



Avda. de Bruselas, 26  
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Madrid, October 6th 2016

In accordance with article 228 of the Royal Legislative Decree 4/2015, October 23<sup>rd</sup> which approves the consolidated Spanish Stock Market Act, Codere S.A. hereby informs the Comisión Nacional del Mercado de Valores (Spanish stock market regulator) about the following:

### **SIGNIFICANT EVENT**

The Board of Directors of “CODERE S.A.” has resolved to convene the Extraordinary General Shareholder Meeting to be held at the Company’s head office located at Avda. De Bruselas nº 26, (28108 Alcobendas, Madrid), at 13:00 on November 10<sup>th</sup> 2016, on first call and at the same time and place on November 11<sup>th</sup> 2016, on second call.

Attached you will find the call and agenda for the Meeting, which shall be published in the next days under the legal and statutory expected terms , as well as the full text including the proposals of agreements which the Board of Directors submits in connection with the various points of the aforementioned agenda.

These documents together with the additional information are available to shareholders at the Company’s registered office so that they can exercise their right of information. Additionally, these documents are accessible on-line via the Company’s website [www.codere.com](http://www.codere.com).

Kind Regards

Luis Argüello Álvarez  
Secretary of the Board.

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**CODERE, S.A.**  
**Extraordinary General Shareholders' Meeting**

The Company's Board of Directors has resolved to convene an Extraordinary General Shareholders' Meeting, to be held in Alcobendas, at the registered offices located at Avda. De Bruselas nº 26 (28108 Madrid) on November 10<sup>th</sup>, 2016 at 13:00 PM in first call, and on November 11<sup>th</sup>, 2016 at 13:00 PM in second call, in accordance with the following

**AGENDA**

**ONE.- Amendment of the following sections of the Bylaws:**

- 1.1. Amendment of section 24.1 of the Bylaws.
- 1.2. Amendment of section 24.5 of the Bylaws.

**TWO.- Approval of the Remuneration Policy for Directors.**

**THREE.- Issuance of 140,539,698 warrants (Warrants A) which include the right to subscribe for new ordinary Shares of Codere S.A. to be paid up by means of cash contributions, and consequently an increase of the share capital to allow its exercise, excluding pre-emptive rights, to be delivered free of consideration to the Executive Directors. Delegation of powers.**

**FOUR.- Issuance of 140,539,698 warrants (Warrants B) which include the right to subscribe for new ordinary Shares of Codere S.A. to be paid up by means of cash contributions, and consequently an increase of the share capital to allow its exercise, excluding pre-emptive rights, to be delivered free of consideration to the senior management of the Codere Group. Delegation of powers.**

**FIVE.- Authorisation to the Board of Directors, with express power of substitution, for a term of five years, to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company and warrants on newly-issued or outstanding shares of the Company or of other companies, with a maximum nominal limit of 25,297,145.61.-€. The authorisation includes the delegation of such powers as may be required to: (i) determine the basis for and terms and conditions applicable to the conversion, exchange, or exercise; (ii) increase share capital to the extent required to accommodate requests for conversion, exchange, or exercise; and (iii) exclude the pre-emptive rights of the shareholders in connection with the issues, limited to a maximum nominal amount of 5% of the share capital.**



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## **SIX.- Amendment of the Regulations of the General Shareholders Meeting.**

### **6.1. Amendment of Section 7 of the Regulations of the General Shareholders Meeting by including a new paragraph (q).**

## **SEVEN.- Delegation of powers to formalize, interpret, amend and enforce the resolutions adopted by the General Shareholders' Meeting.**

### **INFORMATION ONLY**

## **EIGHT.- Report on the amendment of the Regulations of the Board of Directors.**

**REASONED PROPOSALS FOR RESOLUTIONS.** In accordance with article 519.3 of the Spanish Corporations Law, shareholders who represent at least three percent of the share capital may file substantiated proposed resolutions regarding topics included or which may be included on the Agenda for the General Meeting. This right may be exercised by attestable notice which must be received at the Company's registered offices, Avda. Bruselas 26, Alcobendas 28108 Madrid, to the attention of the Secretary of the Board of Directors (Mr. Luis Argüello Álvarez), within five days following publication of this official meeting notice indicating: i) identity of the shareholder exercising the right; ii) number of shares held; iii) an original certificate issued by the corresponding deposit entities, proving the ownership of the shares at the date of this call; iv) whole text of each substantiated proposed resolutions regarding topics included or which may be included on the Agenda and v) any other relevant documents.

The Company will publish these proposed resolutions and the documentation attached including them into its website.

**RIGHT TO ATTEND AND VOTING:** In accordance with article 11 of the bylaws, with one hundred shares or more, who have their shares recorded in the pertinent book-entry ledger five days in advance of the meeting being held. They shall hold the relevant attendance card or similar document to prove they are shareholders. Shareholders who do not hold sufficient shares to attend the General Shareholders Meeting may group them together with those of other shareholders who do not have the right to attend until they reach the required minimum, appointing a representative.

