

## REPORT OF THE BOARD OF DIRECTORS OF CODERE, S.A. ON THE AMENDMENT OF THE REGULATIONS OF THE BOARD OF DIRECTORS.

The Board of Directors of CODERE, S.A. issues this report in accordance with section 528 of the Spanish Companies Act, and regarding Item Twelve of the Agenda of the Annual General Meeting of CODERE, S.A. which shall take place next July 24, 2020 on first call, and if not quorated, on July 25, 2020 on second call.

The Board of Directors of CODERE, S.A. in its meeting held last February 14 2020, and with the previous report of the Appointments, Remuneration and Corporate Governance Committee, and in accordance with section 528 of the Spanish Companies Act, resolved to update those sections of the Regulations which were not adequately mentioning the current legal regulations, adjusting its wording to the applicable laws, and additionally to regulate in more detail, how remote attendance at meetings of the Board of Directors and its Committees should be done, avoiding the inconveniences suffered in the past, due to the lack of detailed regulation.

**- Thus, the new wording of those sections amended to adapt them to the current regulations, is the following**

**“ Section 4.5. SPECIFIC DUTIES DERIVED FROM STATUS AS LISTED COMPANY:** *Directors will inform the Company of any securities directly or indirectly held therein, in the terms established in Securities Market laws and in the Company's Internal Rules of Conduct in matters related to securities markets.*

*Directors may not carry out, or suggest that any person carry out, operations with securities of the Company or Group companies, on which they have privileged information as a result of their post, in the terms foreseen in the Securities Market Legislation and other applicable regulation.*

*Directors may not use non-public information of the Company for private purposes, unless the following conditions are met:*

- (a) the use of such information does not breach securities market regulations;*
- (b) its use does not cause any harm whatsoever to the Company; and*
- (c) the Company does not hold a right of exclusivity or similar legal position with respect to the information to be used, unless expressly authorised by the Board.*

*Without prejudice to the provisions established in the foregoing sections, Directors will at all times abide by the rules of conduct foreseen in Securities Market laws and, in particular, those established in the Company's Internal Rules of Conduct in securities market matters”.*

***“Section 14.1. 1.- The Auditing Committee will consist of at least three and a maximum of six members designated by the Board of Directors. All Committee members will be External Directors, and at least the majority of them, must be Independent Directors.***

*Its members, and Chairman in particular, will be appointed based on their knowledge and experience in accounting, auditing or risk management matters.*

*The Chairman of the Auditing Committee will be an Independent Director and will be replaced every two years. He may be re-elected after one year elapses since he abandoned the post”.*

*“Section 14.3.2º.f) Establish appropriate relationships with the auditors or audit firms to receive information on any issues that might jeopardize their independence, for consideration by the Committee or any others related to the performance of the audit process, as well as other communications provided for in audit legislation and auditing standards. In any case, the Audit Committee shall receive annually from the auditors or audit firms written confirmation of their independence from any directly or indirectly related entity or entities thereof, and information on any additional services of any class provided to said entities by said auditors or audit firms, or by persons or entities linked thereto in accordance with the legal provisions, on the accounting audit”.*

**- In connection with the amendment of certain sections of the Regulations of the Board, in order to regulate in more detail remote attendance at meetings, its wording is the following.**

*“Section 12. The Board of Directors will convene at the request of the Chairman, if this is necessary in the Company’s interest or if applicable further to the Act or the By-laws and, at least, once quarterly. The calendar of ordinary meetings will be determined by the Board itself before the beginning of each year. This calendar may change by means of a resolution adopted by the*

*Board or if decided by the Chairman, who will ensure that the modification is notified to the Directors at least five days before the date initially scheduled for the meeting, or before the new date determined to replace the same, if this latter date is earlier.*

*The announcement of ordinary meetings will be made by post, fax, telegram or e-mail and will be authorised with the signature of the Chairman or Secretary or Vice Secretary, by order of the Chairman. The announcement will be processed with sufficient advance notice so that the Directors receive it no later than five days before the date of the meeting. The announcement will always include the agenda of the meeting and will attach any applicable written information, pursuant to the provisions of these Regulations. When exceptionally and for urgent matters, the Chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda their inclusion will require the express prior consent, duly minuted, of the majority of directors present.*

*Nevertheless if, in the Chairman’s opinion, exceptional circumstances so require, the Board may be convened by telephone or e-mail without fulfilling the foregoing prior notice (but with at least 24 hours prior notice) and without attaching said information, advising the Directors of the possibility of examining it at the registered office. Any Director may propose other points in the agenda that were initially not foreseen, before the Board meeting is held, by duly informing the Secretary.*

*The Board will validly convene and adopt resolutions from within in accordance with*

*the provisions foreseen in the Act and the By-laws. Maximum participation will be encouraged.*

*The Board will regularly meet at the Company's registered address, and all meetings must be attended in person at that venue, without prejudice to it being possible to convene elsewhere and to grant a proxy to another Director.*

*All Directors may attend and participate through an audioconference, videoconference or other remote means of communication, further to the possibility foreseen in Article 24.7 of the Company By-laws, if they are outside Spain on the date of the meeting or other extraordinary circumstances concur preventing their attendance in person. In order to guarantee in each case that the recognition and identification of all attendants is ensured, as well as an adequate and continuous communication between those in attendance, their adequate intervention and voting, to include due and required compliance with Director duties, those who expects to be unable to attend must inform the Chairman in writing, prior to each meeting; the latter may dismiss remote attendance in each case if, in his opinion, the foregoing is not guaranteed or the impossibility of attending in person is not sufficiently justified. If the Chairman is the one unable to attend in person, he must duly inform the other Directors at the start of the meeting.*

*In any case, the Board may establish operation and organisation criteria for its meetings, to at all times guarantee their confidentiality.*

*Board meetings will only be attended by Directors, the Secretary and the Vice-Secretary of the Board. Any other person must be expressly authorised by the Chairman.*

*The Secretary will record in the minutes, a summary of the issued discussed, decisions approved and the voting results. If the Directors or Secretary were to manifest their concern about any proposal or, in the case of Directors, on the Company's progress, and such concerns are not resolved by the Board, at the request of the party manifesting the same, a record will be made of this in the minutes. If the Director requests that his address be recorded verbatim in the minutes, that Director shall report this expressly to the Secretary at the time of his address or during the meeting.*

*Once a year, at the proposal of the Appointments, Remuneration and Corporate Governance Committee, the Board will evaluate its own functioning, as well as that of its Committees and that of the Chairman of the Board and based on the result thereof shall propose an action plan to correct any deficiencies noted. The result of the assessment shall be recorded in the minutes of the meeting".*

*"Section 13.4. Committees will operate in conformity with the provisions of these Regulations, appointing a Chairman and Secretary from amongst their members, who need not hold member status, and will meet after being summoned by their respective Chairman; each year, they will draw up an action plan of which the Board will be informed. If not otherwise agreed, according to the specific duties of the Committee in question, the Secretary will be the individual holding said post on the Board of Directors. Except as otherwise specifically provided, Committees shall apply in their functioning, the same rules as those stated for the Board of Directors".*



The consolidated text of the Regulations of the Board of Directors, which already includes the abovesaid amendments, is available in [www.grupocodere.com](http://www.grupocodere.com).

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