

COMPENSATION POLICY FOR DIRECTORS OF CODERE S.A.

1. INTRODUCTION.

Section 529.novodecies.1 of the *Ley de Sociedades de Capital* (LSC) states that the directors' remuneration policy shall be proposed by the Board of Directors (section 249 bis j LSC), and approved by the shareholders' general meeting. In that sense, article 7.p) of the Regulations of the General Shareholders Meeting of Codere S.A. establishes that the power to approve a Remuneration Policy for the Directors corresponds to the General Shareholders Meeting.

According to section 529. Novodecies.1 LSC the directors' remuneration policy shall be adjusted in accordance with the remuneration system established in the by-laws.

After the finalization of the former Remuneration Policy approved in 2016 (in force until December 31st 2018), it is necessary to propose and approve a new Remuneration Policy, that reflects the significant changes that have taken place in the structure of the Board of Directors, with the disappearance of the category of executive directors, the reduction in the number of Board members, the appointment of a non-executive Chairman of the Board and the formal recognition of the important role exercised by the Independent Directors of the Board in their positions as Chairs of the Company's Committees.

Should this Policy be approved, it shall apply to fiscal years 2019, 2020 and 2021 as detailed below.

2. OBJECTIVES AND PRINCIPLES OF THE POLICY.

The aim of the approval of a Remuneration Policy, is to promote the long term profitability and sustainability of the Group Codere, as well to promote the transparency and competitiveness of said Policy.

Section 529.novodecies.5 LSC states that the General Shareholders Meeting must approve the directors' remuneration policy, including not only the remuneration of the external directors, but also the remuneration received by directors for the exercise or termination of their role or for the fulfilment of their executive duties. Therefore this Policy distinguishes, the rules which shall apply to the remuneration of directors for their position as such, and those which shall apply to the remuneration of directors for performing executive duties.

A) Principles and bases for the remuneration of directors for their position as such:

Remuneration should be enough to compensate their qualifications, responsibility and dedication, but not so high that constitutes an obstacle to their independence.

The remuneration, according to section 217.4 LSC, shall also remain proportionate to the market standards of comparable national and international companies, and to the significance of the Company and its economic situation at that moment.

Finally, in order to establish their remuneration, the Policy shall take into account the duties and responsibilities attributed to each Director, paying special attention to the greater responsibilities and dedication carried out by the Independent Directors, in their positions as Chairs of the Company's Committees.

B) Principles and bases for the remuneration of directors for their executive functions.

Attending to art. 529 octodecies of the Spanish Companies Act, remuneration of directors for fulfilling the executive duties foreseen in the approved contracts, pursuant to the provisions of article 249, shall be adjusted to the directors' remunerations policy approved by the General Shareholders Meeting.

Currently, and since January 2018, there are no Executive Directors in Codere S.A. thus there is no remuneration paid for the fulfillment of executive duties to any Director.

In the event that one or several Executive Directors join the Board during the term of this Remuneration Policy, the Board, following a report from the Appointments, Remuneration and Corporate Governance Committee, will proceed to review it and, if applicable, propose to the General Shareholders' Meeting the corresponding modification of the Remuneration Policy.

3. COMPETENT BODIES.

Section 529.novodecies LSC states that the Board of Directors' proposal for the remuneration policy shall be motivated and must be accompanied by, a specific report from the appointments and remuneration committee (Corporate Governance Committee). Both documents shall be placed at the disposal of the shareholders through the company website from the time of the call to convene the general meeting.

Remuneration for each director for their position as such shall be determined by the Board of Directors. The maximum amount of annual remuneration to satisfy all directors in that condition, (which is approved by the General Shareholders Meeting), is the limit that the Board must comply when determining the directors' remuneration.

4. MAXIMUM AMOUNT OF ANNUAL REMUNERATION TO SATISFY ALL DIRECTORS IN THAT CONDITION.

According to section 529 septdecies.2 LSC, the directors' remuneration policy shall determine the directors' remuneration for their position as such, within the remuneration system foreseen in the by-laws and must include by necessity, the maximum amount of annual remuneration to satisfy all directors in that condition.

In light of the above, it is proposed that the maximum amount of compensation for all Directors arising from their condition as such be fixed in TWO MILLION EUROS (2,000,000 -€). That maximum amount has been reduced compared to the previous maximum amount approved in 2016 (3,000,000.-€). This maximum amount shall apply until the General Shareholders Meeting approves its modification.