Each share shall give the right to one vote, although in no case may a single shareholder, companies belonging to the same group or persons acting in a concerted manner in conjunction with the foregoing, cast a number of votes at a General Meeting in excess of those corresponding to shares which represent 44% of the share capital, even if the number of shares owned exceeds the aforementioned percentage of the share capital, without prejudice to the provision made in article 527 of the Companies Act.

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This restriction does not affect those votes pertaining to the shares for which a shareholder holds a proxy as a consequence of the provision made in article 13 below, although, the restriction established above shall also apply in relation to the number of votes pertaining to the shares of each shareholder represented.

In accordance with legislation and the provisions, where applicable, laid down in the Articles of Association, shareholders may exercise their right to vote in relation to the proposals on the matters on the agenda by post, electronic or any other remote means of communication, as long as the identity of the shareholder exercising the right to vote is duly guaranteed. To exercise the vote by post, the shareholders wishing to do so shall send the Company, directly or through the deposit entities, the attendance card duly completed and signed which must be received five days in advance of the meeting being held in first call.

**REPRESENTATION:** All shareholders with the right to attend may be represented at the General Meeting by another person, even though said person is not a shareholder, using the delegation formula. One shareholder may not be represented by more than one representative at the same General Shareholders Meeting.

Representation shall be awarded specially for each General Shareholders Meeting in writing. Representation shall be revocable under all circumstances, where it shall be understood as revoked by the personal attendance at the meeting of the represented party.

**RIGHT TO INFORMATION:** Shareholders may request from the Board of Directors, until the fifth day prior to the scheduled date of the General Meeting, or verbally during the meeting, the information or explanations they consider necessary or submit any written questions they deem appropriate on the matters contained in the agenda or on publicly available information that has been provided by the Company to the National Securities Exchange Commission since the conclusion of the last General Meeting and on the auditor's report.

Shareholders have the right to check at the registered office (Monday through Friday, from 08:00am to 15:00 pm) all the documents related with the agenda including:

- a) The full text of the notice calling the shareholders' meeting.
- b) the full text of all the resolutions proposed by the Board, and the reports of the Board in the required issues;
- c) Written report justifying the proposal by the Board to amend the bylaws, and wording or the proposed amendment in full.
- d) The Board of Directors' proposal for the remuneration policy for Directors.
- e) Specific report from the Corporate Governance Committee on the remuneration policy for Directors.

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- f) Written report of the Board justifying the proposal to amend the Regulations of the General Shareholders Meeting.
- g) Report of the Board justifying the proposal of the issuance of Warrants A and Warrants B and the exclusion of the pre-emptive right, issued pursuant to articles 414.2 and 417.2 of the Companies Act.
- h) Report of the Independent Expert regarding the issuance of Warrants A and Warrants B and the exclusion of the pre-emptive right, issued pursuant to articles 414.2 and 417.2 of the Companies Act.
- i) Report of the Board justifying the proposal of authorization to the Board of Directors, with express power of substitution, for a term of five years, to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company.
- j) Report supporting the amendment of the regulations of the board of directors.
- k) The total number of shares and voting rights on the date of the call to meeting.
- l) Specimen of the attendance card and delegation and indication of the means and procedures for obtaining the said card.
- m) Indication of the means and procedures for appointing a proxy for the General Shareholders Meeting.
- n) Indication of the means and procedures for remote communication

All texts and documents may be consulted and obtained on the company's website [www.codere.com](http://www.codere.com). The shareholders have also the right to ask for the free delivery of the copies of each document.

**PRESENCE OF A NOTARY:** The Board of Directors has resolved to request the presence of a Notary to take the minutes of the Extraordinary General Meeting, pursuant to the provisions of section 203 of the Spanish Companies Act, in connection with section 101 and 103 of the Companies Register's Regulations.

**PERSONAL DATA PROTECTION:** In accordance with the provisions of Ley Orgánica 15/1999 of December 13th, the persona details of shareholders and where appropriate, of their proxy holders, provided to the Company by said shareholders, their proxyholders or the entities where the former would have their shares deposited, through the entity lawfully authorized to keep the book-entries, shall be included on a file, of which CODERE S.A. shall be the controller, for the purposes of managing the development, fulfillment and control of the relationship existing with its shareholders. Those personal details shall be provided to the Notary, or to those who have the information right or if the data are publicly known. The shareholders meeting may be recorded and published on the website. By attending to the meeting shareholders give their consent to record audiovisually and broadcast publicly on the corporate website the meeting. The rights of access, correction, and challenge may be exercise by the owner of the personal data by letter addressed to CODERE S.A. Alcobendas (Madrid) Avda. Bruselas 26, con la ref. LPD.

