

REPORT OF THE APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE ON THE SUPPLEMENT TO THE NOTICE OF CALL AND THE ALTERNATIVE PROPOSALS FOR RESOLUTIONS MADE BY MASAMPE, S.L. FOR THE ANNUAL AND SPECIAL SHAREHOLDERS' MEETING TO BE HELD ON JULY 24 AND 25, 2020, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

On June 26, 2020, a notarial demand was received at the registered office of Codere S.A. ("**Codere**" or the "**Company**"), sent by Masampe, S.L., in its capacity as shareholder of the Company, relating to the annual and special shareholders' meeting called for July 24 and 25, 2020, on first and second call (the "**Shareholders' Meeting**").

Among other issues, Masampe, S.L. submits:

- 1) An alternative proposal for a resolution in respect of item 3.1 on the agenda of said Shareholders' meeting, consisting of the "*Reelection of Norman R. Sorensen Valdez to Independent Director*". The alternative proposal requested by Masampe, S.L. consists, in summary, of not reelecting Norman R. Sorensen Valdez.
- 2) An alternative proposal for a resolution in respect of item 3.2 on the agenda of said Shareholders' meeting, consisting of the "*Reelection of Matthew Turner to Independent Director*". The alternative proposal requested by Masampe, S.L. consists, in summary, of not reelecting Matthew Turner.
- 3) An alternative proposal for a resolution in respect of item 3.4 on the agenda of said Shareholders' meeting, consisting of the "*Reelection of Timothy Lavelle to Nominee Director*". The alternative proposal made by Masampe, S.L. consists, in summary, of not reelecting Timothy Lavelle.

With regard to the above proposals, in the light of the functions attributed to Appointments and Remuneration Committees, this Committee issues this report.

2. REPORT ON THE PROPOSALS FOR ALTERNATIVE RESOLUTIONS RELATING TO ITEMS 3.1, 3.2. AND 3.4 ON THE AGENDA OF THE SHAREHOLDERS' MEETING

This Committee is able only to issue an unfavorable report on the alternative proposals submitted by Masampe, S.L. in respect of items 3.1., 3.2 and 3.4 on the agenda of the Shareholders' Meeting, taking into account the favorable reports issued by this Committee on the proposals made by the Board of Directors in respect of said items, on June 22, 2020.

Notwithstanding the above, the Committee considers it appropriate to make the following observations:

1. Report on the proposal for an alternative resolution made by Masampe, S.L. in respect of item 3.1. on the agenda:

Masampe, S.L. proposes that Norman R. Sorensen Valdez not be appointed to independent director, against the proposal of the Board of Directors for him to be reelected to independent director, founded, mainly, on the following 5 causes:

1. Violation by Mr. Sorensen *"of the legal provisions and of the internal regulations of the Company, breaching in his work both his duties as director and those pertaining to him in his capacity as Chairman of the Board "*.

Masampe, S.L. does not explain or found such explanations merely stating that he violated those provisions without mentioning the manner or time when the irregularities on the part of Mr. Sorensen occurred. This Committee has no record of a serious breach of a nature such as that mentioned by Masampe, S.L.

2. Norman Sorensen Valdez's lack of independence, on considering that Mr. Sorensen would have forfeited his independent status for having been purportedly conditioned in his actions by significant shareholders or executives of the Company.

To avoid unnecessary repetition, this Committee refers to the reports issued by the Board and this Committee on the proposal for appointment of Mr. Sorensen to independent director and the request for his removal to be discussed at the Shareholders' Meeting, made available to the shareholders together with the notice of call for the meeting, and that reject the accusations made against Mr. Sorensen and conclude that he maintains his independent status.

3. A purported breach of the Shareholders' Agreement of the Company, without Masampe, S.L. having provided any grounds or reasoning for the hypothetical breach. Once again, this Committee has no record of such breaches.

4. Breach by Mr. Sorensen of his duties of loyalty to the Company, as regards the accounting inconsistencies identified by the Company in FY 2019.

As in point 2 above, to avoid unnecessary repetition, we refer to the reports issued by the Board and this Committee made available to the shareholders for the purposes of the special shareholders' meeting submitted by Masampe, S.L. which is to decide on the proposal for removal of Mr. Sorensen from office as independent director. The purported breaches of the duty of loyalty attributed to Mr. Sorensen are again denied.

