



CORPORATE GOVERNANCE ANNUAL REPORT FOR PUBLIC LISTED COMPANIES

IDENTIFYING DATA OF THE ISSUER

Year end date:	31/12/2020
Tax ID:	A-82110453

Corporate Name:

CODERE, S.A.

Registered Office:

AVENIDA DE BRUSELAS, 26 (ALCOBENDAS) MADRID

A. OWNERSHIP STRUCTURE

A.1. Complete the following table regarding company share capital:

Date of most recent change	Share Capital (€)	Number of shares	Number of voting rights
24/07/2020	59,269,163.00	118,538,326	118,538,326

Indicate whether or not there are different types of shares with different associated rights:

[] Yes
[v] No

A.2. List the direct and indirect holders of significant shareholdings in your company at year-end, excluding directors.

Shareholder name or corporate name	% voting rights attributed to the shares		% voting rights through financial instruments		Total % of voting rights
	Direct	Indirect	Direct	Indirect	
AGBPI FUND LTD	1.11	0.00	0.00	0.00	1.11
ALDEN GLOBAL OPPORTUNITIES MASTER FUND L.P.	1.84	0.00	0.00	0.00	1.84
Mr. DAVID ABRAMS	0.00	8.79	0.00	0.00	8.79
Mr. EDWARD ARNOLD MULE	0.00	23.36	0.00	0.00	23.36
Mr. JON R. BAUER	0.00	7.27	0.00	0.00	7.27
DEBT INVESTMENT OPPORTUNITIES III DESIGNATED ACTIVITY COMPANY	0.00	5.24	0.00	0.00	5.24
M&G DEBT OPORTUNITIES FUND II LIMITED	0.00	3.35	0.00	0.00	3.35
VR GLOBAL PARTNERS L.P	2.48	0.00	0.00	0.00	2.48
SILVER POINT LUXEMBOURG PLATFORM S.A.R.L.	21.79	0.00	0.00	0.00	21.79
EVERMORE GLOBAL ADVISORS LLC	0.00	5.24	0.00	0.00	5.24
ABRAMS CAPITAL PARTNERS II LP	7.01	0.00	0.00	0.00	7.01
M&G PLC	0.00	20.97	0.00	0.00	20.97

Shareholder name or corporate name	% voting rights attributed to the shares		% voting rights through financial instruments		Total % of voting rights
	Direct	Indirect	Direct	Indirect	
Mr. JOSÉ ANTONIO MARTÍNEZ SAMPEDRO	0.01	14.06	0.00	0.00	14.07
DEBT INVESTMENT OPPORTUNITIES IV DESIGNATED ACTIVITY COMPANY	0.00	6.57	0.00	0.00	6.57

Data on significant holdings as declared to the CNMV.

David Abrams is the majority owner of Abrams Capital Management LLC (ACM LLC). ACM LLC controls and is the general partner of Abrams Capital Management LP.

Edward A. Mule controls the company Silver Point Capital Management LLC, which in turn controls (i) the company SPCP Group III LLC (direct shareholder of Codere, S.A. with 1.564% of the voting rights) and (ii) the company Silver Point Capital L.P. to which the voting rights corresponding to the shares of Codere S.A. owned by Silver Point Luxembourg Platfor S.a.R.L. have been assigned. (direct shareholder of Codere SA with 21.795% of the voting rights).

Jon Bauer is the majority shareholder of Contrarian Capital Management LLC which is the shareholder's investor manager.

Shares in M&G Debt Opportunities Fund II Limited are held by an unidentified custodian bank.

Evermore Global Advisors is the investment advisor to 5 unnamed accounts that hold Codere shares.

Details of indirect interests:

Name or corporate name of indirect owner	Name or corporate name of the direct owner	% voting rights attributed to the shares	% voting rights through financial instruments	Total % of voting rights
Mr. DAVID ABRAMS	ABRAMS CAPITAL PARTNERS II LP	7.01	0.00	7.01
Mr. EDWARD ARNOLD MULE	SILVER POINT LUXEMBOURG PLATFORM S.A.R.L.	21.79	0.00	21.79
Mr. EDWARD ARNOLD MULE	SPCP GROUP III LLC	1.56	0.00	1.56
Mr. JON R. BAUER	CONTRARIAN CAPITAL MANAGEMENT L.L.C.	7.27	0.00	7.27
DEBT INVESTMENT OPPORTUNITIES III DESIGNATED ACTIVITY COMPANY	STATE STREET BANK & TRUST CO	5.24	0.00	5.24
M&G DEBT OPPORTUNITIES FUND II LIMITED	CUSTODIAN	3.35	0.00	3.35
EVERMORE GLOBAL ADVISORS LLC	EVERMORE GLOBAL ADVISORS LLC	5.24	0.00	5.24

Name or corporate name of indirect owner	Name or corporate name of the direct owner	% voting rights attributed to the shares	% voting rights through financial instruments	Total % of voting rights
M&G PLC	DEBT INVESTMENT OPPORTUNITIES III DESIGNATED ACTIVITY COMPANY	5.24	0.00	5.24
M&G PLC	M&G DEBT OPPORTUNITIES FUND II LIMITED	3.35	0.00	3.35
M&G PLC	DEBT INVESTMEN OPPORTUNITIES IV DESIGNATED ACTIVITY COMPANY	6.57	0.00	6.57
Mr. JOSÉ ANTONIO MARTÍNEZ SAMPEDRO	MASAMPE, S.L.	14.06	0.00	14.06
DEBT INVESTMEN OPPORTUNITIES IV DESIGNATED ACTIVITY COMPANY	STATE STREET BANK & TRUST CO	6.57	0.00	6.57

Indicate the most significant movements in shareholder structure which have taken place during the year:

Most significant movements
N/A

A.3. Complete the following tables regarding members of the Board of Directors of the company holding share voting rights in the company:

Name or corporate name of the directors	% voting rights attributed to the shares		% voting rights through financial instruments		Total % of voting rights	% voting rights that <u>can be transmitted</u> through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr. MANUEL MARTÍNEZ-FIDALGO VÁZQUEZ	0.01	0.01	0.00	0.00	0.02	0.00	0.00
MASAMPE, S.L.	14.06	0.00	0.00	0.00	14.06	0.00	0.00
Mr. NORMAN RAUL SORENSEN VALDEZ	0.07	0.00	0.00	0.00	0.07	0.00	0.00
Mr. MATTHEW CHARLES TURNER	0.02	0.00	0.00	0.00	0.02	0.00	0.00
Total % of voting rights held by the Board of Directors							14.17

Details of indirect interests:

Name or corporate name of the directors	Name or corporate name of the direct owner	% voting rights attributed to the shares	% voting rights through financial instruments	Total % of voting rights	% voting rights that <u>can be transmitted</u> through financial instruments;
Mr. MANUEL MARTÍNEZ-FIDALGO VÁZQUEZ	LESNAM LTD	0.01	0.00	0.01	0.00

A.4. Indicate, if applicable, any family, commercial, contractual or corporate relations existing between the significant shareholders, to the extent to which the company is aware of them, unless said relations are insignificant or are the result of ordinary business activity, except those included in section A.6.:

Name of related parties	Type of relation	Brief description
No data		

A.5. Indicate, if applicable, any commercial, contractual or corporate relations existing between the significant shareholders and the company and/or its group, unless said relations are insignificant or are the result of ordinary business activity:

Name of related parties	Type of relation	Brief description
MASAMPE, S.L.	Corporate	Masampe S.L. significant shareholder of the company, is also a Director of Codere S.A.
M&G DEBT OPORTUNITIES FUND II LIMITED	Contractual	M&G Plc., the entity that indirectly holds 20.9% of the share capital of Codere, S.A., is the managing and controlling entity of certain funds that, acting as lenders, have signed a Loan Agreement with the Codere Group.

A.6. Describe the relationships, unless they are scarcely relevant for the two parties, that exist between the significant shareholders or those represented on the Board of Directors and the directors, or their representatives, in the case of legal entity administrators.

Explain, where appropriate, how significant shareholders are represented. Specifically, indicate those directors who have been appointed on behalf of significant shareholders, those whose appointment would have been promoted by significant shareholders, or who are linked to significant shareholders and/or entities of their group, with a specification of the nature of such relationships. In particular, mention shall be made, where appropriate, of the existence, identity and position of Board members, or representatives of directors, of the listed company, who are, in turn, members of the administrative body, or their representatives, in companies that hold significant stakes in the listed company or in entities of the group of such significant shareholders:

Name or corporate name of the linked director or representative	Name or corporate name of the linked significant shareholder	Company name of the group company of the significant shareholder	Description relationship/position
Mr. PÍO CABANILLAS ALONSO	MASAMPE, S.L.	MASAMPE, S.L.	Pío Cabanillas Alonso is the natural person representative of the Director and significant shareholder Masampe S.L. In accordance with the shareholder agreements signed by the company on 6 April 2016, art. 4.1. "Board Formation" was appointed at the proposal of the so-called "Key Executives Parties".
Mr. MANUEL MARTÍNEZ-FIDALGO VÁZQUEZ	SILVER POINT LUXEMBOURG PLATFORM S.A.R.L.	SILVER POINT LUXEMBOURG PLATFORM S.A.R.L.	Pursuant to the shareholders' agreements signed by the company on 6 April 2016, art. 4.1. "Board Formation", Manuel Martínez-Fidalgo Vázquez was appointed director of Codere S.A. at the joint proposal of the "First Investor Shareholder" (Silver Point Luxembourg Platform SARL) and the "Second and Third Investor Shareholders" (Abrams Capital and M&G Investments).
MASAMPE, S.L.	MASAMPE, S.L.	Mr. JOSÉ ANTONIO MARTÍNEZ SAMPEDRO	Masampe S.L. has the double condition of Director (represented by Mr. Pío Cabanillas Alonso) and significant shareholder (holding a direct participation of 14.06% in the share capital). Mr. José Antonio Martínez Sampedro is the controller of the company Masampe S.L. In accordance with the shareholders' agreements signed by the Company on 6 April 2016, are included in section 4.1. "Formation of the Board", was appointed on the proposal of the so-called "Key Executive Parties".

Name or corporate name of the linked director or representative	Name or corporate name of the linked significant shareholder	Company name of the group company of the significant shareholder	Description relationship/position
Mr. DAVID ANTHONY REGANATO	SILVER POINT LUXEMBOURG PLATFORM S.A.R.L.	SILVER POINT LUXEMBOURG PLATFORM S.A.R.L.	Pursuant to the shareholders' agreements signed by the company on 6 April 2016, art. 4.1. "Board Formation", Mr. David Reganato was appointed Director of Codere S.A. at the proposal of the "First Investor Shareholder", the company Silver Point Luxembourg Platform S.A.R.L.. Mr. Reganato is a partner in Silver Point Capital LP.
Mr. TIMOTHY PAUL LAVELLE	SILVER POINT LUXEMBOURG PLATFORM S.A.R.L.	SILVER POINT LUXEMBOURG PLATFORM S.A.R.L.	Pursuant to the shareholders' agreements signed by the company on 6 April 2016, art. 4.1. "Board Formation", Timothy Lavelle was appointed Director of Codere S.A. at the proposal of the "First Investor Shareholder", the company Silver Point Luxembourg Platform S.A.R.L..

A.7. Indicate whether or not the company has been informed of any quasi-corporate agreement affecting it, pursuant to articles 530 and 531 of the Spanish Capital Companies Act. If so, briefly describe such pacts and list the shareholders related through the agreement:

☒ Yes
☐ No

Parties to the quasi-corporate agreement	% of share capital affected	Brief description of the agreement	Expiration date of the agreement, if any
SILVER POINT LLC, INVESTORS, SHAREHOLDERS, Mr. JOSÉ ANTONIO MARTÍNEZ SAMPEDRO, Mr. LUIS JAVIER MARTÍNEZ SAMPEDRO, CODERE, S.A., MASAMPE, S.L.	97.00	In connection with the agreement reached by the Company for the restructuring of the debt and the capital of the Group, the shareholders' agreements of 6 April 2016 (Relevant Event 237,456), duly communicated to the CNMV and published on the corporate website, was signed in order to regulate the relations between the Company and its shareholders, including, among others, the principles of	The shareholders' agreement does not contain an expiration date, although in clause 18 it establishes various causes for its termination.

Parties to the quasi-corporate agreement	% of share capital affected	Brief description of the agreement	Expiration date of the agreement, if any
		governance of the Company and the terms and conditions governing the transfer of shares and the exit mechanisms that could be activated at the time.	

The list that includes all the participants in the above-mentioned shareholder agreements is publicly available in the "Shareholder agreements" section of the website www.grupocodere.com, as well as in the Relevant Fact sent to the CNMV on 15 April 2016 (Schedule 1).

Indicate whether or not the company is aware of the existence of concerted action among its shareholders. If so, briefly describe such action:

☐ Yes
☒ No

In the case whereby any change or break in said agreements or concerted action has taken place during the year, expressly indicate said circumstance:

A.8. Indicate whether any natural or legal person exercises or is able to exercise control over the company pursuant to article 5 of the Spanish Securities Act. If so, identify said person:

☐ Yes
☒ No

A.9. Complete the following tables regarding company treasury stock:

At year-end:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
190,066		0.16

(*) Held through:

Name or corporate name of the direct shareholder	Number of direct shares
No data	

Explain the significant variations during the year:

Explain the significant variations

In 2020, treasury stock increased by 547 shares, or 0.0004%. This increase was due to the difference between purchases and sales made under the liquidity agreement during January in which said agreement was in effect.

A.10. Detail the conditions and term of the authorisation in force from the shareholders' meeting to the board of directors to issue, repurchase or transfer treasury stock

The General Meeting of Shareholders held on 24 July 2020 approved point Eight of the agenda, as follows:

1. Rendering null and void, in the part thereof which has not been used, the authorization for the acquisition of treasury stock granted under point four of the agenda of the General Meeting of Shareholders held on 27 June 2018, to authorize the Board of Directors, in accordance with applicable law, for the derivative acquisition, at any time and as often as Codere, S.A. deems advisable, either directly or through any of the subsidiaries of which it is the parent, of treasury stock, fully paid up, by means of purchase-sale or by any other legal title for valuable consideration.