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**ELECTRONIC SHAREHOLDERS' FORUM.-** Pursuant to the provisions of section 539.2 of the Companies At, on the occasion of the call to meeting and until the General Shareholders' Meeting is held, Codere SA has enabled an Electronic Shareholders' Forum on the Company's corporate website ([www.codere.com](http://www.codere.com)) which shall be accesible, with appropriate safeguards, by both individual shareholders and any shareholder associations they may create to facilitate communications between them before the Meeting is held. Through it, once registered, it shall be possible to post initiatives to reach the sufficient percentage to exercise a minority right, offers and requests for voluntary proxies, and others.

Instructions for Access to and use of the Forum may be found on the Company's corporate website.

Madrid October 6th, 2016.- Chairman of the Board, José Antonio Martínez Sampedro.

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**PROPOSED RESOLUTIONS TO THE GENERAL SHAREHOLDERS MEETING TO BE HELD ON NOVEMBER 10<sup>TH</sup> 2016 IN FIRST CALL, OR ON 11<sup>TH</sup> NOVEMBER 2016 IN SECOND CALL.**

**ONE.- Amendment of the following sections of the Bylaws:**

**1.1. Proposed wording of section 24.1 of the Bylaws:**

*“24.1. The Company shall be governed and administered by a Board of Directors comprised of a number of members not less than five and not more than fifteen, elected in the General Meeting. Directors may be either natural or legal persons”.*

**1.2. Proposed wording of section 24.5 of the Bylaws:**

*“Art. 24.5 The post of Director shall be remunerated. 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”.*

**TWO.- Approval of the Remuneration Policy for Directors and determination of the maximum amount of annual remuneration in such condition.**

Pursuant to Section 529.novodecies of the Companies Act, and in accordance with the report issued by the Corporate Governance Committee, to approve the Remuneration





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Policy for Directors of Codere SA, which is aligned with the remuneration system foreseen in the bylaws.

According to Section 529 septdecies of the Companies Act, this Remuneration Policy determines that maximum amount of annual remuneration to satisfy all directors in that condition is THREE MILLION EUROS (3.000.000.-€). This maximum amount shall be in force until the General Shareholders Meeting approves its amendment and shall replace the maximum amount of annual remuneration approved on April 27<sup>th</sup> 2015 by the General Shareholders Meeting.

**THREE.- Issuance of 140,539,698 warrants (Warrants A) which include the right to subscribe for new ordinary Shares of Codere S.A. to be paid up by means of cash contributions, and consequently an increase of the share capital to allow its exercise, excluding pre-emptive rights, to be delivered free of consideration to the Executive Directors. Delegation of powers.**

First: To Issue 140,539,698 warrants (Warrants A) which include the right to subscribe for 140,539,698 new ordinary shares to be issued of Codere S.A., to be delivered free of consideration to the Executive Directors of the Company (i.e. Mr José Antonio Martínez Sampedro and Mr Luis Javier Martínez Sampedro), subject to the following terms (Issuance of Warrants A).

- 1.- Number of Warrants A: 140,539,698 *Warrants A*.
- 2.- Rights of the Warrants A: Each Warrant A grants the holder the right to subscribe a new ordinary share to be issued of Codere SA as stated below. Therefore, Issuance of Warrants A includes the right to subscribe a sum of 140,539,698 new ordinary shares to be issued by Codere S.A. (representing 5% of the share capital of the Company should all the Warrants A and all the Warrants B are exercised).

The new shares, currently with a par value of 0.20 € each, shall be issued with a Warrant Exercise Price of 0.4074€ per share (Warrant Exercise Price), corresponding 0.20 to par value, and 0.2074 to issue premium. The new shares shall be wholly paid by monetary contribution when subscribed.

- 3.- Exercise period: The warrants may be exercised since the date of issuance and until October 29th 2017 (included).
- 4.- Price of the warrants: Warrants A are issued without any consideration as part of the restructuring of the Codere group.
- 5.- Anti-dilution mechanism: An anti-dilution mechanism shall be implemented (including by notification an amendment of the Warrant Exercise Price) as it's usual in these kind of financial instruments, for those cases in which there are changes in

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the share capital (including splits or contrasplits, increase, reduction of share capital, or redenomination of the par value of the shares) or distributions by the Company during the Exercise period of the Warrants A, so their terms and conditions shall be adjusted to maintain their rights, in the terms and conditions to be approved by the Board of Directors. The Warrant Exercise Price shall not ever be minor than the par value of the new shares. The Board of Directors is expressly entitled to determine said mechanism.

- 6.- Warrants A shall be freely transferable (subject to the provisions of the Shareholders' Agreement of April 6<sup>th</sup> 2016, and any other contractual obligations assumed by the Executive Directors) and shall be represented by nominative warrant certificates which may be multiple.
- 7.- The Warrants A will not be listed for trading on any secondary market nor especially guaranteed.

**Second.-** To exclude pre-emptive rights of the shareholders of the Company on the Warrants A, to be delivered without any consideration to the Executive Directors.

