

ANNEX 1

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

IDENTIFYING DATA OF THE ISSUER

YEAR END DATE 31/12/2016

CORPORATE TAX ID A-82110453

CORPORATE NAME:

CODERE, S.A.

DOMICILE

AVENIDA DE BRUSELAS, 26 (ALCOBENDAS) MADRID

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

A REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT YEAR

A.1 Explain the remuneration policy of the Company. This heading should include information on:

- General principles and foundations of the remuneration policy.
- Most significant changes in the remuneration policy with respect to that applied during the previous year and the changes made during the year of the exercise terms of previously awarded options.
- Criteria and composition of comparable corporate groups whose remuneration policies have been examined to establish the remuneration policy of the company.
- Relative importance of variable remuneration concepts with respect to fixed remuneration concepts and criteria used to determine the various components of the remuneration package of directors (pay mix).

Explain the remuneration policy

The Remuneration Policy for the Directors was approved during 2016 and sets out the principles applicable to the remuneration of the Directors in their capacity as such, and applicable to the remuneration of Directors for the performance of executive functions. Regarding the former, their remuneration should be sufficient to compensate the qualifications, responsibility and dedication assumed by the directors, but without being so high as to compromise their independence, in line with the market of administrators of comparable companies on the national and international level and taking into account the importance and financial situation of the Company at all times, and lastly, in accordance with the dedication and degree of responsibility assumed by each director in determining their remuneration. With regard to executive directors, the fundamental criterion is to provide a compensation systems to attract, retain and motivate the most outstanding professionals in order to enable the Company and its Group to meet their strategic objectives within the framework in which the Group develops its actions, which is characterized by strong competition, intense regulation and presence in various European and American countries.

A change was made in the remuneration policy during the year 2016.

From January to November 2016, the remuneration structure was comprised of a fixed annual allowance (amounting to €31,760.40 for 2016), an allowance for personal attendance at meetings of the Board (set by the Board of Directors in 2013 at €1,434.69.- per meeting) and for the assignment of functions or activities performed by the directors in the field of activities of the Board and its Committees (The Board in 2013 having fixed a payment amounting to €717.34 for attendance of each meeting of the committees and an annual allocation for the post of Vice President for the performance of particular functions under the Board Regulations totalling €28,693.68).

On 10 November 2016, the Extraordinary General Meeting of Shareholders approved the new Remuneration Policy for Directors of Codere, S.A. based on a fixed annual payment for directors (eliminating all fees for attending meetings of the Board and its Committees) the amount of which would depend on the Committee or Committees to which each Board member belongs, as well as the different positions that each of them may hold, and the degree of commitment or responsibility that each of them could assume. The Remuneration Policy approved by the General Shareholders' Meeting set a maximum annual amount of €3,000,000.

The Board of Directors at its meeting of 10 November 2016 agreed to set the amounts corresponding to the different responsibilities assumed (which are described in Section A.3) and also stating that, in order to avoid incurring excessive costs, regardless of any greater dedication assigned to any of its members, the maximum amount for all these concepts which each director may individually receive shall not exceed one hundred and fifty thousand euro per year. This limit shall not apply to those directors to which the Board entrusts duties not included in the above.

A.2 Information about the preparatory work and the decision-making process followed to determine the remuneration policy and roles played, if any, by the Remuneration Committee and other supervisory bodies in shaping remuneration policy. This information shall include, where appropriate, the mandate and composition of the Remuneration Committee and the identity of external consultants whose services have been used to define the compensation policy. Also it should note the nature of the directors, if any, involved in the definition of the remuneration policy.

Explain the process for determining the remuneration policy

Article 16 of the Regulations of the Board of Directors establishes that: "The Corporate Governance Committee which also integrates the nature and functions which the Unified Code of Good Governance of listed companies recommends for the Appointments and Compensation Committee, is formed by a minimum of three and a maximum of six members appointed by the Board of Directors. All members of such Committee must be external Directors, and the majority independent Directors. The Chair of the Appointments, Remuneration and Corporate Governance Committee shall be appointed from among the Independent Directors".