The minimum purchase price or consideration may not be less than 50% of the market value at that time, and the maximum will be the result of increasing by 20% the market value of the shares on their purchase date.

This authorisation will be granted for a term of five years, counted as of the date of this Meeting, and is expressly subject to a limitation consisting of the face value of the own shares acquired pursuant to this authorisation, to be added to the value of those already held by Codere, S.A. and any of its subsidiaries, and in no event being able to exceed the maximum allowed by law at the purchase date.

It is expressly noted that this authorisation may be used wholly or partially for the purchase of own shares for sale or retirement to be delivered or transmitted to employees or directors of the company, or upon exercise of stock options held thereby.

2. Empower the Board of Directors, in the widest terms possible, in order to exercise the authorisation conferred by this resolution and to carry out the remaining provisions foreseen therein; said powers may be delegated by the Board of Directors to any Director, to the Secretary or Vice Secretary of the Board of Directors, or to any other person whom the Board of Directors expressly empowers for this purpose.

A.11. Estimated free float:

	%
Estimated free float	14.70

Most of the free float indicated is subject to the shareholder agreement.

A.12. Indicate whether there are any restrictions (statutory, legislative or otherwise) on the transferability of securities and/or any restrictions on voting rights. In particular, indicate whether that are any type of restrictions that may make it difficult to take control of the company through the acquisition of its shares on the market, as well as those authorization or prior notice systems that, over acquisitions or transfers of instruments of the company, will be communicated, are applicable by sectoral regulations.

☒ Yes
☐ No

Description of the restrictions

The Articles of Association contemplate under article 11 that "each share will be entitled to one vote, although in no case may the same shareholder, the companies belonging to the same group or those acting in concert with the previous, issue in a General Shareholders' Meeting a number of votes greater than those corresponding to shares that represent a percentage of 44% of the share capital, even when the number of shares held exceeds said percentage of the share capital, without prejudice to the provisions of article 527 of the Spanish Capital Companies Act.

This limitation does not affect the votes corresponding to the shares in respect of which a shareholder holds the representation as a consequence of the provisions of article 13 below, although, in relation to the number of votes corresponding to the shares of each represented shareholder, the previously established limitation shall also apply."

The Articles of Association do not include restrictions on the transfer of securities. However, the shareholder agreement mentioned in the answer to question A.6. in Chapter 10, establishes certain obligations between the parties regarding the transfer of the securities (obligation for the purchaser

to adhere to the shareholders' agreement and the prohibition that before 1 January 2017 no person or group of people may concertedly have a proportional share of more than 44%).

A.13. Indicate whether the General Meeting of Shareholders has agreed to adopt neutralization measures with respect to a takeover bid pursuant to Act 6/2007.

☐ Yes
☒ No

If 'yes', explain the measures approved and the terms in which the restrictions will become ineffective:

A.14. Indicate whether the company has issued securities that are not traded on an EU regulated market.

☐ Yes
☒ No

Where applicable, indicate the different classes of shares and, for each class of shares, the rights and obligations conferred.

B GENERAL MEETING OF SHAREHOLDERS

B.1. Indicate and, if applicable, detail, if there are differences with the minimum regime established in the Spanish Capital Companies Act with respect to the quorum for the constitution of the general meeting:

☐ Yes
☒ No

B.2. Indicate and, if applicable, detail if there are differences with the regime established in the Spanish Capital Companies Act for the adoption of corporate resolutions:

☒ Yes
☐ No

	Different qualified majority from that established under Article 201.2 of the Spanish Capital Companies Act in those cases specified in Article 194.1 thereof	Other cases of qualified majority
% established by the company for adoption of resolutions	50.10	50.10

The Articles of Association establish in article 21 that, in general, the resolutions will be taken by an absolute majority of the votes of the shareholders present or represented.

However, the following resolutions will be adopted by absolute majority of the votes corresponding to the totality of the shares in which the Company's share capital is divided (instead of an absolute majority of those present or represented established in the Spanish Capital Companies Act):

i) the agreements referred to in article 19 of the Articles of Association (increase or reduction of capital, any amendment to the Articles of Association, the issuance of bonds convertible into shares or that attribute to the bondholders a participation in the corporate profits, the elimination or limitation of the right of preferential acquisition of new shares, as well as the transformation, merger, spin-off or global assignment of assets and liabilities, and the transfer of domicile abroad) and ii) the approval of the annual accounts, the appointment of the auditors of accounts, the voluntary dissolution and liquidation and the reactivation of the company. In any case, the majority required for the exercise of the action of liability against the directors (article 238 of the Capital Companies Act), the quorum and the majority required for the purpose of the dissolution of the Company (article 364 of the Capital Companies Act) and also any other majority that has an imperative nature.

B.3. Indicate the rules applicable to the amendment of the articles of association. In particular, indicate the majorities needed for the amendment of the articles of association and, where appropriate, the rules laid down for the protection of the rights of the shareholders in the modification of the said bylaws.

Art. 19 of the Articles of Association provides as follows: "... so that the Regular or Extraordinary General Meeting of Shareholders can validly agree on the increase or reduction of the capital, and, in general, any amendment to the Articles of Association, the issuance of convertible bonds or participation in corporate profits attributed to bondholders, the elimination or limitation of the right of preferential acquisition of new shares, as well as the transformation, merger, spin-off or global assignment of assets and liabilities and transfer of registered office abroad, shall require, on first call, the concurrence of shareholders, present or represented, who own at least 50% of the subscribed capital with the right to vote. At second call, the attendance of 25% of said capital shall suffice. This same provision is established in article 20.2 of the Regulations of the General Meeting of Shareholders of Codere S.A.

In addition, article 21 establishes that for resolutions for the amendment of the Articles of Association, the majority of the shares in which the Company's share capital is divided will be adopted by an absolute majority of the votes.

Additionally, article 7 of the Rules of Procedure of the General Meeting of Shareholders of the Company provides that the following is the competence of the General Meeting: "h) The transformation, merger, spin-off or global assignment of assets and liabilities and the transfer of the registered office outside of Spain and dissolution of the Company, and, in general, any amendment of the Articles of association".

As for the voting on resolutions, Article 24.3. b) of the Rules of Procedure of the General Meeting of Shareholders states that "In the case of the amendment of the bylaws, each item or group of items that are materially different" shall be voted on separately.

B.4. Indicate, the attendance data for the general meetings held during the year of reference of the present report and those for the previous year:

	Attendance Data				
Date of General Meeting	% of those Physically Present	% of Proxy Holders	% of Remote Vote		Total
			Electronic Vote	Other	
27/06/2018	15.77	2.43	0.00	66.10	84.30
Of which free float	0.01	2.43	0.00	0.70	3.14
26/06/2019	0.25	91.01	0.00	0.21	91.47
Of which free float	0.08	5.87	0.00	0.21	6.16
24/07/2020	0	89.64	0.01	0	89.65
Of which free float	0	4.30	0.01	0	4.31
30/07/2020	0	48,37	0.01	0	48.38
Of which free float	0	0.74	0.01	0	0.75

B.5. Indicate whether at the general meetings held during the year there was any item on the agenda that, for any reason, has not been approved by the shareholders:

☒ Yes
☐ No

Agenda items that have not been approved	% votes against (*)
In relation to the Ordinary General Meeting of Shareholders held on 24 July 2020, items Thirteen, Fourteen and Fifteen of the Agenda (resignations of the directors Mr. Norman Sorensen Valdez, Mr. Matthew Turner and Mr. Timothy Lavelle, points requested by the shareholder Masampe S.L. in his request to hold an Extraordinary General Meeting), as well as points Sixteen and Seventeen of the Agenda (relating to the appointments as directors of Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro, requested as a supplement to the call by the shareholder Masampe S.L.), were not approved, with 76% of the shareholders present or represented voting against them.	N/A

(*) If the non-approval of the point is for a cause other than the vote against, it will be explained in the text part and in the column of "% vote against" will be "n/a".

B.6. Indicate whether the Articles of Association contain any restriction regarding the minimum number of shares required in order to attend the General Meeting or remote voting:

☒ Yes
☐ No

Number of shares required to attend the General Meeting	100
Number of shares required to vote remotely	

B.7. Indicate whether it has been established that certain decisions, other than those established by law, involving an acquisition, transfer, contribution to another company of essential assets or other similar corporate operations, must be submitted for approval by the general meeting of shareholders:

☐ Yes
☒ No

B.8. Indicate the address and means of access to the company website for information on corporate governance and other information on general meetings to be made available to shareholders via the website of the Company.

The address of the Company's website is www.grupocodere.com.

From this address clicking on the link named "Shareholders and Investors", multiple options are displayed, the link to this information is named "Corporate Governance". When you click on this link, you will find information about the Corporate Governance of Codere S.A., such as its Articles of Association, the rules of procedure of the General Meeting of Shareholders, the composition of the Board of Directors, the Regulations of the Board of Directors, and a specific one on General Meetings. In this tab, all the information related to the General Shareholders' Meeting held since the date of listing on the stock exchange, as well as information on the Electronic Shareholders' Forum, is published.

The specific route to the referred information is:

<https://www.grupocodere.com/accionistas-inversores/>.

C. ADMINISTRATIVE STRUCTURE OF THE COMPANY

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors provided for in the Articles of Association and the number set by the AGM:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the AGM	6

C.1.2 Complete the following table with respect to members of the Board:

Name or corporate name of the directors	Representative	Category of the director	Position on the Board	Date of first appointment	Date of last appointment	Procedure for appointment
Mr. MANUEL MARTÍNEZ-FIDALGO VÁZQUEZ		Nominee	DIRECTOR	28/04/2016	24/07/2020	AGREEMENT ANNUAL GENERAL MEETING OF SHAREHOLDERS
MASAMPE, S.L.	Mr. PÍO CABANILLAS ALONSO	Nominee	DIRECTOR	07/05/2008	24/07/2020	AGREEMENT ANNUAL GENERAL MEETING OF SHAREHOLDERS
Mr. NORMAN RAUL SORENSEN VALDEZ		Independent	CHAIRMAN	28/04/2016	24/07/2020	AGREEMENT ANNUAL GENERAL MEETING OF SHAREHOLDERS
Mr. DAVID ANTHONY REGANATO		Nominee	DIRECTOR	28/04/2016	24/07/2020	AGREEMENT ANNUAL GENERAL MEETING OF SHAREHOLDERS
Mr. TIMOTHY PAUL LAVELLE		Nominee	DIRECTOR	28/04/2016	24/07/2020	AGREEMENT ANNUAL GENERAL MEETING OF SHAREHOLDERS
Mr. MATTHEW CHARLES TURNER		Independent	DIRECTOR	28/04/2016	24/07/2020	AGREEMENT ANNUAL GENERAL MEETING OF SHAREHOLDERS

Total number of directors	6
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Indicate the dismissals that, whether due to resignation or by agreement of the shareholders in general meeting, have occurred in the Board of Directors during the period subject to information:

Name or corporate name of the directors	Category of the director at the time of termination	Date of the last appointment	Date of resignation	Specialized commissions of which he/she was a member	Indicate if the termination has occurred before the end of the mandate
No data					

Cause of removal, when it occurred before the end of the term of office and other observations; information on whether the director has sent a letter to the other members of the board and, in the case of removals of non-executive directors, explanation or opinion of the director who has been removed by the general meeting

C.1.3 Complete the following tables regarding members of the Board of Directors and their type of directorship:

EXECUTIVE DIRECTORS		
Name or corporate name of the directors	Position in company organization chart	Profile
No data		

EXTERNAL NOMINEE DIRECTORS		
Name or corporate name of the directors	Name of significant shareholder which this director represents, or which proposed the director's appointment	Profile
MASAMPE, S.L.	Mr. JOSÉ ANTONIO MARTÍNEZ SAMPEDRO	Mr. Pío Cabanillas Alonso is the natural person representative of Masampe SL on the Board of Directors of Codere S.A. Mr. Cabanillas holds a degree in Law from the Complutense University of Madrid, and a Master of Arts in Law and Diplomacy, from the Fletcher School of Law and Diplomacy (Tufts-Harvard). Mr. Cabanillas was General Director of Corporate Image and Marketing of Acciona from 2007 to 2016 and Minister spokesman of the government from 2000 to 2002.
Mr. DAVID ANTHONY REGANATO	SILVER POINT LUXEMBOURG PLATFORM S.A.R.L.	Mr. Reganato holds a degree in Finance and Accounting from Stern School of Business at the University of New York. He currently works as Partner at Silver Point Capital LP, an investment advisory firm he joined in November 2002 and has extensive experience as an advisor in the North American and Asian gambling market, media and medical

EXTERNAL NOMINEE DIRECTORS		
Name or corporate name of the directors	Name of significant shareholder which this director represents, or which proposed the director's appointment	Profile
		equipment. Prior to joining Silver Point Capital LP Mr. Reganato worked in the Investment Banking division of Morgan Stanley.
Mr. TIMOTHY PAUL LAVELLE	SILVER POINT LUXEMBOURG PLATFORM S.A.R.L.	Mr. Lavelle holds a degree in Finance and Psychology from the University of Notre Dame. Until September 2019, Mr. Lavelle worked at Silver Point Capital LP, specializing in Investments in Special Situations, an investment advisory firm he joined in 2008, and has extensive experience as an advisor in the gaming market, medical equipment and real estate. Prior to joining Silver Point Capital LP, Mr. Lavelle worked for two years in the Investment Banking division of Credit Suisse Securities, LLC.
Mr. MANUEL MARTÍNEZ-FIDALGO VÁZQUEZ	SILVER POINT LUXEMBOURG PLATFORM S.A.R.L.	Manuel Martínez-Fidalgo Vázquez holds a degree in Economic and Business Sciences from the University of Oviedo. Master's Degree in Business Administration (MBA) from Duke University. Currently Mr. Manuel Martínez-Fidalgo Vázquez is Managing Director in the financial restructuring department at Houlihan Lokey. Prior to joining Houlihan Lokey Manuel Martínez Fidalgo was an Associate at Deutsche Bank, having also worked at Merrill Lynch and at Cajastur (current Liberbank).

Total number of external nominee directors	4
% of total Board	66.67

In accordance with the shareholders' agreement, Mr. Manuel Martínez-Fidalgo was also co-nominated by the shareholders Abrams Capital and M&G Investments.