**Third.-** To increase the share capital of the Company on one or more occasions in the necessary amount to cover the exercise of Warrants A, up to a maximum par value of 28,107,939.60 euros, equivalent to 140,539,698 shares of 0.20€ of par value each, equivalent to maximum number of shares to be issued, should all the Warrants A are exercised, but subject to any amendment which may be produced by applying any anti-dilution mechanism.

The new shares to be issued to cover the exercise of Warrants A, shall be ordinary shares, of the same class and series than those ordinary shares circulating of the Company, shall be represented in the same manner (currently by book entry), and shall grant their holders with the same rights than the ordinary shares in circulation have. The shares to be issued shall be subject to the Shareholders' Agreement of April 6<sup>th</sup> 2016, and any other contractual obligations assumed by the Executive Directors.

Issue premium, and incomplete subscription are expressly allowed in the capital increase. Such increase shall be executed by the Board of Directors (which shall have the power to delegate), totally or partially, in one or more stages, and with the power to draft the new wording of the Section of the Bylaws corresponding to the share capital. Pursuant to Section 304.2 Spanish Companies Act, pre-emptive rights of the shareholders (pursuant section 304.1) shall not apply regarding the new shares which shall be issued if Warrants A are exercised.

Should the Company remain a listed company, the admission to trading of the new shares shall be requested in the same stock exchanges where the ordinary shares of the Company are trading in that moment (currently, Madrid Barcelona, Bilbao and Valencia, through



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the “Mercado Continuo”). Should later the Company asks for an IPO, this shall be agreed in accordance with legal requirements, and the interests of those shareholders who vote against, or don't vote the agreement, shall be guaranteed, in accordance with the Spanish Companies Act, the Stock Exchange Act, and other legal provisions.

**Fourth.-** To delegate in the Board of Directors, as broadly as legally allowed, and with the power to delegate in others, the power to execute and implement the aforementioned agreements, and by way of example and not limitation:

1.- To complete and determine the terms and conditions of the Issuance of Warrants A, in all which is not stated previously, and by the way of example and not limitation, the allocation of Warrants A to Executive Directors, the proceeding of delivery and exercise of Warrants A, and the issuance, subscriptions, payment and delivery of new shares, the terms and conditions of the anti-dilution mechanism, and any other terms and conditions necessary.

2.- To apply, if necessary, the anti-dilution mechanism as stated in the terms and conditions of the Issuance.

3.- To increase the share capital by the issuance, in one or more stages, of the new ordinary shares necessary to cover the exercise of Warrants A in each moment, and to draft the new wording of the Section of the Bylaws regarding the share capital, in accordance with the executed increase (including the incomplete subscription of the share capital as may correspond to that part of the capital increase not required through the exercise of the rights of the Warrant A holders), and to take all the steps needed to apply for the admission to trading of the new shares in the stock exchanges of Madrid, Barcelona, Bilbao and Valencia (including the Spanish National Securities Market Commission (CNMV) and any other applicable supervisory authorities, with regard to the issuance and admission for trading of the new shares issued as a result of exercise of the Warrants A), and before all the competent authorities which may be necessary in each moment.

4.- To negotiate, examine, celebrate, execute, sign, grant, amend or cancel all the contracts, securities, agreements, and public or private documents, which may be necessary regarding the Issuance of Warrants A and the delivery of Warrants A (including the issuance of new titles in the event that a split or partial transfer thereof is performed), and to nominate, appoint, announce or to make any other complementary acts to execute the agreements.

5.- To appear before a notary and execute the corresponding public deed of issuance of the Warrants A and to request registration with the Companies Register of the aforementioned public deed, and perform any announcements of the issue which may be required.

6.- To correct, clarify, interpret, specify or supplement the resolutions adopted, in public deeds, or in any other documents to be signed regarding the executions of the resolutions,

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and specifically to get the registration of the agreements in the Trade Register (Registro Mercantil).

7.- To execute on behalf of the Company any public or private instruments required or desirable for the issuance of the Warrants A and, in general to perform all procedural steps required for implementation of this resolution and the effective release of the Warrants A, including signature of the named titles representing the Warrants A.

**FOUR.- Issuance of 140,539,698 warrants (Warrants B) which include the right to subscribe for new ordinary Shares of Codere S.A. to be paid up by means of cash contributions, and consequently an increase of the share capital to allow its exercise, excluding pre-emptive rights, to be delivered free of consideration to the senior management of the Codere Group. Delegation of powers.**

First. To Issue 140,539,698 warrants (Warrants B) which include the right to subscribe for 140,539,698 new shares to be issued of Codere S.A. to be delivered free of consideration to the senior management of the Codere Group, subject to the following terms (Issuance of Warrants B).