In line with this, the current composition of the Committee (which was involved in the preparatory work of the Remuneration Policy) is as follows:

Chairperson: Mr. Norman Raul Sorensen Valdez. Independent
Member: Mr. Matthew Turner. Independent
Member: Mr. David Reganato. Nominee
Member: Masampe, S.L. (represented by Mr. Pio Cabanillas Alonso).

Article 16.2. of the Regulations of the Board of Directors establishes the functions of the Appointments, Remuneration and Corporate Governance Committee in letters d) and n), respectively, as "Make the proposals provided for under these Rules, with respect to compensation payable to members of the Board of Directors" and "Propose to the Board of Directors the remuneration policy for directors and general managers and those who perform senior management functions under the direct supervision of the board or the CEO, as well as the individual remuneration and other contractual conditions of executive directors and ensuring compliance therewith".

In exercising these functions, the Appointments, Remuneration and Corporate Governance Committee agreed at its meeting on 17 August 2016, to propose the adoption of a Remuneration Policy to the Board of Directors, accompanying this proposal with the specific report required under Article 529r of the Capital Companies Act. The Board of Directors, in its meeting on 25 August 2016, agreed to propose the remuneration policy of the Directors of Codere, S.A to the Annual General Meeting, The Extraordinary General Meeting of Shareholders held on 10 November 2016 approved the Policy proposed by the Board of Directors.

On 10 November 2016 the Board of Directors, on proposal of the Appointments, Remuneration and Corporate Governance Committee, approved the amount of the allowances based on the assumed responsibilities and membership of committees of the directors. These amounts are indicated in section A.3.

A.3 Indicate the amount and nature of the fixed components, itemized where applicable, of the remuneration for the performance of senior management functions by executive directors, additional remuneration as chairperson or member of any Board of Directors committee, of per diems paid for participation in the board of directors and its committees and other fixed director fees and an estimate of the fixed annual payment arising therefrom. Identify other non-cash benefits and the fundamental parameters for which such payments are granted.

Explain the fixed components of the remuneration

The new remuneration policy approved by the Extraordinary General Meeting of Shareholders of 10 November 2016, is based on a fixed annual allowance for directors (eliminating all fees for attending meetings of the Board of Directors and its Committees). This annual allocation will vary based on the Committee or Committees to which each Board member belongs, as well as the different positions that each of them may hold, and the degree of commitment or responsibility which each of them could assume.

In its meeting on 10 November 2016, the Board of Directors agreed to set, within the approved limits, the remuneration policy in the following terms, which correspond to the different responsibilities assumed by each of its members.

Fixed allowance for belonging to the Board of Directors:
€100,000/year.
Coordinating Director: €5,000/year.
Chair of the Audit Committee: €65,000/year.

Member of Audit Committee: €60,000/year.
Chair of the AR&CG Committee: €65,000/year.
Member of the AR&CG Committee: €60,000/year.
Chair of the Compliance Committee: €60,000/year.
Member of Compliance Committee: €50,000/year.

However, in order to avoid incurring excessive costs, regardless of any greater dedication assigned to any of its members, the maximum amount for all these concepts which each director may individually receive shall not exceed one hundred and fifty thousand euro per year. This limit shall not apply to those directors to which the Board entrusts duties not included in the above.

In January 2017, the Board of Directors agreed to approve agreements to provide services by certain directors, as detailed in section A.8.

Given the current distribution of positions of the Directors, it is estimated that, during the year 2017, the directors, in their capacity as such, individually receive the figure of €150,000, except Mr. José Antonio Martínez and Mr. Luis Javier Martínez Sampedro who each receive the amount €100,000. These annual amounts are prorated and paid monthly. The total estimated amount to be paid as remuneration of directors in their capacity as such for 2017 is approximately 1,472,430.03 euro, which does not exceed the limit of 3,000,000 euro set by the General Meeting of Shareholders in the meeting on 10 November 2016.