EXTERNAL INDEPENDENT DIRECTORS	
Name or corporate name of the directors	Profile
Mr. NORMAN RAUL SORENSEN VALDEZ	Mr. Norman Raúl Sorensen Valdez holds a degree in Chemical Engineering from the US Air Force Academy (USAFA, Colorado Springs, Colorado), having studied a Program for Senior International Directors at the University of Columbia. In the past, Norman Raúl Sorensen Valdez served for 14 years as Chairman of the Board and Chief Executive Officer of Principal International, having previously held Senior Management positions at American International Group (NYSE: AIG) Citigroup and American Express.
Mr. MATTHEW CHARLES TURNER	Mr. Matthew Charles Turner holds a law degree in the United Kingdom. In the past Mr. Matthew Charles Turner served as Managing Director at Bank of America Merrill Lynch, in the International Global Private Equity division, and was previously the Director of Private Equity for Europe, Middle East & Africa at Merrill Lynch. He previously held senior management positions at Palamon Capital Partners and at PPM Ventures Ltd. Additionally, Mr. Turner has

EXTERNAL INDEPENDENT DIRECTORS	
Name or corporate name of the directors	Profile
	been a member of the Board of other companies dedicated to gaming such as the RAL Group, the Gala Group and the Moliflor Group.

Total number of independent directors	2
% of total Board	33.33

Indicate whether any director qualified as an independent director of the company or its group, receives any amount or benefit other than for the concept of directors' fees, or holds or has held a business relationship with the company or any group company during the last financial year, either on their own behalf or as a significant shareholder, director or senior manager of a company that has or has had such a relationship.

In this case, provide a reasoned statement of the Board on the reasons why it considers that the director can perform his or her functions as an independent director.

Name of Director	Description of the relationship	Reasoned statement
Mr. NORMAN RAUL SORENSEN VALDEZ	No.	N/A
Mr. MATTHEW CHARLES TURNER	No.	N/A

OTHER EXTERNAL DIRECTORS			
Identify the other external directors and describe the reasons why they cannot be considered nominee or independent and their links, either with the company, its directors, or its shareholders:			
Name or corporate name of the directors	Reasons	Company, executive or shareholder maintaining the link	Profile
No data			

Total number of other independent directors	N/A
% of total Board	N/A

Indicate, if applicable, any changes which may have taken place during the period in regard to the type of directorship:

Name or corporate name of the directors	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table with the information regarding the number of female directors at the close of the last 4 fiscal years, as well as the category of such directors:

	Number of female directors				% of total of each type of director			
	Year 2020	Year 2019	Year 2018	Year 2017	Year 2020	Year 2019	Year 2018	Year 2017
Executive					0.00	0.00	0.00	0.00
Sunday papers					0.00	0.00	0.00	0.00
Independent					0.00	0.00	0.00	0.00
Other External					0.00	0.00	0.00	0.00
Total					0.00	0.00	0.00	0.00

C.1.5 Indicate whether the company has diversity policies in relation to the Board of Directors of the company with regard to issues such as age, gender, disability, or professional training and experience. Small and medium-sized entities, in accordance with the definition contained in the Accounts Auditing Law, will have to inform, at least, of the policy they have established in relation to gender diversity.

- ☐ Yes
☐ No
☒ Partial policies

If yes, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results in the exercise. The specific measures adopted by the Board of Directors and the appointments and remuneration committee should also be indicated in order to achieve a balanced and diverse presence of directors.

In case the company does not apply a diversity policy, explain the reasons why it does not.

Description of the policies, objectives, measures and manner in which they have been applied, as well as the results obtained

The Board of Directors of Codere S.A. does not have a Diversity Policy. However, the objective pursued by the Policy of Selection of Directors currently in force and approved by the Board of Directors in November 2016, is that there is diversity in the composition of the Board in a broad sense of knowledge, experience, origin and gender.

- C.1.6 Explain the measures, if any, agreed by the appointments committee to ensure that the selection procedures are not implicitly biased against the selection of female directors and that the company makes a conscious effort to include potential female candidates which meet the desired professional profile and that would allow achieving a balanced presence of females and males. Also indicate whether these measures include encouraging the company to have a significant number of senior managers:

Explanation of the measures

The Regulations of the Board of Directors of Codere S.A. establish as an obligation of the Appointments, Remuneration and Corporate Governance Committee, to ensure that when new vacancies are filled in the Board, the selection procedures do not suffer from implicit biases that hinder the selection of female directors, and for the Company to deliberately look for, and include among the potential candidates, women who meet the professional profile sought.

In this sense, The Regulations of the Board of Directors of the Company empowers the Appointments, Remuneration and Corporate Governance Committee to assess the skills, knowledge and experience required on the Board and to define the roles and capabilities required of the candidates to fill each vacancy and evaluate the time and dedication needed to perform their duties. Additionally, it has the competence to establish a representation objective for the less represented gender on the Board of Directors and to elaborate guidelines on how to reach the objective.

In this context, the Appointments, Remuneration and Corporate Governance Committee analysed and reported favourably to the Board, on the Codere, S.A. Selection Policy for Directors, approved at a meeting of the Board of Directors on 10 November 2016. This Policy establishes that gender and age diversity will be promoted as much as possible, and that the candidate selection process will always avoid, in any case, the existence of implicit biases that could lead to discrimination, with meritocracy as the main criterion and the search for the most suitable candidate for the position to be filled.

The Group's subsidiary, "Codere Newco S.A.U.", where most of the members of the Group's Senior Management are employed, has an Equality Plan, the general objectives of which include promoting the balanced presence of women in positions where they are less represented, especially in management positions. These measures are divided by areas and are mainly promoted through the measures taken in the areas of selection and recruitment and training and promotion.

When, despite the measures, if any, taken there are few or no female directors or senior managers, explain the reasons why:

Explanation of reasons

As regards the number of female directors, we must point out that the process of election and re-election of directors is detailed in a very precise manner in the shareholders' agreement signed by the company, making it difficult to modify the composition of the Board with respect to that initially agreed.

As regards the number of senior executives, given that there are currently no senior executives in the Group, the Appointments, Remuneration and Corporate Governance Committee has approved in its action plan for 2021, the preparation of a series of measures to encourage the Company to have a significant number of senior executives, for subsequent approval by the Board of Directors.

- C.1.7 Explain the conclusions of the appointments committee regarding the verification of compliance with the policy aimed at favouring an appropriate composition of the Board of Directors.

At its meeting held on 14 May 2020, the Appointments, Remuneration and Corporate Governance Committee analysed the composition of the Board of Directors and its needs, concluding that its size (6 members and 2 vacancies), its composition (4 nominee directors and 2 independent directors) and the existing variety in terms of origin, age, training and experience, ensured an adequate balance, great capacity for deliberation, diversity of points of view and sufficient knowledge of the Group to properly perform its functions. The Committee also noted that there were no women on the Board, although it considered that this fact had to be reconciled with the Shareholders' Agreement to which the company adheres when initiating a selection process.

C.1.8 Explain, if applicable, the reasons for appointing nominee directors at the request of shareholders holding less than 3% of the share capital:

Shareholder name or corporate name	Justification
No data	

Indicate whether formal requests for appointment to the Board have been denied to shareholders having a shareholding equal to or greater than that of other shareholders at whose request nominee directors were appointed. If applicable, explain the reasons why these requests were not honoured.

☒ Yes
☐ No

Name or corporate name of the director or committee	Explanation
Mr. JOSÉ ANTONIO MARTÍNEZ SAMPEDRO	The company Masampe S.L., as shareholder holding 14.05% of the share capital and member of the Shareholders' Agreement of 6 April 2016, requested the Board of Directors of Codere S.A. to publish a supplement to the notice of the Ordinary General Shareholders' Meeting, including as new items on the Agenda, the appointment of Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro as nominee directors. The Appointments, Remuneration and Corporate Governance Committee informed the Board of Directors unfavourably on the proposal received, as it considered that the candidates had failed to fulfil their respective duties of loyalty and fidelity towards the Company in the past causing certain economic damage to the company. Such arguments had already been made clear in the 2019 financial year by the Appointments, Remuneration and Corporate Governance Committee, when Mr. José Antonio Martínez Sampedro requested his renewal as a director, upon expiry of his term of office.
Mr. LUIS JAVIER MARTÍNEZ SAMPEDRO	The company Masampe S.L., as shareholder holding 14.05% of the share capital and member of the Shareholders' Agreement of 6 April 2016, requested the Board of Directors of Codere S.A. to publish a supplement to the notice of the Ordinary General Shareholders' Meeting, including as new items on the Agenda, the appointment of Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro as nominee directors. The Appointments, Remuneration and Corporate Governance Committee informed the Board of Directors unfavourably on the proposal received, as it considered that the candidates had failed to fulfil their respective duties of loyalty and fidelity towards the Company in the past causing certain economic damage to the company. Such arguments had already been made clear in the 2019 financial year by the Appointments, Remuneration and Corporate Governance Committee, when Mr. Luis Javier Martínez Sampedro requested his renewal as a director, upon expiry of his term of office.

C.1.9 Indicate, in the event that they exist, the powers and faculties delegated by the Board of Directors to Board members or Board committees:

Name or corporate name of the director or committee	Brief description
Mr. NORMAN RAUL SORENSEN VALDEZ	The Board mandated, instructed and empowered the Chairman of the Board in the broadest terms, so that, in the context of the filing of certain proceedings against the Company by certain shareholders, he could organize, decide, exercise and implement as he deems appropriate. for the corporate interest: i) the defence of the Company in relation to said procedures, as well as any others that may be filed by the same persons; ii) the exercise of any right or action that may correspond to the company against such persons or others related to them; iii) seek corporate legal advice to prevent and, where appropriate, mitigate the risk of litigation.

C.1.10 Identify, if applicable, the members of the Board that assume positions of administrators, representatives of administrators or directors in other companies that are part of the group of the listed company:

Name or corporate name of the directors	Name of group company	Position	Has executive functions?
Mr. MANUEL MARTÍNEZ-FIDALGO VÁZQUEZ	CODERE NEWCO S.A.U.	DIRECTOR	NO
Mr. NORMAN RAUL SORENSEN VALDEZ	CODERE NEWCO S.A.U.	DIRECTOR	NO
Mr. DAVID ANTHONY REGANATO	CODERE NEWCO S.A.U.	DIRECTOR	NO
Mr. TIMOTHY PAUL LAVELLE	CODERE NEWCO S.A.U.	DIRECTOR	NO
Mr. MATTHEW CHARLES TURNER	CODERE NEWCO S.A.U.	CHAIRMAN	NO
Mr. MANUEL MARTÍNEZ-FIDALGO VÁZQUEZ	CODERE FINANCE 2 (UK) LTD	DIRECTOR	NO
Mr. MATTHEW CHARLES TURNER	CODERE FINANCE 2 (UK) LTD	DIRECTOR	NO

C.1.11 Detail, if applicable, the directors or representatives of directors who are legal persons of their company, who are members of the Board of Directors or representatives of legal persons of other companies listed on regulated markets other than their group, who have been communicated to the company:

Name or corporate name of the directors	Name of the listed company	Position
Mr. DAVID ANTHONY REGANATO	STUDIO CITY INTERNATIONAL HOLDINGS LTD	DIRECTOR

Name or corporate name of the directors	Name of the listed company	Position
Mr. TIMOTHY PAUL LAVELLE	STUDIO CITY INTERNATIONAL HOLDINGS LTD	DIRECTOR

C.1.12 Indicate and, if applicable, explain if the company has established rules on the maximum number of company directors that can belong to your Board of Directors, identifying, where appropriate, where it is regulated:

☒ Yes
☐ No

Explanation of the rules and identification of the document where it is regulated

Article 4.1.b) of the Rules of Procedure of the Board of Directors establishes that the Directors may not, except when expressly authorized by the Board, after a report by the Corporate Appointments, Remuneration and Governance Committee, form part of more than 8 Boards, excluding (i) the Boards of Companies forming part of the same group as that of the Company (ii) the Boards of familial or holding companies of the Directors or their families and (iii) the Boards which they are members of owing to their professional relation.

C.1.13 Indicate the amounts of the following items relating to the overall remuneration of the Board of Directors:

Total remuneration of the Board of Directors (thousands of euro)	1,352
Amount of the accumulated rights for the current directors in matters of pensions (thousands of euro)	
Amount of the rights accrued by the former directors on pensions (thousands of euro)	

C.1.14 Identify any members of senior management who are not executive directors, and indicate total compensation payable to them during the year:

Name or company name	Position(s)
Mr. LUCAS RAUL ALEMAN HEALY	COUNTRY MANAGER PANAMA
Mr. RODRIGO GONZALEZ CALVILLO	REGIONAL MANAGER MEXICO
Mr. ALVARO DE ANSORENA CAO	DIRECTOR OF PEOPLE
Mr. SERAFÍN GÓMEZ RODRÍGUEZ	CHIEF SAFETY OFFICER
Mr. JUAN BAUTISTA ORDOÑEZ	COUNTRY MANAGER ARGENTINA
Mr. OSCAR IGLESIAS SANCHEZ	DIRECTOR OF CORPORATE DEVELOPMENT
Mr. BERNARDO CHENA MATHOV	REGIONAL MANAGER LATAM EXC. MEXICO
Mr. LUIS SANCHEZ SERRANO	CORPORATE DIRECTOR OF TECHNOLOGY AND DIGITALISATION.
Mr. ANGEL CORZO UCEDA	CHIEF FINANCIAL OFFICER
Mr. ADOLFO CARPENA MANSO	INTERNAL AUDIT MANAGER
Mr. MOSHE EDREE	COO ONLINE

Name or company name	Position(s)
Mr. ALEJANDRO PASCUAL GONZALEZ	REGIONAL MANAGER EUROPE
Mr. VICENTE DI LORETO	CHIEF EXECUTIVE OFFICER

Number of women in senior management	
Percentage over the total number of members of senior management	0.00

Total senior management compensation (thousands of euro)	5.038
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During FY 2020, members of the Jusvil S.A. team have provided services to reinforce the organizational structure of the group at management level without this having entailed any additional remuneration to that previously contemplated in the contract with Jusvil. The fees paid to Jusvil are reported in D.3.

