

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 stablish their remuneration, the Policy shall take into account the duties and

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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.

Pursuant to article 529 septdecies.2 of the Spanish Companies Law, the maximum annual remuneration of the directors in their capacity as such, shall be established by the Shareholders' Meeting, in the Remuneration Policy that it may have approved.

For such purposes, in accordance with the limits established by the Annual Shareholders' Meeting of July 24 2020, the maximum amount of the remuneration of all the directors of the Company in their capacity as such, for holding office, consisting of fixed amounts, shall be two million euros in the aggregate.

Subject to said limit, the Board of Directors shall establish the remuneration of the non-executive Chairman and of each Director in his capacity as such, taking into account the functions and duties attributed to each one of them, whether or not they are members of Board committees, the offices that they hold and other objective circumstances that the Board may consider relevant.

Said limit does not include payments of civil liability insurance premiums that the Company may have arranged or may arrange in future for its directors, provided that such premiums are arranged on customary market terms, or the refund of current expenses that may be incurred by the Directors to attend meetings of the Board or its Committees, or to discharge their duties as Directors, provided that such expenses are duly evidenced to the Company.

Notwithstanding the above, pursuant to the resolution adopted by the Annual Shareholders' Meeting of July 24 2020, a maximum annual limit of twenty million euros is also established to meet eventual payments if the coverage of liability contemplated in article 24.9 of the Articles of Association is used, to cover only the contingencies contemplated in said article, such amount to be used only to cover such contingencies of liability and the related expenses, only when and should they occur.

5. STRUCTURE OF THE DIRECTORS' REMUNERATION FOR THEIR ACTIVITY AS DIRECTORS

Article 24.5 of the Articles of Association of Codere, S.A., establishes:

"The remuneration receivable by the Directors in their capacity as such shall consist of a fixed amount.

The remuneration policy for the Directors shall necessary contemplate the maximum annual remuneration payable to all the Directors in the aggregate in such capacity.

The Board shall establish the remuneration of each Director in his capacity as such, taking into account for such purpose the functions or activities performed by the Directors in the scope of the actions of the Board and its Committees and other objective circumstances that it may consider relevant.

The remuneration policy for the Directors shall be approved by the Shareholders' Meeting every three years at least, as a separate item on the Agenda.

The remuneration of the Directors shall in any case be reasonably proportional to the relevance of the Company, its economic situation from time to time and to the amount paid in peer companies. The established remuneration system shall seek to promote the long-term profitability and sustainability of the Company."

In addition, article 24.9 of the Articles of Association of Codere, S.A., establishes:

"The Company may arrange a civil liability insurance for its Directors, in addition to other systems alternative or supplementary thereto. The Company may also afford liability coverage to the Directors, excluding in any case from such coverage any actions performed by the Directors in gross negligence or to the detriment of the corporate interest of the Company, excluding also the expenses or costs related to such actions in gross negligence or to the detriment of the Company.

In any case, the amount of the coverage to be afforded by the Company shall be included in the maximum annual approved by the Shareholders' Meeting and established in the Directors' remuneration policy."

Thus, in compliance with the Articles of Association, a remuneration policy is established for the

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directors in their capacity as such based on a fixed annual amount acknowledging that the Company may afford the Directors liability coverage.

In respect of the fixed annual amount, it shall differ depending on the Committee(s) of which each Director may be a member, and the different offices that each one of them may hold, and the degree of devotion to the work or responsibility that each one of them may have (such as the position of non-Executive Chairman of the Board). In particular, the Board of Directors, at the proposal of the Appointments, Remuneration and Corporate Governance Committee, shall take into account the following issues when establishing the respective remuneration, limited always and in any case by the maximum annual limit of the remuneration of the directors in their capacity as such in the aggregate established in section 4 above as the annual fixed amount.

	Purpose	Items to be remunerated
Fixed Amount	Sufficient to compensate the qualifications, responsibility and dedication but not so high that it may compromise independence. Remunerate the functions of the offices and duties assumed by each Director.	<ul style="list-style-type: none"> - For belonging to the Board. - For belonging to the Audit Committee, differentiating between the office of Chairman and the office of member. - For belonging to the Appointments, Remuneration and Corporate Governance Committee, differentiating between the office of Chairman and the office of member. - For belonging to the Compliance Committee, differentiating between the office of Chairman and the office of member. - Non-executive Chairman.

Pursuant to article 24.7 of the Articles of Association, the aforementioned remuneration for each director shall be deemed to accrue monthly in arrears, in a manner such that the remuneration of each Director shall be proportional to the time for which the director in question held office in the year.

The Remuneration Policy applied to the Directors in their capacity as such contemplates the absolute absence of variable components in their remuneration, to encourage their absolute independence from the remuneration payable to senior executives.

In addition, the non-executive Directors may receive the remuneration to which they may be entitled for belonging to certain managing bodies of subsidiaries or investees of Codere S.A. The amount received in the latter companies may not exceed 50,000 euros per annum and director.

In respect of the coverage that the Company may afford to the Directors, it may be the same or different for each of the Directors. In particular, the Board of Directors shall take into account the following issues when establishing the respective coverage and in any case the maximum annual remuneration established in section 4 above for the coverage of liability.

	<u>Purpose</u>	<u>General exclusions</u>
<u>Liability coverage</u>	Sufficient to cover any liability on conditions similar to the D&O liability policies that Codere, S.A. arranged in past. Satisfy, with the general exclusions and any others that the Board may establish in accordance with the particular circumstances, the expenses for defense and the compensation imposed on the Directors.	<ul style="list-style-type: none"> - Bad faith or gross negligence. - Damages caused to Codere S.A. by the directors' management. - Expenses for expenses and costs related to the above exclusions.

The Company shall only afford such coverage if this becomes necessary due to expenses for defense that may be incurred or compensation that may be imposed on the Directors and the Board of Directors considers, after a non-binding consultation to the Appointments, Remuneration and Corporate Governance Committee, that the necessary conditions are met to grant the limited reimbursement in question. Thus, it may not accrue should it not be necessary.

Notwithstanding the approval by the Board of Directors of the appropriateness of a limited reimbursement in a certain event, any of the Directors may waive the right to benefit from it by serving notice to such effect in writing to the Board of Directors.

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

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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, June 2020.