As for the remuneration of executive directors for the performance of their duties as senior management, it is expected that in the year 2017 the remuneration shall give rise to the following payments:

Mr. José Antonio Martínez Sampedro, cash compensation of about 903,000 euro.
Mr. Luis Javier Martínez Sampedro, cash compensation of about 640,000 euro.

Said compensation shall be increased annually by the Board of Directors by applying the same percentage increase applied thereby, if any, to all senior management of the Codere Group. Additionally, these executive directors receive payments in kind, as follows: Life and accident insurance; Health insurance coverage for the holder and their families; full annual medical check-up; chauffeured and representation vehicle; Private security personnel coverage by the services of the Company.

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

In particular:

- Identify each of the compensation plans of which directors are beneficiaries, the scope, date of approval, implementation date, period of validity, as well as their main features. In the case of stock option plans and other financial instruments, the general features of the plan should include information on the conditions for exercising these options or financial instruments under each plan.
- Indicate any compensation in the form of profit-sharing or bonuses, and the reason for this compensation.
- Explain the basic parameters and grounds for any system of annual bonuses.
- The classes of directors (executive directors, nominee directors, independent directors or other external directors) who are beneficiaries of compensation systems or plans that include variable remuneration.
- The basis of these variable remuneration systems or plans, performance evaluation criteria chosen as well as the components and methods of evaluation to determine whether or not they have met the criteria and an estimate of the absolute amount of variable compensation which would be created under the current compensation plan, depending on the degree of compliance with the hypotheses or objectives taken as a reference.

- Where appropriate, report any deferral periods or deferments that have been established and/or holding periods of shares or other financial instruments if they exist.

Explain the variable components of the remuneration systems
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As of this date no variable remuneration is paid to the directors.

Notwithstanding the foregoing, we note that there is an agreement between the Company and the executive directors Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro specifying that between 1 November 2016 and 31 December 2016, the Board of Directors will engage in good faith discussions with said executive directors to negotiate their participation in medium and long term incentive systems (multi-year bonus, stock option plans or warrants or similar systems) and social welfare which, by agreement of the general meeting of shareholders and/or the Board of Directors, as appropriate, may be established in general after 1 January 2017 for the senior management of the Codere Group or on an ad hoc basis, for executive directors or the Executive Director, as stipulated in the agreements and regulations relating to such systems.

Said discussion have begun but are pending finalization at the date of this report.

A.5 Explain the main features of the systems of long-term savings, including retirement and any other provision of survival, partly or wholly funded by the company, whether funded internally or externally, with an estimate of their amount or equivalent annual cost, indicating the type of plan, whether defined benefit or contribution, the conditions of consolidation of the economic benefit of directors and its compatibility with any type of compensation for early termination of the contractual relationship between company and the director.

Also indicate contributions on behalf of the director to defined contribution pension plans; or the increase in the director's consolidated rights, in cases of contributions to defined benefit plans;

Explain the long-term savings systems
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The Company has assumed no obligation or commitment regarding pensions, retirement or other long-term savings plans with the members of the Board of Directors.

In addition, the contract between the Company and the executive directors Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro expected before 1 January 2017, the Executive Director shall not participate in any other system or social welfare incentives that the Company establishes in general for senior management of Codere Group or on an ad hoc basis, for executive directors.

A.6 Indicate any indemnity agreed to or paid in the event of termination of the director's functions;

Explain the indemnities

No compensation has been established for cases of termination of the duties of directors, beyond that indicated A.7. for Executive Directors.