C.1.15 Indicate whether any change has been made during the year in the rules of procedure of the Board:

[☒] Yes
[☐] No

Description of changes

The composition of the Board of Directors of Codere S.A., with a large majority of directors not resident in Spain, means that its meetings are often held remotely. These connections, foreseen in the Bylaws, sometimes presented certain difficulties in the recognition of the attendees, the maintenance of communications or in the operation of the interventions. Additionally, the risks of leaks or breaches of confidentiality increased.

For this reason, it was considered necessary to reinforce the provisions of the Regulations of the Board of Directors so that the meetings would ordinarily be held at the registered office, encouraging the physical presence of the directors, notwithstanding which, the system of remote attendance was regulated in greater detail, to guarantee the recognition and identification of those attending, the correct and permanent communication between those attending, and the casting of votes.

In this way, the Regulations of the Board went on to provide that attendance and participation in the Board could be by means of audio-conference, videoconference or other means of remote communication when, on the date of the meeting, the directors were outside the national territory "or when other extraordinary circumstances arise that do not allow attendance in person".

In order to guarantee the recognition and identification of the attendees, the correct and permanent communication between them, their correct intervention and voting, those who foresee the impossibility of attending in person must notify the Chairman in writing, prior to the meetings. The Chairman may deny the possibility of attending remotely, if the aforementioned issues are not guaranteed or if the impossibility of attending in person is not sufficiently justified. The presence of third parties other than Directors, Secretary or Vice-Secretary shall require the express authorisation of the Chairman.

C.1.16 Indicate the procedures for selection, appointment, re-election and resignation of directors. Detail the competent organs, the steps to be taken and the criteria to be employed in each procedure:

The Rules of Procedure of the Board of Directors of the Company empower the Corporate Appointments, Remuneration and Governance Committee to make recommendations to the Board regarding its duties, appointments or nominations regarding the structure of the Board and its Committees. To this end the Rules of Procedure empower the said Committee to assess the skills, knowledge and experience required on the Board and to define the roles and capabilities required of the candidates to fill each vacancy and evaluate the time and dedication needed to perform their duties. In particular, the Corporate Appointments, Remuneration and Governance Committee shall ensure that the selection procedures for new vacancies are implicitly unbiased against the selection of female directors. (Articles 1.12 and 16.2.I of the Rules of Procedure of the Board of Directors establish a representation objective for the less represented gender on the Board of Directors and prepare guidelines on how to achieve the objective.

Additionally, during 2016 the Board of Directors approved the Policy for the Selection of Directors, whose objective is to achieve an adequate balance within the diversity of the composition of the Board. This Policy establishes a series of general requirements for the candidates of the selection

process, as well as the way in which the selection process will be carried out. The process of selecting or re-electing directors will be carried out by the Board of Directors, with the prior report of the Appointments, Remuneration and Corporate Governance Committee, based on an analysis of the needs of the Company and its Group.

After this analysis, the Appointments, Remuneration and Corporate Governance Committee begins the process of selecting candidates, in which the existence of implicit biases that could involve discrimination will always be avoided, with meritocracy as the main criterion for the search for the most suitable candidate for the position to be filled.

In each and every one of the selection processes at least as one female candidate will be included until the aforementioned target of 30% is reached in the year 2020.

- Appointment:

The appointment of the members of the Board of Directors corresponds to the General Meeting of Shareholders (Art. 24.1 of the Articles of Association), notwithstanding the power of the Board to appoint, from among the shareholders, those persons who are to fill any vacancies produced, until the next General Meeting is held (art. 24.16 of the Articles of Association).

Those persons affected by any cause of incompatibility, disqualification, incapacity or legally established prohibition in any territorial sphere affecting the Company, both general causes as well as those applicable in terms of the object and activities of the Company (art. 24.4 of the Articles of Association) are prohibited from being directors or representing directors which are legal persons.

Furthermore, and in any event, the persons appointed as Directors are required to meet not only the conditions called for by law and the Articles of Association but also those established in the Rules of Procedure of the Board of Directors, formally undertaking at the time they take office to comply with the obligations and duties stated therein, it being highlighted that when the Board of Directors makes its proposals to the General Meeting for the appointment of Directors and makes the pertinent appointments under the system of co-option, it will do so at the proposal of the Appointments, Remuneration and Corporate Governance Committee, in the case of Independent Directors, and after a report by the Appointments, Remuneration and Corporate Governance Committee in the case of all other directors (art. 2 Rules of Procedure of the Board of Directors).

Re-election:

The Directors shall perform their duties for the term of two years, being eligible for re-election for further terms of the same duration (Article 24.3 of the Articles of Association).

As in the case of appointment, re-election must be preceded either by a proposal (in the case of Independent Directors) or by a report from the Appointments, Remuneration and Corporate Governance Committee (in the case of all other Directors).

- Evaluation:

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 evaluation will be recorded in the minutes of the meeting (Article 12 of the Rules of Procedure of the Board of Directors).

- Resignation:

The Directors shall tender their resignation in the cases and for the reasons established by law or the bylaws (art. 3.1 Rules of Procedure of the Board of Directors).

C.1.17 Explain the extent to which the annual evaluation of the Board has led to major changes in its internal organization and the procedures applicable to its activities:

Description of changes

Following the annual evaluation, it has become clear that there is a need for the society to provide the directors with educational courses on some or all of the following subjects:

- E-commerce
- Gambling
- Accounting and auditing regulations.
- Risk management and control.
- Corporate Governance

- Evaluation of human resources.
- Selection and remuneration of directors and senior management.

Since then, the Company has offered Directors online attendance at the following courses or seminars: 4 on Corporate Governance; 1 on online payment methods; 1 on diversity in teams in companies and 1 on new regulations.

In addition, the multi-call system for remote attendance at board and committee meetings has been replaced by a platform that allows videoconferencing.

Lastly, in order to make some of the Board discussions more fluid, it has been agreed that the Chairman, Secretary and Vice-Secretary will hold, before each meeting, individual conversations with those Directors who are interested in further details or clarifications in relation to the documentation distributed to the Directors.

Describe the evaluation process and the areas evaluated by the Board of Directors assisted, where applicable, by an external consultant, regarding the operation and composition of the Board and its committees and any other area or aspect that has been subject to evaluation.

Description of the evaluation process and areas evaluated

The evaluation process that the Board of Directors has carried out during 2020 has been carried out internally, and without the help of an external consultant.

The evaluation process begins with the sending of a test type questionnaire, which each director completes individually, and anonymously if so desired. The questionnaire was divided into 5 groups of questions: on the functioning of the Board (33 questions); the functioning of the Committees (8 questions); on the work of the Chairman (12 questions) and on the work of the First Executive (8 questions); on the work of the Secretary of the Board (5 questions); and on the performance and work of each of the directors individually taken (13 questions).

Upon receipt of the completed questionnaires, the conclusions are presented in a meeting of the Appointments, Remuneration and Corporate Governance Committee, which draws up a report proposal containing the result of the evaluation and proposes the Action Plan that corrects the deficiencies that may have been detected.

Both documents (evaluation report and action plan) are presented to the Board of Directors for, where appropriate, approval.

C.1.18 Breakdown, in those years in which the evaluation has been assisted by an external consultant, the business relationships that the consultant or any company of its group maintains with the company or any company of its group.

N/A

C.1.19 Indicate the cases in which directors are required to resign.

Nominee Directors are required to tender their resignation when the shareholder whom they represent sells its entire shareholding or when said shareholder reduces its holding to a level which requires a reduction in the number of Nominee Directors (art. 3.3 Rules of Procedure of the Board of Directors).

The Board shall not propose the resignation of any Independent Director prior to compliance with the statutory period for which said Director was appointed, unless the Board considers that there is just cause for so doing, after a report by the Corporate Governance Committee. In particular, just cause shall be understood to exist when the Director has failed to comply with the duties inherent to his or her position or is affected by any of the circumstances which prevent him or her from being classified as independent (art. 3.4 Rules of Procedure of the Board of Directors).

The dismissal of Independent Directors may also be proposed as a result of Takeover Bids, mergers or other similar corporate operations entailing a change in the corporate capital structure when said changes in the structure of the Board are made owing to the criterion of proportionality indicated in article 1.9 of these Rules (article 3.5 of the Rules of Procedure of the Board of Directors).

Directors are required to tender their resignation in those cases in which they may harm the trustworthiness and reputation of the Company (art. 3.6 Rules of Procedure of the Board of Directors). When, whether as a result of resignation or for any other reason, a director leaves his or her position

before the term thereof finalizes, said director explains the reasons in a letter to be sent to all of the members of the Board (article 3.7 of the Rules of Procedure of the Board of Directors).

C.1.20 Are reinforced majorities, other than the legal ones, required for any type of decision?

- ☐ Yes
☒ No

Where applicable, describe the differences.

C.1.21 Explain whether there are any specific requirements other than those pertaining to directors, in order to be appointed Chairman of the Board of Directors.

- ☐ Yes
☒ No

C.1.22 Indicate whether the Articles of Association or the Rules of Procedure of the Board of Directors stipulate an age limit for directors:

- ☐ Yes
☒ No

C.1.23 Indicate whether the Articles of Association or the Rules of Procedure of the Board stipulate a limited term of office or other more stringent requirements in addition to those legally established for independent directors, other than those established in the regulations:

- ☐ Yes
☒ No

C.1.24 Indicate whether the Articles of Association or the Rules of procedure of the Board of Directors establish specific rules for the delegation of the vote in the Board of Directors in favour of other directors, the manner of doing so and, in particular, the maximum number of proxies that a director may issue, as well as if any limitation that has been established regarding the categories in which it is possible to delegate, beyond the limitations imposed by applicable legislation. If so, briefly explain the rules.

Article 24.13 of the Bylaws provides that the Directors may delegate in writing their attendance and voting to any other Director, except non-executive directors, which may only delegate their vote to another non-executive director.

Also, article 4.1.d. of the Rules of Procedure of the Board of Directors, establishes that Directors, notwithstanding their duty to attend the meetings of the organs which they form part of, and to reduce their absences to only the most essential instances, may delegate proxies to attend on their behalf, provided that said proxy is essential and is granted to another member of the Board in writing, is addressed to the Chairman of the Board, contains instructions and is exclusively for the meeting in question. Non-executive directors may only delegate their representation to another non-executive director.

Apart from the foregoing, there are no other rules on the delegation of votes.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Likewise, indicate, if applicable, the number of times that the Board has met without the attendance of its Chairman. This calculation shall consider proxies without specific instructions as cases of non-attendance.

Number of Board meetings	22
Number of Board meetings not attended by the Chairman	0

Indicate the number of meetings held by the coordinating director with the rest of the directors, without the assistance or representation of any executive director:

Number of meetings	0
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Indicate the number of meetings which the various Board Committees have held during the year:

Number of meetings of the AUDIT COMMITTEE	7
Number of meetings of the COMPLIANCE COMMITTEE	3
Number of meeting of the APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE	11

Those 22 meetings of the Board of Directors include one occasion in which some decisions have been made by unanimous written consent.

C.1.26 Indicate the number of meetings held by the Board of Directors during the year and the data on the attendance of its members.

Number of meetings attended by at least 80% of the directors	100
% of absences with respect to total votes during the year	98.40
Number of meetings with face-to-face attendance, or representations made with specific instructions, of all the directors	19
% of votes cast with face-to-face attendance and representations made with specific instructions, on total votes during the year	98.40

C.1.27 Indicate whether the individual and consolidated annual accounts submitted for formulation by the Board have been previously certified:

☒ Yes
☐ No

Identify, if applicable, the person/s who has/have certified the individual and consolidated annual accounts of the company, for the drafting thereof by the Board:

Name	Position
Mr. ANGEL CORZO UCEDA	CHIEF FINANCIAL OFFICER
Mr. VICENTE DI LORETO	CHIEF EXECUTIVE OFFICER

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the annual accounts that the Board of Directors submits to the General Shareholders' Meeting are drawn up in accordance with accounting regulations.

Pursuant to article 26.5 of the Articles of Association and art. 14.2. e) of the Rules of Procedure of the Board of Directors, the Audit Committee has among its competences that of maintaining relations with external auditors in order to receive information in regard to those matters which might jeopardize the independence of the latter, and any other matters related to the audit process, and likewise to receive information and maintain with the auditor the communications stipulated by law.

In accordance with article 9.4 of the Rules of Procedure of the Board of Directors, the relations of the Board with the external auditors of the company, which shall be channelled through the Audit Committee, shall conform to criteria of loyal collaboration and respect for their independence. It is endeavoured that the annual accounts drafted by the Board will be verified by the auditors without a qualified opinion. In the case whereby such qualified opinions are unavoidable, the Board, the Chairman of the Audit Committee and the auditors shall explain with clarity to the shareholders the content and scope of the reservations.

Since the third quarter of 2019 the external auditor performs a limited review work, under ISRE 2410 methodology, of the condensed consolidated interim financial statements prepared by the Group. The scope of this limited review is supplemented by certain additional procedures that the auditor performs to verify procedures related to the control of income, both accounting and cash, and the results are reported to the Audit Committee on a quarterly basis.

C.1.29 Is the secretary of the Board of Directors a director?

☐ Yes
☒ No

If the secretary does not have the condition of a director, complete the following table:

Name or corporate name of the secretary	Representative
Mr. LUIS ARGÜELLO ÁLVAREZ	

- C.1.30** Indicate the specific mechanisms established by the company to preserve the independence of the external auditors, as well as, if any, mechanisms to preserve the independence of financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practice.

With regard to the independence of the external auditors:

Pursuant to art. 9.4 of the Rules of Procedure of the Board of Directors, the relations of the Board with the external auditors of the company, which are to be channelled through the Audit Committee, shall obey criteria of loyal collaboration and respect for their independence. In addition, art. 14.2.e) of the same Regulation establishes that the Audit Committee shall have competence over the maintenance of relations with the external auditor, in order to receive information on those matters which may jeopardize the independence of the latter.

Also, the Rules of Procedure of the Board of Directors establishes, among other tasks entrusted thereto, that the Audit Committee shall present the following to the Board of Directors: the selection, appointment, reappointment and removal of the external auditor, and the terms of their employment and receive regular information from the external auditor on the audit plan and the results of its execution, and verify that Senior Management are acting on its recommendations (Article 14.3.2, a) and b)).