Subject to said limit, the Board determines the remuneration for the non-executive Chairman of the Board, and for each Director arising from his or her condition as such taking into account the duties and responsibilities pertaining to each, membership of Board committees, assignments given, and other objective circumstances which the Board might deem relevant.

That maximum amount does not include civil liability insurance premium payments that the Company has contracted or may contract in the future for its Directors, provided that they are under market conditions, nor the reimbursement of current expenditures incurred by Directors to attend the Board or Committees meetings, or within the performance of their duties as Directors, provided they have been duly justified to the Company.

5. STRUCTURE OF DIRECTORS REMUNERATION FOR THEIR POSITION AS SUCH.

Section 24.5 of the Bylaws of Codere S.A., states that:

“The remuneration to be collected by directors for their status as such will consist of a fixed allocation.

The director remuneration policy must necessarily state the maximum amount of annual remuneration to be paid to all of the directors for their status as such.

The remuneration for each director, for their status as such, shall be determined by the Board of Directors, having regard to the functions and responsibilities assigned to each director, their membership of Board committees and any other objective factors considered to be relevant.

The director remuneration policy must be approved by the Shareholders' Meeting at least every three years as a separate item on the agenda.

In any event, director remuneration must be reasonably proportional to the importance of the Company, its economic situation at any given time, and the levels in comparable companies in the market. The remuneration system that is established must be focused on promoting the Company's long-term profitability and sustainability”.

Thus it's established, according to the Bylaws, a remuneration policy for the directors for their position as such, based on a fixed allocation.

Said fixed annual allocation will be different for each Director, taking into account the Committee or Committees to which the Director pertains, as well as the different responsibilities, functions and duties assigned to him or her (as the non-executive Chairman position). Specifically, the Board of Directors, at the proposal of the Appointments, Remuneration and Corporate Governance Committee, will consider the following issues when determining the appropriate remuneration for each Director, but it will always be limited by the maximum amount of annual remuneration to satisfy all Directors for their position as such, established in Section 4 above.

	Proposal	Responsibilities, functions and duties to be remunerate.
Fixed amount	<p>Enough to compensate their qualifications, responsibility and dedication, but not so high that constitutes an obstacle to their independence.</p> <p>Take into account the duties and responsibilities attributed to each Director</p>	<ul style="list-style-type: none"> - For membership on the Board. - For membership on the Audit Committee, distinguishing between the Chairman and ordinary members. - For membership on the the Appointments, Remuneration and Corporate Governance Committee, distinguishing between the Chairman and ordinary members. - For membership on the Compliance Committee, distinguishing between the Chairman and ordinary members. - Non-executive Chairman.

According to article 24.7 of the By-laws of Codere S.A. remunerations shall be paid in arrears at month's end in such a way that the remuneration of each Director shall be proportional to the time that such Director carries out his or her duties during the year.

The remuneration policy for directors for their position as such does not include a variable compensation, in order to ensure their total independence with respect to the remuneration paid to the executive management team.

Additionally, non executive directors may be remunerated as appropriate, for their positions held in other management bodies of subsidiaries or affiliates of Codere S.A. Any remuneration for the latter shall not exceed 50,000 euros per year and director.

6. OTHER DIRECTORS' REMUNERATION FOR SERVICES PROVIDED OUTSIDE THEIR DUTIES AS BOARD MEMBERS

The Company can remunerate certain directors for providing other services, at the proposal of the Appointment, Remuneration and Corporate Governance Committee and through a resolution by the Board of Directors.

7. PRINCIPLE OF FULL TRANSPARENCY.

The Board of Directors of the Company assumes the commitment to enforce the principle of the fullest transparency of all the items of remuneration received by all directors, providing clear and adequate information as much in advance as required and in line with the good governance recommendations generally recognized in international markets in the area of director remuneration.

For such purpose, the Board of Directors establishes this Directors Remuneration Policy and ensures the transparency of director remuneration by including in the Company's report a detailed breakdown, according to positions and status, of all remuneration received by the directors, whether as such, in their capacity as executives, if applicable, or in any other capacity, and whether such remuneration has been paid by the Company or by other companies of the Group.

In addition, the Board of Directors prepares the Annual Director Remuneration Report



on an annual basis, which is made available to the shareholders upon the call to the Annual General Shareholders' Meeting and is submitted to a consultative vote, as a separate item on the agenda.

Madrid, May 2019.