

ANNEX 1

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

IDENTIFYING DATA OF THE ISSUER

YEAR ENDING AT:

31/12/2017

TAX ID:

A-82110453

CORPORATE NAME:

CODERE, S.A.

REGISTERED OFFICE

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 of the

"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 system 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, regulation and intense presence in various European and Latin American countries.

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. Up to that date, the remuneration of the directors was primarily based on a system of allowances for attendance to the Board and the Committee meetings.

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.

During fiscal year 2017, there were no changes in the remuneration policy, although on 12 January 2018, the Board of Directors agreed to terminate the service provision agreements that Codere S.A. had signed with the Executive Directors Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro, for which, during the year 2018, no executive directors are expected to exist in the Company.

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.

<p align="center">Explain the process for determining the remuneration policy</p>
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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, all of which was performed without contracting external advisers. 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 on committees by 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.

<p align="center">Explain the fixed components of the remuneration</p>

The 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.

On 12 January 2018, the Board of Directors agreed to terminate the service provision agreements that Codere S.A. had signed with the Directors Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro, for which, during the year 2018, no executive directors are expected to exist in the Company.

It is estimated that the aforementioned remuneration system will give rise during 2018 to a fixed annual remuneration of ONE MILLION TWO HUNDRED AND FIFTY THOUSAND EUROS (1,250,000.- €).

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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Currently, there are no variable components of the remuneration systems.

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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There are no long-term savings systems, nor contributions in favour of directors to pension plans approved for the current year.

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 had signed with the executive directors Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro established that the Company could freely terminate the contract unilaterally 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.

On 12 January 2018, the Board of Directors of Codere S.A. agreed to terminate the contract with the Executive Director Mr. José Antonio Martínez Sampedro, as a result of which, on 26 January 2018, the company paid Mr. José Antonio Martínez Sampedro a total gross amount of TWO MILLION ONE HUNDRED THIRTEEN THOUSAND, SIX HUNDRED AND FORTY TWO EURO AND FIFTY-FIVE CENTS (€2.113.642,55), corresponding to (i) the amount equivalent to three monthly payments (fixed and in kind)) for the three-month notice stipulated in the Contract, and (ii) the compensation established in the Contract.

On 12 January 2018, the Board of Directors of Codere S.A. agreed to terminate the contract with the Executive Director Mr. Luis Javier Martínez Sampedro, as a result of which, on 26 January 2018, the company paid Mr. Luis Javier Martínez Sampedro a total gross amount of ONE MILLION ONE HUNDRED EIGHTY-EIGHT THOUSAND, SIX HUNDRED AND FIFTY ONE EURO AND THIRTY ONE CENTS (€1,188,651.31), corresponding to (i) the amount equivalent to three monthly payments (fixed and in kind)) for the three-month notice stipulated in the Contract, and (ii) the compensation established in the Contract.

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

On 12 January 2018, the two contracts that the Company had signed with the executive directors, Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro, have been terminated by Codere S.A. and it is not expected that there will be Executive Directors during 2018, and therefore there are no contracts, covenants or agreements or on which to inform.

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

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

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

No remuneration in kind is foreseen for the current year, beyond what could have corresponded to the Executive Directors, for the time in which their contract for the rendering of services has been in force during 2018, and which gave them the right to the following remunerations in kind:

- (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.

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 a subsidiary 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) had a contract in place with ProTV S.A, during 2017 (company which holds the physical representation of the director Masampe S.L., by Mr. Pio Cabanillas Alonso, the majority shareholder representative) for the provision of institutional, communication, and marketing advice and others, which through 31 December 2017 cost €372,000. The contract for the provision of services with ProTV SA was terminated in January 2018.

Lastly, and as it is referred to in the Annual Corporate Governance Report (section D.2), we note that, during 2017, the amount of 92 thousand euro was paid to the company Silver Point Finance LLC (a company of the same group as the significant shareholder Silver Point Luxembourg Platform SARL, which appointed Mr. David Reganato and Mr. Timothy Lavelle as members of the Board), for the provision of consulting services and the amount of 411 thousand euro for repayment of payments made to external consultants and advisers.

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
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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
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During the year 2017, the remuneration structure and concepts of the Directors were based on the Directors 'Compensation Policy approved by the Extraordinary General Shareholders' Meeting held on 10 November 2016, which established the annual maximum remuneration limit for the group of directors for their condition as such, at the amount of THREE MILLION EURO (€3,000,000. -). Said 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.