Also, art. 14.3.2 c) of the Rules of Procedure of the Board of Directors stipulates that it corresponds to the Audit Committee to ensure the independence of the external auditor, being required for said purpose to ensure that the Company communicates the change in auditor as a relevant fact to the Spanish Securities Commission (together with a declaration on the eventual existence of disagreements between the incoming and outgoing auditor), ensure that the Company and the auditor respect the regulations in effect regarding the provision of services other than auditing services, the limits on the concentration of the business of the auditor, and examine any circumstances which may have led to the resignation of the external auditor. The Audit Committee is informed promptly of the services contracted with the external auditor other than the audit of accounts for the approval of the Committee. Likewise, each year and prior to issuing the audit report on the annual accounts, the Audit Committee issues a report expressing its opinion on the independence of the auditors, analysing the fees paid to the auditor both by Codere S.A. and the rest of the Group for audit services, in relation to the fees paid for auditing and for other non-audit services, and finally assessing the amount that such fees represent for the auditor, in the total of its annual income.

Lastly, annually, and prior to the issuance of the Audit Report on the annual accounts of the Company and its group, the external auditors firm submits a signed letter to the Audit Committee, stating that throughout the year they have complied with the independence standards required by the legislation in force.

With regard to the independence of financial analysts, investment banks and rating agencies:

Article 9.2 of the Internal Code of Conduct in the Securities Markets establishes that meetings of a general nature with analysts, investors or the media must be previously planned so that the persons participating in them do not disclose Inside Information that has not been previously disseminated to the market.

In January 2020 the Board of Directors approved the Policy on Communication and Contact with Shareholders, Institutional Investors and Voting Advisors, which has, in its general principles, transparency, truthfulness, immediacy and homogeneity in the dissemination of information, equal treatment and strict compliance in time and form with the legally established communication obligations. These principles are applicable to communication with investors but also with analysts, rating agencies, financial institutions and other stakeholders.

Based on the above Policy, the investor relations department channels the communication with the institutional shareholders and financial analysts that cover the share and/or the Company's bonds, taking care that they are not given information that could suppose a situation of privilege or advantage for them, in relationship with the rest of the shareholders, and in compliance with the provisions of article 11 of the Internal Code of Conduct in the Securities Markets, which provides as prohibited conduct the recommendation that third parties conduct transactions (acquisitions, transmissions or assignments of the affected securities) with Inside Information or induce them to do so.

- C.1.31** Indicate whether during the year the Company has changed its external auditor. If so, identify the incoming and the outgoing auditor:

☐ Yes
☒ No

In the event of any disagreement with the outgoing auditor, explain:

☐ Yes
☒ No

C.1.32 Indicate whether the auditing firm does any work other than auditing for the company and/or its group, and, if this be the case, state the fees received for said work and the percentage that the above amount entails of the fees invoiced for audit work to the company and/or its group:

☒ Yes
☐ No

	Company	Group companies	Total
Amount of work other than auditing (thousands of euro)	234	739	973
Amount of work other than auditing / Total amount invoiced by the auditing firm (as a %)	52.99	37.18	40.06

C.1.33 Indicate whether the audit report of the Annual Accounts for the preceding year shows any reservation. If so, indicate the reasons given to the shareholders by the Chairman of the Audit Committee to explain the content and scope of said reservations.

☐ Yes
☒ No

C.1.34 Indicate the number of years that the current auditing firm has been auditing the individual and/or consolidated annual accounts of the company and/or its group without interruption. Likewise, indicate what percentage the number of years audited by the current auditing firm is with respect to the total number of years in which the annual accounts have been audited:

	Individual	Consolidated
Number of uninterrupted years	5	5

	Individual	Consolidated
Number of years audited by the current auditor firm / No. of years that the company has been audited (as a %)	68.10	68.10

C.1.35 Indicate and if so, detail whether there is any procedure allowing directors to have access to the information required to prepare the meetings of the organs of administration sufficiently in advance:

☒ Yes
☐ No

Detail of the procedure

Article 12 of the Rules of Procedure of the Board of Directors of Codere, S.A. establishes that the notification of ordinary meetings of the Board shall be made by letter, fax, telegram or e-mail and shall carry the signature of the Chairman or that of the Secretary or Deputy Secretary by order of the Chairman. The notice will be made with the necessary time so that the Directors receive it no later than the five days prior to the date of the meeting. The notice of a meeting shall at all times include the agenda of the meeting together with any written information deemed suitable as stipulated in these Regulations. When, exceptionally for reasons of urgency, the chairman wishes to submit decisions or resolutions that do not appear on the agenda to the approval of the Board of Directors, the prior and express consent of the majority of the directors present shall be required, which shall be duly recorded in the minutes.

Nevertheless, when the Chairman deems that there are exceptional circumstances so requiring, the meeting of the Board may be called by telephone, fax or email, without observing the term of advance notice mentioned above (at least 24 hours in advance), and without providing the aforesaid information, informing the Directors of the possibility of examining said information at the registered office.

Notwithstanding the foregoing, for those meetings of the Board of Directors in which the amendment of the Rules of Procedure is going to be discussed, Article 18 increases the aforementioned term, by stating that any proposal to amend the Rules of Procedure of the Board of Directors must be included in the agenda of the meeting to be submitted, which will be convened at least ten days in advance to facilitate its study and evaluation.

Since 2017, and as a result of the findings of the annual evaluation of the Board, the Company has eliminated as a procedure, the sending of information by email to the directors, regarding the meetings of the Board, a procedure that was replaced by a director's portal, where all the documentation and information necessary to prepare the meetings of the Board is uploaded.

- C.1.36 Indicate, and if applicable, detail whether the company has established any rules requiring directors to report to the company any cases which may harm the trustworthiness and reputation of the company and, where appropriate, to resign when situations arise that affect them, whether or not related to their performance in the company itself, which may harm the credit and reputation of the company.

☒ Yes
☐ No

Detail of the procedure

Article 3.6 of the Rules of Procedure of the Board of Directors stipulates that Directors are required to resign in those cases which may harm the trustworthiness and reputation of the Company, and likewise to report to the Board any criminal action brought against them, as well as the subsequent procedural outcome. If a Director is prosecuted or is brought to trial for any of the crimes indicated in article 213 of the Capital Companies Act, the Board will examine the case as soon as possible and in view of the specific circumstances, will decide whether or not the Director should remain in his post. The Board will report on the matter in the Annual Corporate Governance Report.

- C.1.37 Indicate, unless there have been special circumstances that have been recorded in the minutes, whether the board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company, which could damage the credit and reputation of the company.

☐ Yes
☒ No

- C.1.38 Detail the significant agreements entered into by the company and which will enter into force, be amended or concluded in the case of a change in the control of the company as the result of a takeover bid, and the effects thereof.

1. Bond issue on 8 November 2016 in US dollars maturing on 1 November 2023 and annual interest of 10.375% cash/11.625 PIK for 300 million and in euros maturing on 1 November 2023 and annual interest of 9.500% cash / 10.750% PIK for 500 million. In the event of a change of control, each of the bondholders would have the right to demand from the Co-Issuers Codere Finance 2 Luxembourg S.A. and Codere Finance 2 (UK) Ltd (or the Guarantor Codere S.A. in the event that the latter made the purchase offer referred to below), the repurchase of all or part (in the bonds in dollars equal to \$200,000 or any multiple of \$1,000 in excess of said figure, in the bonds in euro equal to €100,000 or any multiple of €1,000 in excess of said figure) of the series of Bonds that corresponds to said holder pursuant to an offer (a "Control Change Offer") under the terms of the issuance contract. In the Control Change Offer, the Issuer or the Guarantor will offer a cash payment equivalent to 101% of the total amount of the corresponding series of repurchased Bonds, plus accrued and unpaid interest, and other additional amounts, if any, up to the date of purchase. The Co-Issuers and the Guarantor will not be required to make a Control Change Offer in the event of a change of control (i) if a third party does so instead, provided the offer is made in accordance with the terms of the issuance agreement and said third party purchases all the Bonds duly offered and not withdrawn under the Change Control Offer, or (ii) prior to the change of control, the Issuer notified the redemption of all the Bonds in accordance with the terms of the issuance contract and subsequently proceeds to the redemption of all the Bonds in accordance with the provisions of said notification.

2. Issue of bonds on 29 July 2020 and 30 October 2020 in euro maturing on 30 September 2023 at an annual interest rate of 10.750% for 250 million euro. In the event of a change of control, each Bondholder would be entitled to require the Issuer Codere Finance 2 Luxembourg S.A. (or the Guarantor Codere S.A. in the event it makes the tender offer referred to below), to repurchase all or part (equal to €100,000 or any multiple of €1,000 in excess of such amount) of the series of Bonds to which such Bondholder is entitled pursuant to an offer (a "Change of Control Offer") in accordance with the terms of the issue. In the Control Change Offer, the Issuer or the Guarantor will offer a cash payment equivalent to 101% of the total amount of the corresponding series of repurchased Bonds, plus accrued and unpaid interest, and other additional amounts, if any, up to the date of purchase. The Issuer and the Guarantor will not be required to make a Control Change Offer in the event of a change of control (i) if a third party does so instead, provided the offer is made in accordance with the terms of the issuance agreement and said third party purchases all the Bonds duly offered and not withdrawn under the Change Control Offer, or (ii) prior to the change of control, the Issuer notified the redemption of all the Bonds in accordance with the terms of the issuance contract and subsequently proceeds to the redemption of all the Bonds in accordance with the provisions of said notification.

3. Long Term Incentive Plan: The Company has approved a Long-Term Incentive Plan, which expires on 31 December 2021, the Beneficiaries of which are certain members of the executive and management team, employees and certain consultants of the Company and its Group. The maximum cost or payment in the event of 100% compliance with the objectives of this Plan would be around twenty-two million euro. Among the circumstances that would generate the accrual of the Plan prior to the maturity date is that of a public offering of the Company's shares which, after its completion, would result in the sale of more than 30% of the share capital.

Additionally, there are another series of contracts with service providers, which consider the early termination in the case of a change in the control or ownership of Codere, S.A. (or of the supplier) without the need of the written consent of the other party in advance, although we consider that these agreements are of relative importance due to the amount or the provisions of their clauses.

- C.1.39 Identify in an individualized manner, when referring to directors, and in an aggregate manner in the rest of the cases and indicate, in detail, the agreements between the company and its management and administration positions or employees that provide indemnities, clauses of guarantee or immunity, when they resign or are unfairly dismissed or if the contractual relationship comes to an end on the occasion of a public takeover or other type of transaction.

Number of beneficiaries	1
Type of beneficiary	Description of the agreement
Senior Management	The golden parachute protection corresponds to a member of Senior Management, the amount of which refers to his annual gross fixed remuneration and the annual target variable remuneration.

Indicate whether, beyond the cases stipulated in the regulations, these contracts have to be communicated and/or approved by the bodies of the company or its group. If so, specify the procedures, foreseen assumptions and the nature of the bodies responsible for their approval or making the communication:

	Board of Directors	General Meeting of Shareholders
Organ authorizing the contracts	✓	

	Yes	No
Was the General Meeting of Shareholders informed of the contracts?		✓

C.2. Committees of the Board of Directors

C.2.1 List all of the Committees of the Board of Directors, the Members, as well as the independent executives, and nominee members thereof:

AUDIT COMMITTEE		
Name	Position	Category
Mr. NORMAN RAUL SORENSEN VALDEZ	MEMBER	Independent
Mr. TIMOTHY PAUL LAVELLE	MEMBER	Nominee
Mr. MATTHEW CHARLES TURNER	CHAIRMAN	Independent

% of executive directors	0.00
% of nominee directors	33.33
% of independent directors	66.67
% other external directors	0.00

Explain the functions, including, where appropriate, those additional to those legally provided, that this commission has attributed, and describe the procedures and rules of organization and operation of the same. For each of these functions, indicate its most important actions during the year and how it has exercised in practice each of the functions attributed to it, whether in the law or in the Articles of Association or other corporate agreements.

The Audit Committee shall be comprised of a minimum of three and a maximum of six members appointed by the Board of Directors. All members of said committee must be external directors, at least two of them must be Independent.

The members thereof, especially the Chairman thereof, shall be designated taking into account their knowledge and experience in accounting, auditing or risk management.

The Chairman of the Audit Committee must be an Independent Director, and must be replaced every two years, being eligible for re-election one year after resignation.

In addition to the functions legally entrusted to it, the Audit Committee has the following powers: Receive the annual work plan of the head of internal audit, as well as be informed of any incidents that may arise in its development; receive from the head of internal audit a report at the end of each financial year that includes the activities carried out by this area; propose the selection, appointment, re-election and removal of the head of the internal audit service; report on the issue prospectuses in the mandatory cases; the supervision of the communication and relationship strategy with shareholders and investors, including small and medium shareholders.

The Audit Committee shall meet at least once every quarter, and whenever it is deemed necessary, after a meeting is called by its Chairman, either at his own decision or at the request of two committee members or the Board of Directors or its Chairman.

The Committee may request attendance at its meetings of the Company's auditor and the person responsible for the internal audit.

Regarding the most important actions during the year in relation to these functions, first indicate that the company makes available to the shareholders at the General Shareholders' Meeting, and through the corporate website, an annual performance report on the Audit Committee, where they can find a summary of the Committee's actions during the year. This said, and as a summary, during fiscal year 2020, the Audit Committee, has reviewed the amendment of the Internal Audit Plan for 2020, to adapt it to the situation created by the global pandemic COVID-19; In connection with its task to inform the annual accounts and other interim financial statement, the Committee has reviewed and favourably reported to the Board, not only the annual and quarterly accounts, but also has received from the external auditor, the results of the Limited Review carried out following the International Standard 2410; additionally, and in respect of its task to supervise the risk management systems, the Audit Committee has received the information of the Corporate Tax Policy, has updated the risk maps of the Group, including those related to the pandemic COVID-19, and has been informed of the main litigation risks.

Identify the members of the audit committee that have been appointed taking into account their knowledge and experience in accounting, auditing or both and report on the date of appointment of the Chairman of this committee in office.