- 1.- Number of Warrants B: 140.539.698 *Warrants B* are issued.
- 2.- Rights of the Warrants B: Each Warrant B grants the holder the right to subscribe a new share to be issued of Codere SA as stated below. Therefore, Issuance of Warrants B includes the right to subscribe a sum of 140,539,698 new shares to be issued by Codere S.A. (representing 5% of the share capital of the Company should all the Warrants A and all the Warrants B are exercised).

The new shares, currently with a par value of 0.20 € each, shall be issued with a Warrant Exercise Price of 0.4074€ per share (Warrant Exercise Price), corresponding 0.20 to par value, and 0.2074 to issue premium. The new shares shall be wholly paid by monetary contribution when subscribed.

- 3.- Exercise period: The warrants shall be exercised since the date of issuance and until the date established by the Board of Directors, which shall not exceed five years from the issuance.

- 4.- Price of the warrants: Warrants B are issued without any consideration, to be delivered to the Senior Management of the Codere Group.

- 5.- Beneficiaries: the Company's Board of directors shall be entitled to decide the senior managers of the Codere Group who will be eligible to receive the Warrants B and also their distribution among such senior managers. All beneficiaries shall execute an accession letter to the Shareholders' Agreement.

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6.- Anti-dilution mechanism: An anti-dilution mechanism shall be implemented (including by notification an amendment of the Warrant Exercise Price) as it's usual in these kind of financial instruments, for those cases in which there are changes in the share capital (including splits, contrasplits, increase or decrease of share capital, or capital redenomination) or distributions by the Company during the exercise period of the Warrants B, so their terms and conditions shall be adjusted to maintain their rights, in the terms and conditions that the Board may approve. The Warrant Exercise Price shall not ever be minor than the par value of the new shares.

7.- Warrants B shall not be transferable and shall be represented by nominative warrant certificates which may be multiple.

**Second.-** To exclude pre-emptive rights of the shareholders of the Company on the Warrants B, to be delivered without any consideration to the Senior Management of the Codere Group.

**Third.-** To increase the share capital of the Company in the necessary amount to meet the exercise of Warrants B, up to a maximum par value of 28.107.939'60 euros, equivalent to 140.539.698 shares of 0'20€ of par value each, equivalent to maximum number of shares to be issued, should all the Warrants B are exercised, but subject to any amendment which may be produced by applying any anti-dilution mechanism.

The new shares to be issued to meet the exercise of Warrants B, shall be ordinary shares, of the same class and series than those ordinary shares circulating of the Company, shall be represented in the same manner (currently by book entry), and shall grant their holders with the same rights than the ordinary shares in circulation have. The shares to be issued shall be subject to the Shareholders' Agreement of April 6<sup>th</sup> 2016, and any other contractual obligations assumed by their holders.

Issue premium, and incomplete subscription are expressly allowed in the capital increase. Such increase shall be executed by the Board of Directors (which shall have the power to delegate), totally or partially, in one or more stages, and with the power to draft the new wording of the Section of the Bylaws corresponding to the share capital. Pursuant to Section 304.2 Spanish Companies Act, pre-emptive rights of the shareholders (pursuant section 304.1) shall not apply regarding the new shares which shall be issued if Warrants B are exercised.

Should the Company remains a listed company, the admission to trading of the new shares shall be requested in the same stock exchanges where the ordinary shares of the Company are trading in that moment (currently, Madrid Barcelona, Bilbao and Valencia, through the "Mercado Continuo"). Should later the Company asks for an IPO, this shall be agreed in accordance with legal requirements, and the interests of those shareholders who vote against, or don't vote the agreement, shall be guaranteed, in accordance with the Spanish Companies Act, the Stock Exchange Act, and other legal provisions.

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**Fourth.-** To delegate in the Board of Directors, as broadly as legally allowed, and with the power to delegate in others, the power to execute and implement the aforementioned agreements, and by way of example and not limitation:

1.- To complete and determine the terms and conditions of the Issuance of Warrants B, in all which is not stated previously, and by the way of example and not limitation, the allocation of Warrants B to Senior Management of the Codere Group, the proceeding of delivery and exercise of Warrants B, and the issuance, subscriptions, payment and delivery of new shares, the terms and conditions of the anti-dilution mechanism, and any other terms and conditions necessary.

2.- To apply, if necessary, the anti-dilution mechanism as stated in the terms and conditions of the Issuance.

3.- To increase the share capital by the issuance, in one or more stages, of the new ordinary shares necessary to cover the exercise of Warrants B in each moment, and to draft the new wording of the Section of the Bylaws regarding the share capital, in accordance with the executed increase (including the incomplete subscription of the share capital as may correspond to that part of the capital increase not required through the exercise of the rights of the Warrants B holders), and to take all the steps needed to apply for the admission to trading of the new shares in the stock exchanges of Madrid, Barcelona, Bilbao and Valencia (including the Spanish National Securities Market Commission CNMV and any other applicable supervisory authorities, with regard to the issuance and admission for trading of the new shares issued as a result of exercise of the Warrants B), and before all the competent authorities which may be necessary in each moment.