The Board of Directors meeting on that same date, agreed to set the following breakdown.

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.

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.

Additionally, in March 2017, the Board of Directors agreed to execute the agreement on the issue of 140,539,698 warrants, called Warrants A, which incorporated the right to subscribe new shares issued by Codere, S.A. to the executive directors of the Company, approved by the Extraordinary General Shareholders' Meeting held on 10 November 2016.

The Board also agreed to approve the terms and conditions of the Warrants A as well as their allocation in the following manner:

- To the Executive President, Mr. José Antonio Martínez Sampedro: 105,039,370 Warrants A.
- The Executive Vice President Mr. Luis Javier Martínez Sampedro: 35,500,328 Warrants A.

Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro, accepted and subscribed the assigned Warrants A. Each Warrant A granted the right to subscribe a new ordinary share at an issue price of 0.4074 euro per share (0.20 euro par value and 0.2074 euro share premium) and were freely transferable (although subject to the terms and conditions of the Membership Agreement of 6 April 2016). The exercise period of the said Warrants ended on 29 October 2017 without being exercised.

As a result of the execution of the Warrants A issuance agreement and the delivery of the corresponding registered certificates, the Company made an interim payment to the Treasury for €117,896.1 (Mr. José Antonio Martínez Sampedro) and €27,322.66. (Mr. Luis Javier Martínez Sampedro).

In order to recover the aforementioned amounts, the Company proceeded during 2017 to discount the corresponding amounts from the remuneration that corresponded to them as Directors of Codere S.A., as well as, in the case of Mr. José Antonio Martínez Sampedro, also from his payroll, so that at the close of 2017, both amounts have been fully reimbursed.

During 2017, the contracts that the Company has signed with the executive directors Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro had 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

D DETAILS OF INDIVIDUAL REMUNERATION ACCRUED BY EACH OF THE DIRECTORS

Name	Type	Accrual period: 2017
DAVID REGANATO	Nominee	From 01/01/2017 to 31/12/2017.
MANUEL MARTINEZ-FIDALGO VAZQUEZ	Nominee	From 01/01/2017 to 31/12/2017.
LUIS JAVIER MARTINEZ SAMPEDRO	Executive	From 01/01/2017 to 31/12/2017.
MASAMPE, S.L.	Nominee	From 01/01/2017 to 31/12/2017.
TIMOTHY LAVELLE	Nominee	From 01/01/2017 to 31/12/2017.
JOSÉ ANTONIO MARTÍNEZ SAMPEDRO	Executive	From 01/01/2017 to 31/12/2017.
MATTHEW TURNER	Independent	From 01/01/2017 to 31/12/2017.
NORMAN RAUL SORENSEN VALDEZ	Independent	From 01/01/2017 to 31/12/2017.
JOSEPH ZAPPALA	Other External	From 01/01/2017 to 31/12/2017.

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 2017	Total 2016
JOSÉ ANTONIO MARTÍNEZ SAMPEDRO	903	100	0	0	0	0	0	9	1,012	971
MASAMPE, S.L.	0	100	0	0	0	50	0	45	195	87
LUIS JAVIER MARTINEZ SAMPEDRO	0	100	0	0	0	0	0	0	100	73
DAVID REGANATO	0	100	0	0	0	50	0	0	150	51
TIMOTHY LAVELLE	0	100	0	0	0	50	0	0	150	57

N a m e	Salaries	Fixed remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration for membership on Board committees	Indemnities	Other concepts	Total 2017	Total 2016
MANUEL MARTINEZ-FIDALGO VAZQUEZ	0	100	0	0	0	50	0	48	198	52
NORMAN RAUL SORENSEN VALDEZ	0	100	0	0	0	50	0	40	190	60
MATTHEW TURNER	0	100	0	0	0	50	0	40	190	60
JOSEPH ZAPPALA	0	100	0	0	0	50	0	50	200	73

ii) Share-based incentive systems

JOSE ANTONIO MARTINEZ SAMPEDRO
WARRANTS A

Date of Implementation	Ownership of options at the beginning of fiscal year 2017				Options assigned during fiscal year 2017						
	No. of Options	Affected shares	Exercise price (€)	Exercise period	No. of Options	Affected shares	Exercise price (€)	Exercise period			
15/03/2017	0	0	0.00	N/A	105,039,370	105,039,370	0.00	Until 29 October 2017 (inclusive).			
Conditions: Free exercise by the Director.											
Shares delivered during the year 2017			Options exercised in the year 2017			Options expired and not exercised	Options at the close of 2017				
Number of shares	Price	Amount	Exercise price (€)	No. of Options	Affected shares	Gross Profit (€m)	No. of Options	Affected shares	Exercise price (€)	Exercise period	
0	0.00	0	0.00	0	0	0	105,039,370	0	0	0.00	N/A
Other exercise requirements: N/A											