Names of experienced directors	NORMAN RAUL SORENSEN VALDEZ / MATTHEW CHARLES TURNER
Date of appointment of the current Chair	27/05/2020

COMPLIANCE COMMITTEE		
Name	Position	Category
Mr. MANUEL MARTÍNEZ-FIDALGO VÁZQUEZ	MEMBER	Nominee
MASAMPE, S.L.	MEMBER	Nominee
Mr. MATTHEW CHARLES TURNER	CHAIRMAN	Independent

% of executive directors	0.00
% of nominee directors	66.67
% of independent directors	33.33
% other external directors	0.00

Explain the functions delegated or attributed to this committee other than those already described in section C.1.9, and describe the procedures and rules of organization and operation of the same. For each of these functions, indicate its most important actions during the year and how it has exercised in practice each of the functions attributed to it, whether in the law, corporate or other corporate agreements.

The Compliance Committee shall be comprised of a minimum of three and a maximum of six members appointed by the Board of Directors. Most of members of said committee must be external directors.
The Chairman of the Compliance Committee shall be preferably an Independent Director. In the case whereby the Chairman is not an Independent Director, the specific reasons for the appointment shall be given in the Corporate Governance Annual Report.

The Compliance Committee shall meet whenever the Board of Directors requests that a report be issued or that proposals be approved within the sphere of its competences, and whenever the Committee Chairman deems this advisable in order to adequately carry out its functions.

Without prejudice to any other task assigned to it by the Board of Directors, the Compliance Committee shall have the following powers:

- (a) The monitoring of compliance by the Company and the Group with Spanish or foreign legislation applicable to it in matters of gaming.
- (b) Evaluate the internal control systems of the Company and of the Codere Group in relation to their reporting and transparency obligations in matters of gaming and make those proposals for introduction and improvement which it deems necessary or advisable.
- (c) The monitoring of compliance and control systems by the Company and the Group of the regulations regarding the prevention of money laundering, and the proposals for introduction and improvement which it deems necessary or advisable.
- (d) Establish and supervise a mechanism which allows employees, customers, suppliers and other third parties with which contractual relations exist, to communicate confidentially and if it deems it appropriate, anonymously, any potentially significant irregularities, especially financial and accounting irregularities, which they may note within the company.
- (e) Monitor the security systems and measures applied in carrying out Company and Group business, being informed periodically by the managers in charge of said matter.

Regarding the most important actions during the year in relation to these functions, first indicate that the company makes available to the shareholders at the General Shareholders' Meeting, and through the corporate website, an annual performance report on the Audit Committee, where they can find a summary of the Committee's actions during the year. Having said this, and as a summary, during the 2020 fiscal year the Compliance Committee has carried out the suitability checks in relation to the appointments of Directors, Executives and Key Employees, received the report on the monitoring report of the external expert on money laundering, analysed the activity of the whistle-blowing channel every six months, broken down by country, typology or type of whistle-blower, and has updated the Crime Prevention and Detection Model, by updating the Criminal Risk map and the Code of Ethics and Integrity.

APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE		
Name	Position	Category
MASAMPE, S.L.	MEMBER	Nominee
Mr. NORMAN RAUL SORENSEN VALDEZ	CHAIRMAN	Independent
Mr. DAVID ANTHONY REGANATO	MEMBER	Nominee
Mr. MATTHEW CHARLES TURNER	MEMBER	Independent

% of executive directors	0.00
% of nominee directors	50.00
% of independent directors	50.00
% other external directors	0.00

Explain the functions, including, where appropriate, those additional to those legally provided, that this commission has attributed, and describe the procedures and rules of organization and operation of the same. For each of these functions, indicate its most important actions during the year and how it has exercised in practice each of the functions attributed to it, whether in the law or in the articles of association or other corporate agreements.

The Appointments, Remuneration and Corporate Governance Committee shall consist of a minimum of three and a maximum of six members appointed by the Board of Directors. All members of such Committee must be external Directors, and at least two of them independent Directors.

The Chair of the Appointments, Remuneration and Corporate Governance Committee shall be appointed from among the Independent Directors.

In addition to the functions legally assigned to the Appointments, Remuneration and Corporate Governance Committee, the Regulations of the Board of Directors of Codere S.A. include other additional functions, among which the following should be mentioned: the examination of compliance with the Internal Code of Conduct in the Securities Markets and the necessary proposals for its improvement; the examination prior to the Board of the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration; the supervision and review of the corporate social responsibility policy and practices; and the coordination of the process of reporting non-financial and diversity information.

Regarding the most important actions during the year in relation to these functions, first indicate that the company makes available to the shareholders at the General Shareholders' Meeting, and through the corporate website, an annual performance report on the Audit Committee, where they can find a summary of the Committee's actions during the year. This said, and as a summary, during the financial year 2020 the Appointments, Remuneration and Corporate Governance Committee proposed to the Board of Directors the amendment of the Directors' Remuneration Policy in force given the lack of renewal of the D&O; made the mandatory reports for the appointment of nominee directors and the proposals for the re-election of the independent directors; reported unfavourably to the Board of Directors the proposal to dismiss the members of the Audit Committee made at the request of certain shareholders; additionally, the Committee analysed and proposed to the Board the amendment of the Long Term Incentive Plan, including as Beneficiaries the General Manager and the Senior Management.

C.2.2 Complete the following table with information on the number of female directors comprising the committees of the Board during the last four years:

	Number of female directors							
	2020		2019		2018		2017	
	Number	%	Number	%	Number	%	Number	%
AUDIT COMMITTEE	0	0.00	0	0.00	0	0.00	0	0.00
COMPLIANCE COMMITTEE	0	0.00	0	0.00	0	0.00	1	20.00

	Number of female directors							
	2020		2019		2018		2017	
	Number	%	Number	%	Number	%	Number	%
APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE	0	0.00	0	0.00	0	0.00	1	20.00

C.2.3 Indicate the existence, if any, of rules of procedure for the Board committees, the place where they are available for consultation and any changes made in them during the year. In turn, indicate whether any annual report in regard to the activities of each committee has been voluntarily drafted:

AUDIT COMMITTEE

The organization and operation of the Audit Committee is regulated in detail in article 14 of the Rules of Procedure of the Board of Directors and under article 26 of the Articles of Association. The normative texts cited are available on the Codere website (www.grupocodere.com).

The Audit Committee prepares an annual report on the activities developed during the year, which is made available to shareholders on the occasion of the General Shareholders' Meeting.

APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

The organization and operation of the Corporate Governance Committee is regulated in detail in article 16 of the Rules of Procedure of the Board of Directors. The Rules of Procedure of the Board of Directors are available on the Codere website (www.grupocodere.com).

The Appointments, Remuneration and Corporate Governance Committee prepares an annual report on the activities carried out during the year, which is made available to shareholders on the occasion of the General Shareholders' Meeting.

COMPLIANCE COMMITTEE:

The organization and operation of the Compliance Committee is regulated in detail under article 15 of the Rules of Procedure of the Board of Directors. The Rules of Procedure of the Board of Directors are available on the Codere website (www.grupocodere.com).

The Compliance Committee prepares an annual report on the activities developed during the year, which is made available to shareholders on the occasion of the General Shareholders' Meeting.

D. RELATED-PARTY AND INTRA-GROUP TRANSACTIONS

D.1. Explain, where appropriate, the procedure and competent bodies for the approval of transactions with related parties and intra-group parties.

Article 7 of the Rules of Procedure of the Board of Directors of Codere, S.A. states that related-party transactions must be approved by the Board of Directors following a favourable report of the Audit Committee (Article 14.3.3.c). The Directors affected by these transactions can neither exercise nor delegate their votes, should be absent from the meeting while the Board deliberates and votes.

However, authorization of the Board is not required for related-party transactions that simultaneously meet the following three conditions:

- (i) They are conducted under contracts whose terms are standardized and apply in mass to many customers;
- (ii) That they be carried out at prices or rates generally established by the supplier of the good or service in question;
- (iii) The amount does not exceed 1% of the annual revenue of the Company.

D.2. Detail the transactions which are significant due to the amount or subject matter between the company or entities of its group, and the significant shareholders of the company:

Significant shareholder name or corporate name	Name or company name of the company or entity of your group	Nature of the relationship	Type of transaction	Amount (thousands of euro)
M&G PLC	CODERE NEWCO S.A.U.	Contractual	Financing agreements: loans	3,061

The companies Codere Newco S.A.U. and Alta Cordillera S.A. (both subsidiaries of the Codere Group) subscribed as Accredited, a credit agreement where the M&G Illiquid Credit Opportunities Fund Limited and M&G Illiquid Credit Opportunities Fund II Limited acted as Creditors, these companies being controlled by M&G PLC. The amount indicated in this section corresponds to the amortization of principal and payment of interest and other financial expenses.

D.3. List the transactions which are significant due to the amount or subject matter between the company or entities of its group, and the directors or management of the company:

Name or corporate name of the director or executive	Name or corporate name of the company or entity of its group	Relationship	Nature of the transaction	Amount (thousands of euros)
VICENTE DI LORETO	CODERE NEWCO S.A.U.	Chief Executive Officer of the Codere Group	Provision of services	1.275

During 2020 Codere S.A. agreed to terminate the consultancy contract dated 12 January 2018 with the company Jusvil S.A., in which Mr. Vicente Di Loreto has a non-controlling interest, and replace it with a new one with amended economic provisions. As a result of the aforementioned contract, Jusvil S.A. has invoiced Codere S.A. or companies of its group during 2020, EUR 949 thousand, and GE3M (a company related to Jusvil) has invoiced EUR 326 thousand to certain subsidiaries of Codere. In order to incentivise Jusvil to contribute to the success of Codere, this new contract includes a Long Term Incentive Plan, for which the Company has made a provision up to 2,7 million euros.

- D.4.** Report the significant transactions carried out by the company with other companies belonging to the same group, provided that these are not eliminated in the process of drafting the consolidated financial accounts and do not form part of the normal business activity of the company in regard to their object and conditions.

In any case, report any intra-group transaction carried out with entities established in countries or territories considered as a tax haven:

Name of group company	Short description of operation	Amount (thousands of euro)
No data		N/A

- D.5.** Detail the significant transactions carried out between the company or entities of its group and other related parties, which have not been informed in the previous sections:

Related party name or corporate name	Short description of transaction	Amount (thousands of euro)
PROMOBOWLING S.A.	The company or entities of its group have the amount indicated, as a result of a contract subscribed in its day by the company Promobowling SA (a company related to the directors and shareholders Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro) with Mahou S.A., from which commercial discounts were derived for the group's premises.	590
FRANCOMAR INVESTMENTS S.A.	The Group company, Itapoan S.A. has among its shareholders Francomar Investments S.A. (to the significant shareholder related to the directors and shareholders Mr. José Antonio Martínez and Mr. Sampedro) who hold 18.2% of the share capital. The amount indicated above corresponds to the dividends accrued and pending payment in favour of Francomar Investments S.A.	77
FRANCOMAR INVESTMENTS S.A.	The company of Grupo Itapoan S.A. has among its shareholders Francomar Investments S.A. (a company related to the significant shareholder Mr. José Antonio Martínez) who holds 18.2% of the share capital. Itapoan SA leases to other companies of the Codere group, real estate for the exercise of its corporate activity. The amount indicated corresponds to the invoices issued to Group companies for these leases.	319

- D.6.** Detail the mechanisms established in order to detect, determine and resolve any possible conflict of interest between the company and/or its group, and its directors, management or significant shareholders:

Among the duties of Directors stipulated in Article 4 of the Rules of Procedure of the Board of Directors of Codere, S.A. is the duty of loyalty to company interests and, in said regard, paragraph 4.d thereof states that: The Directors are required to communicate to the Board of Directors any situation of direct or indirect conflict which they may enter into with respect to Company interests. In the case of conflict, the affected Director shall refrain from taking part in the transaction which is the object of conflict. Situations of conflict of interests shall be reported in the annual report.

Article 16 of the said Rules, when regulating the composition, functioning and competences of the Appointments, Remuneration and Corporate Governance Committee, determines that said Committee shall draft reports and proposals to the Board regarding the decisions to be adopted in cases of conflict of interests. However, in October 2018, after the Rules of procedure of the Board of Directors were modified, the jurisdiction over the conflicts of interest was entrusted to the Audit Committee.

Article 14.3.3.c establishes that it is the responsibility of the Audit Committee to inform the Board, prior to the adoption by the latter of the decisions reserved to it in accordance with the provisions of the Article 7.17 in relation to related-party transactions and the conflicts of interest.

Additionally, Article 18 of Codere's Internal Code of Conduct in the Securities Markets establishes that the affected persons who may have access to privileged information must adapt their actions in relation to the conflict of interest in addition to the provisions of the aforementioned Regulation. to the provisions of the Rules of Procedure of the Board of Directors, insofar as they are applicable.

When a situation takes place which entails, or may potentially entail, a conflict of interest, the person subject to the Internal Code of Conduct in the Securities Market must immediately inform the General Secretariat of said situation, and furnish said Secretariat with all information requested of said individual for an evaluation of the circumstances of the case, if required.

The Secretary or Deputy Secretary shall report this information to the Appointments, Remuneration and Corporate Governance Committee so that it can take appropriate decisions. Any doubt about the possible existence of a conflict of interests should be consulted with the Appointments, Remuneration and Corporate Governance Committee before adopting any decision that could be affected by said conflict of interest.

The Secretary or Deputy Secretary of the Board of Directors shall communicate the existence of the conflict of interest to the person or persons involved in the management of the situation or in the adoption of the decisions affected by said conflict.

The person subject to the Rules who is affected by a situation of conflict of interest shall refrain from taking part in or directly or indirectly influencing the transaction, decision or situation affected by said conflict.

In the event of a conflict of interest, and as a general rule derived from the duty of loyalty to the Company, the interest of the Company and its Group must prevail over that of the Affected Person.

D.7. Indicate whether the company is controlled by another entity within the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or engages in activities related to any of them.

☐ Yes
☒ No

E. RISK CONTROL AND MANAGEMENT SYSTEMS

E.1. Explain the scope of the Company's Risk Control and Management System, including those of a fiscal nature:

During 2012, the Board of Directors approved the Risk Control and Management General Policy as well as the Risk Tolerance Document.