The contract that the company has signed with the executive directors Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro establishes that the Company may terminate the contract unilaterally free and without just cause by notifying the Executive Director with three (3) months advance notice. In this case, the Executive Director shall be entitled to the amount of one point five (1.5) times the annual fixed remuneration (cash compensation) that the Executive Director was receiving at the time of the termination of the contract. The death or permanent disability declaration of the Executive Director shall entitle the Executive Director or the successors thereof to the same compensation.

A.7 Indicate the conditions which must be respected by the contracts of those performing senior management duties as executive directors Among others, report on the duration, limits on the amounts of compensation, the terms of permanence, notice periods and payment as a replacement of that notice period and any other clauses covering signing bonuses, as well as compensation or golden parachutes for early termination of the contractual relationship between the company and the executive director.

Include, among others, covenants or agreements not to compete, exclusivity, permanence or loyalty and post-contractual non-competition.

Explain the conditions of the contracts of executive directors

The contracts that the Company has signed with the executive directors Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro have the following conditions:

Duration: Unlimited.

Term of advance notice: The Company may terminate the contract unilaterally free and without just cause by notifying the Executive Director with three (3) months advance notice.

Compensation or golden parachute for termination of the contractual relationship: The Company may terminate the contract unilaterally free and without just cause by notifying the Executive Director with three (3) months advance notice. In this case, the Executive Director shall be entitled to the amount of one point five (1.5) times the annual fixed remuneration (cash compensation) that the Executive Director was receiving at the time of the termination of the contract. The death or permanent disability declaration of the Executive Director shall entitle the Executive Director or the successors thereof to the same compensation.

Exclusivity: The executive director may not provide services, as an employee or self-employed, or develop another profession or gainful occupation except with the express authorization of the Board of Directors (except the administration of family property, the activities of charitable, educational, religious and similar or the performance of other management representative and management positions in other entities of the Codere Group or over which the Company has a direct or indirect interest).

Post-contractual non-competition agreement: The contract includes the commitment of executive directors to Codere to refrain for one year or six months (depending on the reason for termination) as from the termination of the contract, to provide services in direct competitors of the Codere Group and a number of behaviours, unless the Company gives its prior written consent.

A.8 Explain any additional remuneration paid to directors for services rendered other than those inherent in the office.

Explain any additional remuneration

The Directors do not receive any remuneration other than the inherent to their positions.

At a meeting of the Board of Directors held on 12 January 2017, and without the attendance of the interested parties in each case respectively, it was agreed to authorize the following contracts for the provision of services:

To provide strategic consulting services between Codere, S.A. and Mr. Joseph Zappala, for the development of alternatives on the grounds of Las Americas Racetrack in Mexico City, for the price of €49,794.33 and contract term expiring on 31 July 2017.

- Contract for the provision of consulting services between Codere, S.A. and Mr. Norman Sorensen Valdez for the development of legislation in Brazil and Uruguay for the price of €39,751.56 and contract term expiring on 31 July 2017.

- Contract for the provision of consulting services between Codere, S.A. and Mr. Matthew Turner in relation to the online gambling on a worldwide level for the price of €39,751.56 and contract term expiring on 31 July 2017.

- Contract for the provision of consulting services between Codere, S.A. and Mr. Manuel Martínez-Fidalgo Vázquez in relation to global financial advisory services for the price of €48,359.64 and contract term expiring on 31 July 2017.

- Contract for the provision of consulting services between Codere, S.A. and Mr. Pío Cabanillas Alonso in relation to global online gaming strategy for the price of €44,772.94 and contract term expiring on 31 July 2017.

A.9 Indicate any remuneration in the form of advances, loans and guarantees, indicating the interest rate, their essential characteristics and any amounts repaid, as well as obligations on their behalf as security.

Explain advances, loans and guarantees

The company does not in the current year plan to provide grants, advances, loans or guarantees to members of the Board of Directors.

A.10 Explain the main features of the remuneration in kind.

