its own criterion. In the latter case, it should explain the nature and scope of its discrepancy.

d) Monitoring performance of the audit agreement and ensuring that the opinion of the Auditors on the financial statements and the main part of the audit report are clearly and precisely worded.

e) Liaising with the Auditors in order to discover any issues that may threaten the latter's independence, and any other issues related to the carrying out of the audit work;

and receiving information from and communicating with the Auditors on the matters foreseen in audit laws and regulations as well as in auditing standards.

f) Protecting the independence of the Auditors, paying attention to any circumstances or matters that might threaten this, as well as to any others related to the carrying out of the audit work.

g) Checking that the Auditors comply with the legislation in force regarding the provision of services other than those of auditing, which limits the concentration of the auditing business, as well as any other regulation which may endanger the Auditors' independence.

h) Verifying that Mediaset communicates any change of Auditors to Spain's National Stock Market Commission (CNMV) through a regulatory filing, accompanied if necessary by a declaration on the substance of any possible differences with the outgoing Auditors.

i) Authorizing any contracts concluded between Mediaset and the Auditors for services outside the activity intrinsic to an audit.

5.2: Regarding financial information

The Audit and Compliance Committee shall ensure that the regular or annual financial information supplied complies with legal requirements. It is responsible for:

a) Supervising the accounts of Mediaset and its Group, complying with the legal requirements and the correct application of accounting standards applicable in Spain and the International Accounting Standards (IAS), and issuing opinions on any proposals by management to modify accounting standards and criteria.

b) Reviewing any financial information regularly supplied to the markets and their regulatory bodies before the information is issued, and seeing to it that the information is drawn up according to the same principles and practices as the annual accounts.

c) Overseeing the correct definition of the scope of consolidation of the Mediaset Group.

5.3: Regarding internal control and relations with the Internal Audit Department

The Audit and Compliance Committee shall check the correct operation of the internal information and control systems and supervise the operation of the Internal Audit Department. In connection with this, it shall:

- a) Propose the selection, appointment, re-election and dismissal of the head of the Internal Audit Department.
- b) Ensure that the Internal Audit Department carries out its functions with full freedom and independence, and that the management of the Company takes into account any recommendations the Department may make.
- c) Be informed on a regular basis of the actions and studies carried out by the Internal Audit Department; and propose its budget.
- d) Approve the Annual Internal Audit Plan and any other additional plans which may be necessary for organizational needs. The head of the Internal Audit Department shall inform the Committee of progress and any possible incidents in its execution of the plan, presenting an activity report at the end of each year. The Annual Plan shall be submitted to approval by the Board of Directors, and it shall be made public to the extent considered suitable.
- e) Being informed of the degree to which the various departments comply with the recommendations of the Internal Audit Department. In cases where there may be a threat to the interests of Mediaset or its group, it should inform the Board of Directors.
- f) Reviewing implementation of any actions or measures taken as a consequence of the inspection reports or activities of the administrative supervisory and control authorities.

5.4: Regarding the policy of risk control and management

The Audit and Compliance Committee is the body responsible for supervising and controlling the risk policy of Mediaset, identifying possible risks, managing them and ensuring there is sufficient awareness of them. Its policy should:

- a) Determine the type of risks for Mediaset, whether operational, technological, financial, legal or of any other kind, including contingent liabilities and other economic and financial risks.
- b) Determine a risk level acceptable for Mediaset.
- c) If such risks should materialize, to ensure there are mechanisms that can precisely determine measures to mitigate the impact of the risks which have been identified.
- d) Establish internal communication and control measures to control and manage any risk.

On the question of related-party transactions, until this matter is passed on to another committee, the Audit and Compliance Committee shall be responsible for proposing the policy to be pursued in this kind of transaction and for informing the Board of Directors

of this policy. The policy on related-party transactions should be made public in the Annual Corporate Governance Report.

5.5: Regarding shareholders

The Audit and Compliance Committee should maintain an ongoing channel of communication with the shareholders and in this regard inform the General Shareholders' Meeting of any matters which may be raised by the shareholders during it and which are within the Committee's remit; it should also be aware of and if necessary respond to the initiatives, suggestions or complaints raised by the shareholders with respect to the scope of the Committee's functions when such questions are submitted to it by the Board of Directors.

5.6: Regarding transparency and the rules of corporate governance

The Audit and Compliance Committee should ensure compliance with the rules of transparency and proper implementation of the rules of corporate governance and corporate social responsibility. It shall be responsible for:

- a) Following up on the observance of the rules on transparency and reporting to the Board of Directors on the subject.
- b) Monitoring the observance of the Internal Code of Conduct in stock markets, and, in general, of the rules of governance, and making such proposals as may be necessary to improve them.
- c) Checking timely compliance with the rules in force relating to communicating Relevant Events.
- d) Informing the Board of Directors in advance of the creation or acquisition of shareholdings in special purpose entities or those domiciled in countries or territories which are considered tax havens, as well as any other transactions or operations of a similar nature which could, because of their complex nature, threaten the transparency of the Group.
- e) Supervise adherence to the recommendations on corporate governance and corporate social responsibility.

5.7: Scope of functions

The functions outlined above are merely of an informative and consultative nature, except in the case of the provisions of Article 61.3 of the Articles of Association, which state that the Audit and Compliance Committee must authorize contracts between the company and the Auditors when such contracts are not related to auditing activity, and in the case of any other matters which may be established at any time by the General Shareholders' Meeting and the Articles of Association.

Article 6: Expert assistance

The Audit and Compliance Committee may propose to the Board of Directors the hiring of legal counsels, accountants, as well as financial, commercial or other experts to assist in the performing its duties. These may be requested for dealing with specific problems having a certain significance and degree of complexity which may arise during the performance of its duties. The Committee shall appoint a person to negotiate and complete the hiring process for such experts.

The request for hiring shall be made through the Chairman or Secretary of the Audit and Compliance Committee, who may seek authorization from the Board of Directors before hiring the experts in question. The Board may refuse if there are reasons for doing so, including any of the following, among others:

- a) If the request for and assistance from experts are not necessary for the proper performance of duties by the members of the Committee.
- b) If the associated cost of expert assistance is unreasonable considering the importance of the problem and the Company's financial situation.
- c) If the technical assistance which could be offered can be adequately provided by experts and specialists within the Company.
- d) If on grounds of confidentiality, it is not advisable for the expert in question to gain access to sensitive information.

At the same time, the Audit and Compliance Committee may request any member of the Mediaset team to cooperate in offering advice on any matter related to his or her competences.

Article 7: Entry into force and modifications

The present Rules shall be submitted to the approval of the Board of Directors on the proposal of the Audit and Compliance Committee, and enter into force once approved by the Board of Directors.

Any modifications to the Rules may be proposed either by the Audit and Compliance Committee or the Board of Directors and shall in any case be passed by the latter.

Any proposal for modification, accompanied by a report justifying the proposal, shall be attached to the document convening the meeting of the Board of Directors at which a decision should be made on the proposal.