The Codere Group Risk Control and Management General Policy aims to establish the basic principles and general action framework for the control and management of every type of risk faced by the Group.

All actions aimed at controlling and mitigating risk at all times follow certain basic principles, such as the integration of risk-opportunity vision, operating level segregation of risk-taking areas, and areas AREA responsible for risk analysis, control and supervision; guarantee of the correct use of hedge instruments and assurance regarding adequate compliance with corporate governance rules and the values set out by the company in its Code of Ethics.

The Risk Control and Management General Policy and its basic principles are materialized through a system of risk control and management, based on a definition and assignment of functions and responsibilities at the operating level and on a series of procedures and methodologies in line with the various stages and activities of the system. The principal stages and activities include, but are not limited to, the following:

- a. Risk tolerance definition by the Board of Directors.
- b. Annual identification and analysis of the significant risks conducted by each Business Unit and/or department.
- c. Reporting of the principal risks, especially those exceeding the limits established by the Board of Directors.
- d. Introduction and control of compliance with policies, guidelines and limits, through adequate procedures and systems required to mitigate the impact of risk materialization.
- e. Periodical evaluation and communication, at least yearly, of the results of the control and management monitoring.
- f. Auditing of the system by the Internal Audit Management.

The Risk Management System exists at the business area level or for specific projects but does not consolidate information at the corporate or group level.

With respect to the tax risk management system, the Group's Board of Directors approved the Corporate Fiscal Policy of the Codere Group on 2015. This policy establishes the criteria that govern the Group's way of acting are approved and published, adopting specific measures of tax risk management and implementing an appropriate system of internal control over fiscal aspects.

In addition, a specific procedures manual for fiscal management and control has been prepared, as well as the supervision of the Group's internal information and tax control systems.

Close collaboration is established with the Internal Audit Department so that the necessary controls for the supervision of compliance with the processes that allow the monitoring and control of fiscal risks are integrated into its action plan for each year.

E.2. Identify the organs of the company responsible for the development and implementation of the Risk Control and Management System, including tax matters:

Article 7 of the Rules of Procedure of the Board of Directors of Codere S.A. establishes a series of powers reserved by the Board of Directors in full, including the risk control and management policy, including fiscal ones, as well as the periodic monitoring of the internal information and control systems.

Article 26 of the Company Bylaws stipulates that the Audit Committee shall at least carry out the functions of supervising the efficacy of company internal control, internal auditing, if applicable, and the risk management systems. Likewise, article 14.3 of the Rules of Procedure of the Board of Directors establishes that the Audit Committee in particular is in charge of periodically revising the internal control and risk management systems for the proper identification, management and dissemination of the principal risks. Lastly, the Audit Committee has delegated these responsibilities to the Internal Audit Management. Likewise, at least once a year the Audit Committee is required to report to the Board of Directors in regard to risk control and any malfunctions detected in the internal audit reports or in the exercise of its functions.

In addition, the Corporate Fiscal Policy of the Codere Group included the obligation of the Board to ensure compliance with the principles and rules contained in said Policy. Likewise, it was pointed out that it is through its Chief Executive Officer (task currently performed by the Chief Executive) and its Senior Executives that the monitoring of said principles and good tax practices is promoted, with the support of the Audit Committee that will supervise the effectiveness of the management and control systems. of fiscal risks and provide the Council with regular information on certain aspects of the same.

E.3. Indicate the main risks, including tax risks and to the extent that the risks of corruption are significant (understood as the latter with the scope of Royal Decree Law 18/2017), which may affect the achievement of business objectives:

The Risk Control and Management General Policy includes the identification and definition of the typology of risks which are significant for the Group, and which, in general terms, are listed below:

- Corporate Governance Risks: the Company employs the strategy of sustained maximisation of the economic value of the Company and its successful outcome in the long-term taking into account the legitimate public or private interests of the various stakeholders, communities and territories in which the Group acts, and those of its workers. In said regard, compliance with Group corporate governance systems inspired by the good governance recommendations generally recognised in the financial markets becomes fundamental.
- Operational and Loss of Income Risks: established as the uncertainty in regard to the performance of key variables intrinsic to the business, as well as those related to direct or indirect economic loss resulting from inadequate internal processes, technological breakdown, human error or as the result of outside events, including economic, social and reputational impact.
- Regulatory and Institutional Relation Risks: these come from changes in regulations established by the various regulators where the Group has a presence, principally in regard to the conditions related to the exploitation of the licenses granted, and which may adversely affect foreseen income. Likewise included are risks from delays, complications, and even the impossibility of carrying out projects, improvements, offers of new products, etc., owing to difficult relations with the regulatory institutions.
- Fiscal Risks: resulting from the various interpretations which, in the case of audit, regulators may give to the fiscal criteria followed by the Group.
- Indebtedness Risk: As a consequence of the indebtedness level and characteristics, the debt service obligations may hinder the growth of Group operations and limit their performance. As a result of the obligations assumed in borrowing operations, there are limits on additional indebtedness, the possibility of granting new guarantees, investing in certain assets or disposing of them, and the obligation of compliance with certain ratios and covenants.
- Country Risk: Risk resulting from the socio-political situation of the countries in which the Group has a presence, especially in Latin America. This category also includes the risks resulting principally from the local currency exchange rate fluctuations against the euro in those countries where the Group has a presence.
- Technological Risk: refers to the negative impacts that may occur in the Group as a result of losses caused by interruption, failure or damage arising from the information systems and gaming technology platforms.
- Reputational Risk: Potential negative impact on Group value as the result of conduct by the company which does not meet the expectations created in the various stakeholders.
- Risk of corruption and bribery: Corruption and bribery are among the main risks faced by the Codere Group in the exercise of its activity. The Board of Directors, with the purpose of deepening the fight against this problem and from a perspective that promotes its prevention, approved in 2017 a global Anti-corruption and prevention of irregular conduct manual, accessible through the corporate website. This manual is accompanied by a Practical Guide to Anticorruption, which identifies the main forms of corruption that may affect the Codere Group's activity, as well as a series of preventive measures, including the existence of the Whistleblower Channel. and due diligence procedures on suppliers, business partners, clients and their own personnel.

E.4. Identify whether the company has a level of risk tolerance, including fiscal:

The general risk management and control policy of the Codere Group provides that the Board of Directors of Codere, S.A. is responsible for defining the Group's risk tolerance.

The definitions of tolerance and risk levels are regularly updated and communicated to the rest of the organization by establishing a framework of policies, guidelines and limits, as well as the corresponding mechanisms for the approval, which will contribute effectively to ensuring that Risk management is conducted in accordance with the risk tolerance of the Company.

To this end, the Company has established a scale with five levels of risk tolerance. For each of the types of risks to which the Group is subject a value of this scale is assigned, thereby establishing the risk tolerance by type of risk.

On the other hand, the Board of Directors of Codere S.A. is responsible for the approval of operations of special fiscal importance, meaning as such those which, due to their particular characteristics, their strategic nature or their level of materiality, may pose a significant fiscal risk for the Codere Group.

The risk analysis is decentralized to the heads of each business unit and/or department, who are responsible for understanding and managing each of the risks that affect them. Annually, in accordance with said analysis, the principal risks, especially those exceeding the limits established by the Board of Directors must be reported.

E.5. Indicate which risks, including fiscal risks, have materialized during the year:

Operational risks:

These risks are intrinsic to the business model, to Group activity and to the markets in which it operates, and therefore exist and are materialized throughout each business year.

The internal control systems established by the Group have been functioning correctly throughout the year; consequently, they have had no significant effect on the Group financial statements.

Regulatory risks:

During the year there were certain exceptional factors motivated by regulatory changes established by different regulators or by actions of different administrative entities in the countries where the Group is present. These factors include the increase in taxes on gambling, the ban on advertising or the limitation on installed capacity in some of the jurisdictions where the Group operates.

As soon as these threats are identified, and the risks are identified, we apply suitable mitigation plans through both the Group's interest in the relevant industry associations, and through the activity of institutional relationship and by establishing process optimization plans and improving the efficiency of operations sufficient to recover the levels of margins initially planned

Fiscal Risks:

During 2020 the VAT inspection that was opened in Italy in 2019 has continued. The various tax litigations initiated in previous years follow their corresponding procedural channels, and detailed information on their status is given in the Annual Report.

Country Risk:

Among the factors that are included in the concept of "country risk" the abrupt exchange rate movements stand out. In the case of Argentina, cumulative inflation data for three years have exceeded 100%. This devaluation, in addition to the impact on the cash balance, has had a negative accounting impact as a consequence of the application of IAS 29 Hyperinflation.

The control mechanisms include monitoring the evolution of the Argentine peso exchange rate as well as the analysis of possible hedging strategies through the use of financial derivatives. Additionally, the Group focuses on maximizing treasury in other countries not affected by the devaluation of its exchange rate.

Corporate Governance Risks: During 2020, the arbitration proceedings brought before the ICC by the former executive directors Mr. José Antonio Martínez Sampedro and Mr. José Luis Martínez Sampedro against Codere, S.A., certain directors of the Company and certain shareholders continued to be processed. The Hearing took place between 29 June and 3 July 2020, and on 29 and 30 October 2020. The award is expected to be issued by 1 July 2021. For more information on this procedure, see the Notes to the Financial Statements.

Other Risks (COVID-19):

During the year, a new risk materialised that was not identified in any of the Group's Risk Maps, and it did so with great virulence; and that is everything related to the public health emergency caused by the outbreak of the coronavirus (COVID-19). The evolution of events worldwide has led to an unprecedented health crisis, which has had an impact on the macroeconomic environment and the evolution of business. To address this situation, each of the countries where the Group operates has established preventive health measures to mitigate the risk of contagion, such decisions lead to the temporary closure of leisure and recreational facilities, among which are our business premises.

These restrictions have led to the closure, to a greater or lesser extent, of all of the Group's face-to-face operations; closures that have now been reinstated in some of the Group's jurisdictions depending on the evolution of the second and third waves of the pandemic. In addition, the restrictions have meant that almost all sports competitions have been cancelled for a period of time, which has also had a negative effect on our online business.

This has had a significant impact on the Group's operating income. To mitigate its effects, a Contingency Plan has been implemented in order to maintain the liquidity position and guarantee the continuity of the business. The measures being implemented include: obtaining additional financing; refinancing existing debt; prioritising payments; applying temporary reductions in working hours or staff through temporary redundancy plans; negotiating with the relevant counterparties to reduce, delay or extend payment periods in order to adapt them to the current scenario, etc.

Detailed information in this respect is provided in the Notes to the Annual Accounts.

E.6. Explain the response and supervision plans for the main risks of the entity, including tax risks, as well as the procedures followed by the company to ensure that the Board of Directors responds to the new challenges that arise:

At least once a year, at the beginning of the budgetary process, the heads of each Business Unit and/or department identify and report the main risks to which they are exposed and that prevent reaching the strategic objectives determined by the Group.

On the other hand, also annually, the different Business Units prepare their main Risk Maps, evaluating the probability of occurrence and the possible impact. These maps are consolidated and approved by the Audit Committee for presentation to the Board of Directors.

Lastly, the Tax Risks Map is also prepared and reported to the Board of Directors.

Based on the information on risks received by the Board of Directors, it establishes different measures of action aimed at mitigating the impact should any of the risks materialize.

Additionally, depending on the materialization or not of the risks, the appearance of new ones, or the modification of the probability or impact thereof, the Internal Audit plans are modified to adapt to these risks.

In order to prevent or reduce as far as possible the likelihood of irregular or fraudulent practices occurring and to ensure that they cease as soon as they are detected and that they are held accountable, the Group has established appropriate policies and controls to prevent corruption, avoid fraud and other irregular practices and to identify, assess, manage and control the risks and potential associated impacts. In addition, in order to ensure maximum transparency in compliance with the best accounting and corporate governance practices, the Group has established as a procedure, among others, the performance of both internal and external investigation work to assess the impacts that may arise in the event of suspicion of any alleged irregular or fraudulent practice. In this regard, in the 2020 financial year, Codere's criminal risk matrix has been updated, as well as the controls implemented. This update of the crime prevention model was approved by the Board of Directors of Codere S.A., which also appointed the Ethics, Anti-Fraud and Criminal Compliance Committee as the body responsible for monitoring it and proposing any updates and modifications that may be applied.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS REGARDING THE FINANCIAL REPORTING PROCESS (FRICS)

Describe the mechanisms that comprise the risk management and control systems in relation to the financial reporting process (FRICS) in your company.

F.1. Company control environment

Report, noting the main features, on at least:

- F.1.1** What organs and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective Financial Reporting Internal Control System (FRICS); (ii) its introduction; and (iii) its supervision.

(i) The Board of Directors is responsible for approving the Risk Control and Management Policy, as well as the periodical monitoring of the internal information and control system, as stated in article 7 of the Rules of Procedure of the Board of Directors.

(ii) The introduction, and maintenance of the Financial Reporting Internal Control System is the responsibility of the Economic Financial Corporate Management, as well as of the Economic Financial Corporate Managements of the various Business Units. Likewise, the various General Managements are responsible for effective introduction in their area of activity.

(iii) The Audit Committee is responsible for supervising the Internal Control System. Among its functions, as Delegated Committee of the Board of Directors, are the following:

- Supervise the process of drafting the Company and if applicable, Group, financial reporting and the completeness thereof, reviewing compliance with the regulatory requirements, proper delimitation of the consolidation perimeter and the correct application of accounting criteria.
- Periodically revise the internal control and risk management systems, in order that the principle risks may be adequately identified, managed and disclosed;
- See to it that the internal audit function is run independently and efficiently; propose the selection, appointment, re-election and dismissal of the person in charge of the internal audit system; propose the budget for this service; receive periodical information on its activities; and verify that senior management take into account the conclusions and recommendations contained in its reports;
- Report, at least once a year, to the Board of Directors in regard to matters of risk control and any malfunctions detected, if applicable, in the internal audit reports or in the exercise of the above listed functions.

- F.1.2** Indicate whether the following exist, especially in regard to financial reporting:

- Departments and/or mechanisms in charge of: (i) the design and review of organizational structure; (ii) clearly defining lines of responsibility and authority, with an adequate distribution of tasks and functions; and (iii) seeing to it that sufficient procedures exist for their proper dissemination in the company.