Explain any payments in kind

As already indicated in section A.7. Executive Directors receive during the current year, certain benefits in kind which are detailed below:

- (i) Life and accident insurance in accordance with the policies of the Company, with the Company bearing the full cost of the policy.
- (ii) Health insurance coverage for the holder and their families under the conditions established for that purpose, with the Company bearing the full cost of the policy.
- (iii) Full annual medical check-up paid by the Company.
- (iv) Use of a chauffeured representation vehicle, according to the policies of the Company.
- (v) Private security personnel coverage by the services of the Company.

Before 1 January 2017, the Executive Director shall not participate in any other system or incentives that the Company established in general for senior management of Codere Group or on an ad hoc basis, for executive directors. Between 1 November 2016 and 31 December 2016, the Board of Directors will engage in good faith discussions with The Executive Director to negotiate their participation in medium and long term incentive systems (multi-year bonus, stock option plans or warrants or similar systems) and social welfare which, by agreement of the general meeting of shareholders and/or the Board of Directors, as appropriate, may be established in general after 1 January 2017 for the senior management of the Codere Group or on an ad hoc basis, for executive directors or the Executive Director, as stipulated in the agreements and regulations relating to such systems.

A.11 Indicate the remuneration paid to directors made by the listed company to a third party in which the director provides services when such payments are intended to remunerate the services of the director to said company.

Indicate the remuneration paid to directors made by the listed company to a third party company in which the director provides services when such payments are intended to remunerate the services of the director to said company.

Messrs. Reganato and Lavelle (appointed directors by various companies and funds of the Silver Point Group) are employees of an affiliate of Silver Point Finance LLC and have signed their contracts, an agreement that they may not receive amounts from third parties outside the Silver Group Point in relation to services rendered in performance of their duties as employees.

Therefore, all remuneration earned by Messrs. David Reganato and Timothy Lavelle in their capacity as Directors of Codere, S.A., are paid to the company Silver Point Finance LLC

In addition, the remuneration paid to Mr. Zappala is paid to the company Flectiwood Int. to which he provides services.

A.12 Any other type of compensation other than the above, no matter what type or what company in the group pays it, especially when it is considered to be a related party transaction or when its omission distorts the true and fair view of the total compensation received by the director.

Explain other compensation items

The Company (or its Group subsidiaries) has in place with ProTV SA (company which holds the physical representation of the director Masampe S.L., by Mr. Pio Cabanillas Alonso, is the majority shareholder representative) has entered into a contract provision of institutional advice, communication, marketing and others, which during 2016 cost 291,000 euro.

The Company or its Group subsidiaries has a contract in place with Loyra Abogados SCP (law offices of the director Mr. José Ramón Romero Rodríguez one of its managing partners) to provide advisory services, which, in the first four months of 2016, had a cost of €115.875.

Lastly, as referred to in the Annual Corporate Governance Report (section D.2) we note that, during 2016, the company Silver Point Finance LLC (member of the same group as the significant shareholder Silver Point Luxembourg Platform SARL, who appointed Mr David Reganato and Mr Timothy Lavelle as members of the Board), has been paid 899,000 euro as reimbursement of the payments that this Company pay to consultants and external advisors.

A.13 Explain the actions taken by the company in connection with the compensation system to reduce exposure to excessive risks and adjust to the objectives, values and long-term interests of the company, including, where appropriate, a reference to: measures envisaged to ensure that the remuneration policy conforms to long-term results of the company, measures establishing an appropriate balance between fixed and variable components of remuneration, measures taken in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the entity, formulas or clauses for recovery to reclaim variable components of remuneration based on the results when such components are paid on the basis of data which has subsequently proven inaccurate and measures designed to prevent conflicts of interest, if any.

Explain the actions taken to reduce risks

Not applicable.

B REMUNERATION POLICY PLANNED FOR FUTURE YEARS

Repealed.