4.- To negotiate, examine, celebrate, execute, sign, grant, amend or cancel all the contracts, securities, agreements, and public or private documents, which may be necessary regarding the Issuance of Warrants B and the delivery of Warrants B, (including the issuance of new titles in the event that a split or partial transfer thereof is performed), and to nominate, appoint, announce or to make any other complementary acts to execute the agreements.

5.- To appear before a notary and execute the corresponding public deed of issuance of the Warrants B and to request registration with the Companies Register of the aforementioned public deed, and perform any announcements of the issue which may be required.

6.- To correct, clarify, interpret, specify or supplement the resolutions adopted, in public deeds, or in any other documents to be signed regarding the executions of the resolutions, and specifically to get the registration of the agreements in the Trade Register (Registro Mercantil).

7.- To execute on behalf of the Company any public or private instruments required or desirable for the issuance of the Warrants B and, in general to perform all procedural steps

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required for implementation of this resolution and the effective release of the Warrants B, including signature of the named titles representing the Warrants B.

**FIVE.- Authorisation to the Board of Directors, with express power of substitution, for a term of five years, to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company and warrants on newly-issued or outstanding shares of the Company or of other companies, with a maximum nominal limit of 25,297,145.61.-€. The authorisation includes the delegation of such powers as may be required to: (i) determine the basis for and terms and conditions applicable to the conversion, exchange, or exercise; (ii) increase share capital to the extent required to accommodate requests for conversion, exchange, or exercise; and (iii) exclude the pre-emptive rights of the shareholders in connection with the issues, limited to a maximum nominal amount of 5% of the share capital.**

#### **1. Authorisation to the Board of Directors to Issue Securities.**

To authorise the Board of Directors to issue debentures and bonds exchangeable for shares of the Company and/or convertible into shares of the Company, as well as warrants (options to subscribe for new shares of the Company or to acquire outstanding shares of the Company).

#### **2. Term.**

The issuance of the securities covered by the authorisation may be effected on one or more occasions within a maximum period of five years following the date of approval of this resolution.

#### **3. Maximum Amount.**

The maximum total amount of the issuance(s) of securities approved under this authorisation shall be **25,297,145.61.-€**, or the equivalent thereof in another currency. For purposes of calculation of the aforementioned limit, in the case of warrants, the sum of the premiums and exercise prices of the warrants on issuances approved under this authorisation shall be taken into account.

#### **4. Scope.**

For each issuance, the Board of Directors shall be authorised to, among other things, determine the amount thereof, always within the above-mentioned overall quantitative limit, the place of issuance (in Spain or abroad) and the domestic or foreign currency and, in the case of foreign currency, its equivalence in euros; the specific instrument to be issued whether bonds or debentures, including subordinated bonds or debentures, warrants (which may in turn be settled by means of the physical delivery of the shares or,

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if applicable, through the payment of differences in price), or any other form permitted by law; the date or dates of issuance; the number of securities and the nominal value thereof, which, in the case of convertible and/or exchangeable bonds or debentures, shall not be less than the par value of the shares; in the case of warrants and similar securities, the issue price and/or premium, the exercise price (which may be fixed or variable) and the procedure, period, and other terms and conditions applicable to the exercise of the right to subscribe for the underlying shares or, if applicable, the exclusion of such right; the interest rate (whether fixed or variable); the dates and procedures for payment of the coupon; whether the instrument issued is perpetual or subject to repayment and, in the latter case, the period for repayment and the maturity date or dates; guarantees, reimbursement rate, premiums, and lots; the form of representation, as securities or book entries; the establishment of anti-dilution provisions; the rules applicable to subscription; the rank of the securities and the subordination clauses, if any; the law applicable to the issuance; the power to make application, where appropriate, for the trading of the securities to be issued on Spanish or foreign, official or unofficial, organised or other secondary markets, subject to the requirements established by applicable regulations in each case and, in general, any other terms of the issuance, as well as, if applicable, the appointment of the security-holders' syndicate representative (comisario) and the approval of the basic rules that are to govern the legal relations between the Company and the syndicate of holders of the securities to be issued in the event that such syndicate must or is decided to be created.

In addition, the Board of Directors is authorised such that, when it deems it appropriate and subject, if applicable, to any appropriate authorisations being secured and to the consent of security-holders coming together at a meeting of the corresponding syndicates of security-holders, it may modify the terms and conditions applicable to the repayment of the fixed-income securities issued as well as the respective period thereof, and the rate of interest, if any, accrued by the securities included in each of the issuances effected under this authorisation.