LUIS JAVIER MARTINEZ SAMPEDRO
WARRANTS A

Date of Implementation	Ownership of options at the beginning of fiscal year 2017				Options assigned during fiscal year 2017						
	No. of Options	Affected shares	Exercise price (€)	Exercise period	No. of Options	Affected shares	Exercise price (€)	Exercise period			
15/03/2017	0	0	0.00	N/A	35,500,328	35,500,328	0.00	Until 29 October 2017 (inclusive).			
Conditions: Free exercise by the Director.											
Shares delivered during the year 2017			Options exercised in the year 2017			Options expired and not exercised	Options at the close of 2017				
Number of shares	Price	Amount	Exercise price (€)	No. of Options	Affected shares	Gross Profit (€m)	No. of Options	Affected shares	Exercise price (€)	Exercise period	
0	0.00	0	0.00	0	0	0	35,500,328	0	0	0.00	N/A
Other exercise requirements: N/A											

iii) Long-term savings systems

iv) Other benefits (in thousands of €)

JOSÉ ANTONIO MARTÍNEZ SAMPEDRO				
Remuneration in the form of advances, loans granted				
Interest rate applied		Main characteristics of the Transaction		Any amounts repaid
0.00		Advance payment of €117,896.1 that the company paid as interim tax payment, as a result of the issuance of Warrants A.		Amount fully returned, by deduction of the corresponding amounts from remuneration
Life insurance premiums		Guarantees furnished by the company in favor of directors		
2017	2016	2017		2016
0	0	N/A		N/A

LUIS JAVIER MARTINEZ SAMPEDRO				
Remuneration in the form of advances, loans granted				
Interest rate applied		Main characteristics of the Transaction		Any amounts repaid
0.00		Advance payment of €27,322.66 that the company paid as interim tax payment, as a result of the issuance of Warrants A.		Amount fully returned, by deduction of the corresponding amounts from remuneration
Life insurance premiums		Guarantees furnished by the company in favor of directors		
2017	2016	2017		2016
0	0	N/A		N/A

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 2017	Total 2016
LUIS JAVIER MARTINEZ SAMPEDRO	641	0	0	0	0	0	0	19	660	650

ii) Share-based incentive systems

iii) Long-term savings systems

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

The amounts corresponding to all the remuneration items included in this report that have been accrued by the director in thousands of euro must be included in the summary.

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 2017 Company	Total cash remuneration	Amount of shares granted	Gross profit of options exercised	Total year 2017 Group	Total 2017	Total 2016	Contribution to saving systems during the year
JOSÉ ANTONIO MARTÍNEZ SAMPEDRO	1,012	0	0	1,012	0	0	0	0	1,012	971	0
LUIS JAVIER MARTINEZ SAMPEDRO	100	0	0	100	660	0	0	660	760	723	0
MASAMPE, S.L.	195	0	0	195	0	0	0	0	195	87	0
DAVID REGANATO	150	0	0	150	0	0	0	0	150	51	0
TIMOTHY LAVELLE	150	0	0	150	0	0	0	0	150	57	0
MANUEL MARTINEZ-FIDALGO VAZQUEZ	198	0	0	198	0	0	0	0	198	52	0
NORMAN RAUL SORENSEN VALDEZ	190	0	0	190	0	0	0	0	190	60	0
MATTHEW TURNER	190	0	0	190	0	0	0	0	190	60	0
JOSEPH ZAPPALA	200	0	0	200	0	0	0	0	200	73	0
TOTAL	2,385	0	0	2,385	660	0	0	660	3,055	2,134	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	2,356,507,925	92.47%

	Number	% of total
Votes against	2,516,704	0.10%
Votes in favour	2,353,957,560	99.99%
Abstain	33,661	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 27/02/2018

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

Yes ☐

No ☒