5. Mr. Sorensen purportedly encouraged the fact that the internal committees of the Company not be informed of the appointments and/or removals of the top executives, to be able to report to the Board adequately but there is no record of the fact that Mr. Sorensen promoted such actions.

In view of the above, this Committee is able only to report unfavorably on the vote against suggested by Masampe, S.L. in respect of the proposal for a resolution of the Board of Directors to reelect Mr. Sorensen to director.

2. Report on the proposal for an alternative resolution made by Masampe, S.L. in respect of item 3.2. on the agenda

Masampe, S.L. proposes not to reelect Matthew Turner to independent director, against the proposal made by the Board of Directors for his reelection to independent director founded, mainly, on the following 4 grounds:

1. Violation by Mr. Turner of the legal provisions and of the internal regulations of the Company, breaching, as regards his work, his duties as director.

Masampe, S.L. does not explain or found such explanations merely stating that he violated those provisions without mentioning the manner or time when the irregularities on the part of Mr. Sorensen occurred. This Committee has no record of a serious breach of a nature such as that mentioned by Masampe, S.L.

2. Mr. Turner's lack of independence, on considering that Mr. Sorensen would have forfeited his independent status for having been purportedly conditioned in his actions by significant shareholders or executives of the Company.

To avoid unnecessary repetition, this Committee refers to the reports issued by the Board and this Committee on the proposal for appointment of Mr. Turner to independent director and the request for his removal to be discussed at the Shareholders' Meeting, made available to the shareholders together with the notice of call for the meeting, and that reject the accusations made against Mr. Turner and conclude that he maintains his independent status.

3. A purported breach of the Shareholders' Agreement of the Company, without Masampe, S.L. having provided any grounds or reasoning for the hypothetical breach. Once again, this Committee has no record of such breaches.

4. Breach by Mr. Turner of his duties of loyalty to the Company, as regards the accounting inconsistencies identified by the Company in FY 2019.

As in point 2 above, to avoid unnecessary repetition, we refer to the reports issued by the Board and this Committee made available to the shareholders for the purposes of the special shareholders' meeting submitted by Masampe, S.L. which is to decide on the proposal for removal of Mr. Turner from office as independent director. The purported breaches of the duty of loyalty attributed to Mr. Turner are again denied.

In view of the above, this Committee is able only to report unfavorably on the vote against suggested by Masampe, S.L. in respect of the proposal for a resolution of the Board of Directors to reelect Mr. Turner to director.

3. Report on the proposal for an alternative resolution made by Masampe, S.L. in respect of item 3.4. on the agenda.

Masampe, S.L. proposes that Timothy Lavelle not be reelected to nominee director, against the proposal made by the Board of Directors on his reelection to nominee director founded, mainly, on the following 3 grounds:

1. Violation by Mr. Lavelle of the legal provisions and the internal regulations of the Company, breaching his duties as nominee director.

Masampe, S.L. does not explain or found such explanations merely stating that he violated those provisions without mentioning the manner or time when the irregularities on the part of Mr. Lavelle occurred. This Committee has no record of a serious breach of a nature such as that mentioned by Masampe, S.L.

2. A purported breach of the Shareholders' Agreement of the Company, without Masampe, S.L having provided any grounds or reasoning for the hypothetical breach. Once again, this Committee has no record of such breaches.

3. Breach by Mr. Lavelle of his duties of loyalty to the Company, as regards the accounting inconsistencies identified by the Company in FY 2019.

To avoid unnecessary repetition, we refer to the reports issued by the Board and this Committee made available to the shareholders for the purposes of the special shareholders' meeting submitted by Masampe, S.L. which is to decide on the proposal for removal of Mr. Lavelle from office as nominee director. The purported breaches of the duty of loyalty attributed to Mr. Lavelle are again denied.

In view of the above, this Committee is able only to report unfavorably on the vote against suggested by Masampe, S.L. in respect of the proposal for a resolution of the Board of Directors to reelect Mr. Lavelle to director.

Madrid, July 6, 2020