## **5. Basis for and Terms and Conditions Applicable to the Conversion and/or Exchange.**

In the case of issuance of convertible and/or exchangeable debentures or bonds, and for purposes of determining the terms and conditions for conversion and/or exchange, it is resolved to establish the following standards:

(a) The securities issued pursuant to this resolution shall be exchangeable for shares of the Company and/or convertible into shares of the Company, in accordance with a fixed or variable conversion and/or exchange ratio determined or to be determined, with the Board of Directors being authorised to determine whether they are convertible and/or

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exchangeable, as well as to determine whether they are mandatorily or voluntarily convertible and/or exchangeable, and if voluntarily, at the option of the holder thereof or of the Company, at the intervals, and during the period established in the resolution providing for the issuance, which may not exceed thirty years from the date of issuance.

(b) In the event that the issue is convertible and exchangeable, the Board of Directors may also provide that the issuer reserves the right at any time to elect between conversion into new shares or the exchange thereof for outstanding shares of the Company, with the nature of the shares to be delivered being determined at the time of conversion or exchange, and may also elect to deliver a combination of newly-issued shares and existing shares of the Company and even to pay the difference in cash. In any event, the issuer shall afford equal treatment to all holders of fixed-income securities converting and/or exchanging their securities on the same date.

(c) For purposes of the conversion and/or exchange, the securities shall be valued at the nominal amount thereof and the shares at the fixed exchange ratio established in the resolution of the Board of Directors making use of this authorisation, or at the variable ratio to be determined on the date or dates specified in the resolution of the Board, based on the listing price of the Company's shares on the date(s) or during the period(s) used as a reference in such resolution. In any event, the fixed ratio thus determined may not be less than the average exchange ratio for the shares on the Bilbao, Madrid, Barcelona, and Valencia Stock Exchanges, through the Automated Quotation System (Continuous Market), in accordance with closing listing prices during a period to be set by the Board of Directors and which shall not be greater than three months or less than five calendar days prior to the date of approval by the Board of Directors of the resolution providing for the issuance of the fixed-income securities or prior to the date of payment of the securities by the subscribers, at a premium or at a discount, as the case may be, on such price per share, provided, however, that if a discount on the price per share is established, it shall not be greater than 25% of the value of the shares used as a reference as set forth above. Subsidiary, and only in the event of delisting of the shares, the Board of Directors may determine the market value of the shares, for purposes of the conversion and/or exchange.

(d) It may also be resolved that the convertible and/or exchangeable fixed-income securities be issued at a variable conversion and/or exchange ratio. In such case, the price of the shares for purposes of the conversion and/or exchange shall be the arithmetic mean of the closing prices of the shares of the Company on the Continuous Market during a period to be determined by the Board of Directors, which shall not be greater than three months or less than five calendar days prior to the date of conversion and/or exchange, at a premium or at a discount, as the case may be, on such price per share. The premium or discount may be different for each date of conversion and/or exchange of each issuance

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(or for each tranche of an issuance, if any), provided, however, that if a discount is established on the price per share, it shall not be greater than 25% of the value of the shares used as a reference as set forth above. Subsidiary, and only in the event of delisting of the shares, the Board of Directors may determine the market value of the shares, for purposes of the conversion and/or exchange.

(e) Whenever a conversion and/or exchange is admissible, any fractional shares to be delivered to the holder of the debentures shall be rounded downwards by default to the immediately lower integer, and each holder shall receive in cash, if so provided in the terms of issuance, any difference that may arise in such case.

(f) In no event may the value of the shares for purposes of the ratio for conversion of debentures into shares be less than the par value thereof. Furthermore, debentures may not be converted into shares if the nominal value of the former is less than that of the latter.

(g) When approving an issuance of convertible and/or exchangeable debentures or bonds under the authorisation granted in this resolution, the Board of Directors shall issue a directors' report, elaborating on and specifying, on the basis of the standards described above, the basis and terms and conditions for conversion that are specifically applicable to the respective issuance. This report shall be accompanied by the corresponding audit report as provided by law.

## **6. Basis for and Terms and Conditions Applicable to the Exercise of Warrants and Other Similar Securities**

In the case of issuance of warrants, it is resolved to establish the following standards:

In the case of issuances of warrants, to which the provisions of the Companies Act on convertible debentures shall apply by analogy, the Board of Directors is authorised to determine, in the broadest terms, in connection with the basis for and terms and conditions applicable to the exercise of such warrants, the standards applicable to the exercise of rights to subscribe for or acquire shares of the Company or of another company, or to a combination thereof, arising from the securities of this kind issued under this authorisation. The standards set forth in section 5 above shall apply to such issuances, with such adjustments as may be necessary in order to bring them into compliance with the legal and financial rules governing these kinds of securities.

## **7. Admission to Trading.**

The Company shall, when appropriate, make application for trading of the convertible and/or exchangeable debentures and/or bonds or warrants issued by the Company under this authorisation on Spanish or foreign, official or unofficial, organised or other

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secondary markets, and the Board of Directors shall be authorised as broadly as required to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets.