C OVERVIEW OF HOW THE REMUNERATION POLICY APPLIED DURING THE FINANCIAL YEAR JUST ENDED

C.1 Summarize the main features of the structure and concepts of the remuneration policy applied during the financial year, providing a breakdown of the individual remuneration earned by each of the directors reflected in section D of this report, and a summary of the decisions taken by the Board for the implementation of these concepts.

Explain the structure and concepts of the remuneration policy applied during the year

During 2016 two different compensation systems have coexisted in the company.

From January to November 2016, the remuneration structure contained in the Corporate Bylaws of Codere, S.A. was comprised of a fixed annual allowance (amounting to €31,760.40 for 2016), an allowance for personal attendance at meetings of the Board (set by the Board of Directors in 2013 at €1,434.69.- per meeting) and for the assignment of functions or activities performed by the directors in the field of activities of the Board and its Committees (The Board in 2013 having fixed a payment amounting to €717.34 for attendance of each meeting of the committees and an annual allocation for the post of Vice President for the performance of particular functions under the Board Regulations totalling €28,693.68).

Until 28 April 2016, there were three Executive Directors in Codere, S.A., Mr. José Antonio Martínez Sampedro, Mr. Luis Javier Martínez Sampedro and Ms. Encarnación Martínez Sampedro, who were appointed to perform their duties on 25 June 2015 by the General Meeting of Shareholders of the Company, with Mr. José Antonio Martínez Sampedro assuming the role of Chairman of the Board and CEO. Regarding said executive directors, the Board of Directors of the Company, at its meeting on 22 January 2015, approved the proposal of the Corporate Governance Committee, on the summary of the current terms with the executive directors of the Company and ratified in the following terms: €903,091 per year and high-end vehicle (including insurance and maintenance) for the Chairman and CEO Mr. Jose Antonio Martinez Sampedro; €202,376.57 per year and high-end vehicle (including insurance and maintenance) in the case of Ms. Encarnación Martínez Sampedro; and €640.689 per year and high-end vehicle (including insurance and maintenance) in the case of Mr. Luis Javier Martínez Sampedro. In addition, the Board of Directors at its meeting of 12 February 2016, with the absence of Mr. Jose Antonio Martinez Sampedro, Mr. Luis Javier Martínez Sampedro, Ms. Encarnación Martínez Sampedro and Ms. Cristina Martínez Soria (who abstained from participating in the vote) approved contracts for the provision of professional services by the executive Chairman (Mr. Jose Antonio Martinez Sampedro) and executive director (Mr. Luis Javier Martínez Sampedro), which would take effect after the modification of the composition of the Board (the which took place on 28 April 2016). These contracts maintained the above remuneration.

On 10 November 2016, the Extraordinary General Meeting of Shareholders approved the new Remuneration Policy for Directors of Codere, S.A. and the amendment of the bylaws of the Company in order to adapt to the new policy.

The new policy set the maximum annual limit of remuneration of all directors, in their capacity as such, in the amount of THREE MILLION EURO (€3,000,000). The new remuneration policy is based on a fixed annual allowance for directors (eliminating all fees for attending meetings of the Board of Directors and its Committees). This annual allocation will vary based on the Committee or Committees to which each Board member belongs, as well as the different positions that each of them may hold, and the degree of commitment or responsibility which each of them could assume. In its meeting on 10 November 2016, the Board of Directors agreed to set, within the approved limits, the remuneration policy in the following terms, which correspond to the different responsibilities assumed by each of its members.

Fixed allowance for belonging to the Board of Directors: €100,000/year.

Coordinating Director: €5,000/year.

Chair of the Audit Committee: €65,000/year.

Member of Audit Committee: €60,000/year.

Chair of the AR&CG Committee: €65,000/year.

Member of the AR&CG Committee: €60,000/year.

Chair of the Compliance Committee: €60,000/year.

Member of Compliance Committee: €50,000/year.

However, in order to avoid incurring excessive costs, regardless of any greater dedication assigned to any of its members, the maximum amount for all these concepts which each director may individually receive shall not exceed one hundred and fifty thousand euro per year. This limit shall not apply to those directors to which the Board entrusts duties not included in the above.

D DETAILS OF INDIVIDUAL REMUNERATION ACCRUED BY EACH OF THE DIRECTORS

Name	Type	Accrual period: 2016
JOSÉ ANTONIO MARTÍNEZ SAMPEDRO	Executive	From 01/01/2016 to 31/12/2016.
LUIS JAVIER MARTINEZ SAMPEDRO	Executive	From 01/01/2016 to 31/12/2016.
ENCARNACIÓN MARTINEZ SAMPEDRO	Executive	From 01/01/2016 to 28/04/2016.
MASAMPE, S.L.	Nominee	From 01/01/2016 to 31/12/2016.
JOSE IGNACIO CASES MENDEZ	Nominee	From 01/01/2016 to 28/04/2016.
JOSE RAMÓN ROMERO RODRIGUEZ	Nominee	From 01/01/2016 to 28/04/2016.
JOSEPH ZAPPALA	Independent	From 01/01/2016 to 31/12/2016.
JUAN JUNQUERA TEMPRANO	Independent	From 01/01/2016 to 28/04/2016.
EUGENIO VELA SASTRE	Other External	From 01/01/2016 to 28/04/2016.
JUAN JOSÉ ZORNOZA PEREZ	Other External	From 01/01/2016 to 28/04/2016.
DAVID ANTHONY REGANATO	Nominee	From 28/04/2016 to 31/12/2016.
MANUEL MARTÍNEZ-FIDALGO VÁZQUEZ	Nominee	From 28/04/2016 to 31/12/2016.
TIMOTHY PAUL LAVELLE	Nominee	From 28/04/2016 to 31/12/2016.
NORMAN RAUL SORENSEN VALDEZ	Independent	From 28/04/2016 to 31/12/2016.
MATTHEW CHARLES TURNER	Independent	From 28/04/2016 to 31/12/2016.

D.1 Complete the following tables on the individual remuneration of each of the directors (including remuneration for the exercise of executive functions) accrued during the year.

a) Remuneration accrued in the company which is the subject of the present report:

i) Cash remuneration (in thousands of €)

Name	Salaries	Fixed remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration for membership on Board committees	Indemnities	Other concepts	Total 2016	Total 2015
JOSÉ ANTONIO MARTÍNEZ SAMPEDRO	903	43	16	0	0	0	0	9	971	961
LUIS JAVIER MARTINEZ SAMPEDRO	0	43	16	0	0	0	0	14	73	46
ENCARNACIÓN MARTINEZ SAMPEDRO	0	11	7	0	0	0	0	0	18	46
JOSE IGNACIO CASES MENDEZ	0	11	12	0	0	0	0	0	23	59
JOSE RAMÓN ROMERO RODRIGUEZ	0	10	11	0	0	0	0	0	21	61
JUAN JUNQUERA TEMPRANO	0	11	15	0	0	0	0	0	26	67
MASAMPE, S.L.	0	51	27	0	0	0	0	9	87	86
JOSEPH ZAPPALA	0	51	22	0	0	0	0	0	73	60
EUGENIO VELA SASTRE	0	10	13	0	0	0	0	0	23	64
JUAN JOSÉ ZORNOZA PEREZ	0	10	11	0	0	0	0	0	21	62
DAVID ANTHONY REGANATO	0	41	10	0	0	0	0	0	51	0
TIMOTHY PAUL LAVELLE	0	41	16	0	0	0	0	0	57	0
MANUEL MARTÍNEZ-FIDALGO VÁZQUEZ	0	41	11	0	0	0	0	0	52	0
NORMAN RAUL SORENSEN VALDEZ	0	41	19	0	0	0	0	0	60	0
MATTHEW CHARLES TURNER	0	41	19	0	0	0	0	0	60	0

ii) Share-based incentive systems

iii) Long-term savings systems

b) Remuneration earned by the directors of the company for belonging to boards in other group companies:

i) Cash remuneration (in thousands of €)