It is expressly stated for the record that if application is subsequently made for delisting, it shall be made in compliance with the same formalities as the application for listing, to the extent any such formalities are required, and in such case, the interests of the shareholders or debenture-holders opposing or not voting in favour of the resolution shall be safeguarded as provided by applicable law. In addition, it is expressly stated that the Company undertakes to abide by Stock Market regulations, whether now existing or as may hereafter be issued, particularly as regards trading, continued listing, and delisting.

#### **8. Guarantee in Support of Issuances of Convertible and/or Exchangeable Fixed-income Securities or Warrants by Subsidiaries.**

The Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issuances of convertible and/or exchangeable fixed-income securities or warrants carried out by subsidiaries during the effective period of this resolution.

#### **9. Delegation of Powers to the Board of Directors.**

This authorisation to the Board of Directors also includes, without limitation, the delegation thereto of the following powers:

(a) The power of the Board of Directors, pursuant to the provisions of section 511 of the Companies Act, to totally or partially exclude the pre-emptive rights of the shareholders. In any event, if the Board of Directors decides to exclude the pre-emptive rights of the shareholders in connection with any specific issuance of convertible bonds or debentures, warrants, and other securities similar thereto that it ultimately decides to effect under this authorisation, the Board shall issue, at the time of approval of the issuance and pursuant to applicable laws and regulations, a report setting forth the specific reasons based on the corporate interest that justify such measure, on which there shall be prepared the corresponding report of an auditor, other than the Company's auditor and appointed by the Commercial Registry, mentioned in sections 414 and 511 of the Companies Act. Both such reports shall be made available to the shareholders and disclosed at the first General Shareholders' Meeting that is held following approval of the resolution providing for the issuance. This power shall in any event be limited to those increases in capital carried out pursuant to this authorisation and to the authorisation contemplated in item 7 on the agenda up to a maximum amount equal, in the aggregate, to 5% of the share capital on the date of adoption of this resolution.

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(b) The power to increase share capital to the extent required to accommodate requests for conversion and/or for exercise of the right to subscribe for shares. Such power may only be exercised to the extent that the Board of Directors, adding the increase in capital effected to accommodate the issuance of convertible debentures, warrants, and other similar securities and the other increases in capital approved under authorisations granted by the shareholders at this General Shareholders' Meeting, does not exceed the limit of 5% of the amount of the share capital. This authorisation to increase capital includes the authorisation to issue and float, on one or more occasions, the shares representing such capital that are necessary to carry out the conversion and/or to exercise the right to subscribe for shares, as well as the power to amend the article of the By-Laws relating to the amount of the share capital and, if appropriate, to cancel the portion of such increase in capital that was not required for the conversion and/or the exercise of the right to subscribe for shares.

(c) The power to elaborate on and specify the basis for and terms and conditions applicable to the conversion, exchange, and/or exercise of the rights to subscribe for and/or acquire shares arising from the securities to be issued, taking into account the standards set out in sections 5 and 6 above.

(d) The delegation to the Board of Directors includes the powers required in order to interpret, apply, implement, and develop the resolutions providing for the issuance of securities that are convertible into or exchangeable for shares of the Company, on one or more occasions, and to carry out the corresponding increase in capital, as well as the power to correct and supplement such resolutions as to all matters that may be necessary and to comply with all legal requirements for the successful implementation thereof. To such end the Board of Directors may correct any omissions or defects in the aforementioned resolutions that may be identified by any Spanish or foreign authorities, officials, or bodies, and may also adopt all such resolutions and execute all such public or private documents as it may deem necessary or appropriate in order to adjust the preceding resolutions for the issuance of convertible or exchangeable securities and the corresponding increase in capital to the oral or written assessment of the Commercial Registrar or, in general, of any other competent Spanish or foreign authorities, officials, or entities. The Board of Directors is expressly authorised to further delegate the powers contemplated in this resolution.

## **SIX.- Amendment of the Regulations of the General Shareholders Meeting.**

### **6.1. Amendment of Section 7 of the Regulations of the General Shareholders Meeting by including a new paragraph (q).**

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To amend the Regulations of the General Shareholders Meeting by including a new paragraph (q)

*“7. q) The approval of actions that have the efecto of changing the “center of main interests (as this term is defined in article 3(1) of the Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings) of any member of the Group (if applicable to it), or the jurisdiction of incorporation, domicile or place of administration of any member of the Group”.*

**SEVEN.- Delegation of powers to formalize, interpret, amend and enforce the resolutions adopted by the General Shareholders’ Meeting.**

To authorize on a several basis, all and each Director, Secretary and Vice Secretary of the Board of Directors, such that, any of them may formalize and implement the foregoing resolutions, with the power for such purpose to publish any announcement it may be necessary, to attend to a public notary to execute public documents, and correcting any mistakes that could be made on these documents as the Trade Register may request, and to get the registration with the Trade Register, of the approved decisions if necessary.

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**EIGHT.- Report on the amendment of the Regulations of the Board of Directors.**