Name	Salaries	Fixed remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration for membership on Board committees	Indemnities	Other concepts	Total 2016	Total 2015
ENCARNACIÓN MARTINEZ SAMPEDRO	67	0	0	0	0	0	0	2	69	209
LUIS JAVIER MARTINEZ SAMPEDRO	641	0	0	0	0	0	0	9	650	650

ii) Share-based incentive systems

iii) Long-term savings systems

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

They Include amounts for all salary items included in this report accrued by the director, in thousands of euro.

In the case of Long-term savings systems, include contributions or allocations made to these systems:

Name	Compensation accrued in the Company				Compensation accrued in Group companies				Total		
	Total cash remuneration	Amount of shares granted	Gross profit of options exercised	Total year 2016 Company	Total cash remuneration	Amount of shares granted	Gross profit of options exercised	Total year 2016 Group	Total year 2016	Total year 2015	Contribution to saving systems during the year
JOSÉ ANTONIO MARTÍNEZ SAMPEDRO	971	0	0	971	0	0	0	0	971	961	0
LUIS JAVIER MARTINEZ SAMPEDRO	73	0	0	73	650	0	0	650	723	696	0
ENCARNACIÓN MARTINEZ SAMPEDRO	18	0	0	18	69	0	0	69	87	255	0
JOSE IGNACIO CASES MENDEZ	23	0	0	23	0	0	0	0	23	59	0
JOSE RAMÓN ROMERO RODRIGUEZ	21	0	0	21	0	0	0	0	21	61	0
MASAMPE, S.L.	87	0	0	87	0	0	0	0	87	86	0
JUAN JUNQUERA TEMPRANO	26	0	0	26	0	0	0	0	26	67	0
JOSEPH ZAPPALA	73	0	0	73	0	0	0	0	73	60	0
EUGENIO VELA SASTRE	23	0	0	23	0	0	0	0	23	64	0
JUAN JOSÉ ZORNOZA PEREZ	21	0	0	21	0	0	0	0	21	62	0
DAVID ANTHONY REGANATO	51	0	0	51	0	0	0	0	51	0	0
TIMOTHY PAUL LAVELLE	57	0	0	57	0	0	0	0	57	0	0
MANUEL MARTÍNEZ-FIDALGO VÁZQUEZ	52	0	0	52	0	0	0	0	52	0	0
NORMAN RAUL SORENSEN VALDEZ	60	0	0	60	0	0	0	0	60	0	0
MATTHEW CHARLES TURNER	60	0	0	60	0	0	0	0	60	0	0
TOTAL	1,616	0	0	1,616	719	0	0	719	2,335	2,371	0

D.2 Report on the relationship between the compensation received by the directors and the results or other measures of performance of the company, explaining, where appropriate, how variations in the performance of the company have influenced the change in the remuneration of directors.

The directors of the Company do not receive variable remuneration which can be influenced by variations in the performance of the Company.

D.3 Report the results of the vote in the shareholders general meeting on the annual remuneration report in the previous year, indicating the number of negative votes if any:

	Number	% of total
Votes cast	2,120,653,864	83.36%

	Number	% of total
Votes against	6,529,775	0.31%
Votes in favour	2,114,124,089	99.69%
Abstain	0	0.00%

E OTHER INFORMATION OF INTEREST

If you consider that there is any principle or relevant aspect regarding the remuneration of the directors applied by your company which has not been dealt with in the present Report, but that more complete and reasoned information is necessary regarding the structure and practices of your company regarding remuneration, mention this below and briefly explain what it consists of.

This Annual Remuneration Report was approved by the Board of Directors of the Company, at its meeting held on 27/02/2017

Indicate whether any Directors have voted against or have abstained from the approval of the present report.

Yes ☐

No ☒