The Company has an organizational structure which has developed the major lines of responsibility and authority in the various processes, for each business unit and for each significant geographical area of the Group. The People Department and Operational Departments participate in its design and revision. These lines of responsibility and authority are communicated at the required levels by means of different levels of formalization. Likewise, the Company has a clear and up-to-date policy of powers resulting in the maximum exponent of lines of authority.

The Board of Directors, at the proposal of the first executive of the Company, reserves the competence of the appointment and eventual removal of the Senior Executives, while the Appointments, Remuneration and Corporate Governance Committee is additionally responsible for reporting the appointments and dismissals of senior executives. that the first executive proposes to the Board, as well as to establish the guidelines and supervise the actions related to the appointment, selection, career development, promotion and dismissal of executives, (so that the company has the highly qualified personnel necessary for its management).

Specifically, the Finance Department, at the Corporate level, have established the necessary organizations, hiring, including the selection of the area's key personnel, as well as its policies and procedures, with an increasing level of supervision over the business units.

- Code of Conduct, organ of approval, degree of dissemination, principles and values included (indicating whether specific mention is made of the recording of transactions and financial reporting) organ in charge of analysing breaches and proposing corrective action and sanctions.

The Group's internal rules on conduct are summarized as follows:

1) Code of Ethics and Integrity which contains the principles of business ethics and transparency in all areas of action (approved by the Board of Directors of Codere, S.A at its meeting held on 27 January 2011 and last updated on 11 November 2020).

The Code of Ethics and Integrity has been disseminated and communicated throughout the Group. And is available of the corporate website (www.grupocodere.com). Additionally, the local management of each country is responsible for delivering a copy of the Code to each new employee who joins the Codere Group and the local Compliance Areas conduct outreach activities.

Among the values contained in the Code of Ethics and Integrity can be found, among the values related to "Our Business Practices (Section 3 of "Relations with Third Parties")", the article 3.5.2, related to the "Truthful, adequate and useful information", which describes how the Codere Group is to report on its policies and actions in a truthful, adequate, useful and congruent manner. Specifically, in relation to economic-financial information, said information, especially the Annual Accounts is to faithfully reflect the reality of the economic and financial situation as well as the net worth of the company in accordance with generally accepted accounting principles and the applicable international financial reporting standards. In this regard, no professional shall conceal or distort the information of the Codere Group accounting records and reports.

A lack of honesty in financial reporting is in violation of the Code of Ethics and Integrity, also considering to be a lack of honesty the delivery of incorrect information, the incorrect organization of information or the intent to mislead those receiving it.

The Board of Directors is the organ in charge of approving and disseminating the Code of Ethics and Integrity and the Ethics, Anti-Fraud and Criminal Compliance Committee is responsible for the supervisor of its compliance, as well as of proposing corrective action and sanctions.

When it is determined that a professional of the Codere Group has carried out activities that contravene the provisions of the Law or the Code of Ethics, disciplinary measures will be applied according to the regime of faults and penalties provided for in the Collective Bargaining Agreement of the Company to which they belong or in the applicable labour legislation. The competent bodies of the companies of the Group will also adopt whatever measures are appropriate to redirect the situation to full compliance with the law and the values, norms and criteria of the Code of Ethics.

2) An Internal Code of Conduct in the Securities Markets that determines the behaviour criteria that must be followed in the transactions carried out in the securities market, in order to contribute to their transparency and the protection of the investors The Internal Code of Conduct in the Securities Markets was favourably reported by the Appointments, Remuneration and Corporate Governance Committee at its meeting held on 8 November 2016 and subsequently approved by the Board of Directors of Codere, S.A., at a meeting held on 10 November 2016.

The Internal Code of Conduct includes standards of conduct in relation to the Operations that the persons with management responsibility perform on the securities and financial instruments of the Company; rules of conduct in relation to Privileged Information; rules of conduct to avoid market manipulation; treasury stock policy; and rules on conflicts of interest.

The Internal Code of Conduct in the markets is delivered to each of the persons affected by it, and the General Secretary's Office informs each of them when each of the "close periods" begins in which the Affected Persons must refrain from carrying out transactions on Codere's Securities.

- Whistleblower Channel, making it possible to communicate to the Audit Committee any financial and accounting irregularities, in addition to eventual breaches of the code of conduct and irregular activities in the organization, and informing whether said information is confidential.

The Rules of Procedure of the Board of Directors attribute in article 15.2.d) to the Compliance Committee the competence to establish and supervise a mechanism that allows employees, customers, suppliers and other third parties with whom contractual relationships exist, to communicate in a confidential manner and if it is considered appropriate, anonymous potential breaches of the ethical code of conduct, fraud and irregular activities in the organization.

In application of the foregoing, the Company established, and has a Whistleblowing Channel, of a confidential nature, which is enabled through an email address, ordinary mail and a toll-free telephone number (both at corporate level and in each country where the Codere Group operates). Said Whistleblower Channel has been disseminated to employees together with the Group Code of Ethics and Integrity.

The Whistleblower Channels were introduced in all of Codere's geographical areas under the common name of "Ethics Channels" using the same standards and manner of operation as that employed in the global corporate Whistleblower channel. Said Channels, which are open to and confidential for Group own personnel as well as customers and suppliers or other third parties with which a commercial or business relation is maintained, are operated exclusively by local Compliance officials, permanently supervised by Corporate Compliance General Management.

The body responsible for its management is the Ethics, Anti-Fraud and Criminal Compliance Committee, which is responsible for confidentially analysing the complaints received in the corporate complaints channel (or coordinating and supervising the local Compliance Departments and/or local Committees, in relation to the procedures on which the latter have intervened), proposing corrective actions and, where appropriate, the appropriate penalties. In addition, the Ethics, Anti-Fraud and Criminal Compliance Committee, through the Corporate Legal and Compliance Department submits periodic reports and/or informs the Compliance Committee immediately, as appropriate, so that they can exercise their supervisory function.

- Programs for periodical training and updating of personnel involved in preparing and revising financial information, and in the FRICS evaluation, which are to cover at least accounting standards, auditing, internal control and risk management.

The personnel involved in the preparation and review of the financial information, as well as in the evaluation of the FRICS, receive, according to their different responsibilities, periodic training on accounting standards, auditing, and internal control.

According to the organizational structure of the Group, the departments directly related to this type of functions are Internal Audit and Economic-Financial.

F.2. Evaluation of financial reporting risks

Report at least:

F.2.1 What are the principal characteristics of the risk identification process, including those related to error or fraud, in regard to the following:

- If the process exists and is documented:

The Codere Group has an identification process for the principal risks which may affect the Group, including among all the identified typologies, specific financial reporting risks. The result of this process is a Risks Map containing the residual risks having the greatest impact and the greatest probability in the Codere Group. This Map is updated annually, is reviewed by the Audit Committee, after which, the Board of Directors is informed at the next session held.

For critical processes and significant companies, considering in addition that the processes in the different units or locations should be evaluated individually, there are risk and control matrixes where the critical processes are documented, with identification being made of the principal risks affecting said processes, as well as the key controls existing in order to mitigate the material risks having an impact on financial reporting.

- If the process covers all the financial reporting objectives, (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), if it is updated, and how often.

In the Financial Reporting Risk identification process, in the aim to guarantee the reliability and accuracy of the financial information, evaluation is made of the possible impact in the following categories:

- Existence and occurrence: Transactions, facts and all other events exist and have been recorded at the proper time
- Integrity: The reporting reflects all transactions, facts and all other events with respect to which the company is an affected party.
- Valuation: Recording and valuation are made of all transactions, facts and other events in accordance with the applicable regulations.
- Transaction Cut-off: Transactions are recorded in the proper period on an accrual basis.
- Presentation, disclosure and comparability: The transactions, facts and all other events are classified, presented and disclosed in the financial reporting in accordance with the applicable regulations
- Rights and obligations: The financial reporting reflects the rights and obligations at the corresponding date in accordance with the applicable regulations.

The objective is to determine the possibility that a given risk will occur and in such a case, its impact on the financial statements, in order that it will be possible to prioritize this and draw up a mitigation plan.

This is a process which makes it possible to improve the design and efficacy of the controls and to minimize the risks related to financial reporting. The risk identification process of financial information has a periodic review and update process.

- The existence of a process for identifying the consolidation perimeter, taking into account, among other aspects, the possible existence of complex corporate structures, instrumental or special-purpose entities.

The Company consolidation perimeter is clearly identified and is updated monthly, making it possible to know of all Codere Group subsidiaries, the effective ownership percentage, and the degree of influence in said subsidiaries.

Any changes in the Group structure are communicated monthly to all those taking part in the financial reporting process and who need to know of such changes.

The creation of special purpose or instrumental entities requires the prior approval of the Board of Directors.

- If the process takes into account the effects of other risk typologies (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they affect the financial statements.

The Codere Group Risk Control and Management General Policy includes the identification and definition of all of the types of risk faced by the Group and which have been deemed as important, comprised as follows:

- Corporate Governance Risks
- Operational and Loss of Income Risks.
- Regulatory and Institutional Relation Risks
- Fiscal Risks
- Indebtedness Risk
- Country Risk
- Technological Risk

- What governance organ of the company supervises the process:

In the final instance, the Board of Directors, through the Audit Committee, in accordance with article 14 of the Rules of Procedure of the Board, is in charge of "Periodically revising the internal control and risk management systems, in order for the principal risks to be adequately identified, managed and disclosed.

The Audit Committee is in charge of managing the Control and Risk Management Policy in which at least the following will be identified: the various types of risks, measures foreseen to mitigate the impact of the identified risks, should they materialize, and the reporting and internal control systems which will be used to control and manage the foregoing, including contingent liabilities and off-balance sheet risks.

F.3. Control Activities

Report, noting the main features, if your company at least has:

- F.3.1** Procedures for the review and authorization of financial reporting, and the description of the FRICS, to be published in the securities markets, indicating those in charge, as well as documentation describing cash flows from activities and controls (including those related to fraud risk) for the different types of transactions which may materially affect the financial statements, including the year-end closing procedure and the specific review of relevant opinions, estimations, valuations and projections

The Company has procedures for the review and authorization of financial reporting to be published in the securities markets. Said procedures are in regard to:

- Procedures for prior approval of the accounting record of complex transactions

- Review procedures, in the business units and at the Corporate level, of the reports under IFRS criteria for integration in the consolidation process.
- Procedures for review and authorisation of the individual financial statements for each subsidiary of the Group. Based on materiality criteria established for the Group, as well as the legal obligations of each regulation where applicable, these financial statements are audited, the external auditor being the same audit firm as for the consolidated financial statements.
- Procedures for preparation review and authorisation of the consolidated financial statements.
- Procedures for preparation, review and authorisation of the information sent to the securities markets.
- For each significant process, descriptive exists documentation regarding the cash flows from activities carried out by the Economic Financial Management as well as by the rest of the areas participating in the financial reporting.

In all the processes mentioned above, the segregation of functions in all procedures affecting financial information has been strengthened during the year, and the review, control and approval systems have been reinforced, both locally and at the corporate level.

Said procedures for financial reporting review and authorization contain procedures regarding reviews of relevant opinions, estimations, valuations and projections forming part of the monthly closing procedure applied by the Codere Group.

The Audit Committee is responsible for validating the financial information to be published on the stock markets, prior to its approval by the Board of Directors.

F.3.2 Financial reporting internal control policies and procedures (among these, access security, control of changes, operation of changes, operational continuity, and segregation of functions) undergone by relevant processes of the entity in relation to the drafting and publication of the financial reporting.

The Company has guidelines and rules of action for managing information security. Said guidelines apply to the systems taking part in the generation of the financial reporting and are in regard to the use of computer resources, access to user systems and management, the protection of networks, systems, databases and applications and the management of backup copies.

The Information Systems Department is responsible for defining and proposing security policies, except for the physical security of the Data Processing Centre, which is the responsibility of the Security Department.

F.3.3 Financial reporting internal control policies and procedures aimed at supervising the management of activities sub-contracted to third parties, as well as those aspects of evaluation, calculation or valuation entrusted to independent experts, which may materially affect the financial statements.

Within the Economic Financial Management there is a specific function responsible for resolving any doubts in regard to the interpretations of the regulation. There is an Accounting Policy Manual at the Group level applicable to all of the Business Units. This Manual is periodically reviewed and updated on the basis of any new regulations that may affect us, with a prior assessment of the impact of the application of each new standard, and shall be communicated to the units responsible on a regular basis.

F.4. Information and communication.

Report, noting the main features, if your company at least has:

F.4.1 A specific function for defining and keeping accounting policies (area or department of accounting policies) up to date, and resolving any doubts or conflicts resulting from the interpretation thereof, maintaining fluent communication with those in charge of the transactions in the organization, as well as an accounting policy manual updated and communicated to the units through which the entity operates.

Within the Economic Financial Management there is a specific function responsible for resolving any doubts in regard to the interpretations of the regulation. There is an Accounting Policy Manual at the Group level applicable to all of the Business Units. This Manual is periodically reviewed and

updated on the basis of any new regulations that may affect us, with a prior assessment of the impact of the application of each new standard, and shall be communicated to the units responsible on a regular basis.

F.4.2 Mechanisms for gathering and preparing the financial information using homogenous formats applied and used by all units of the entity or of the group, which form the basis for the principal financial statements and the notes, as well as the information detailed in regard to the FRICS.

The Company has homogeneous financial information reporting for all of the Group units which allows the Company to make complete monthly closings. Said reporting contains all the information required for drafting the principal financial statements, market reports and their notes. In addition, it should be pointed out that a large percentage of the financial information of the Group is integrated in the Corporate Information Systems.

F.5. Supervision of system operation.

Report, noting the main features, on at least:

F.5.1 FRICS monitoring activities conducted by the audit committee and whether the entity has an internal audit function whose competencies support the committee in its oversight of the internal control system, including FRICS. Also report the scope of the assessment of FRICS in the year and the process by which the party responsible for implementing the evaluation reports its results, whether the entity has an action plan detailing any corrective measures, and whether it has considered its impact on financial reporting.

As provided in article 14 of the Rules of Procedure of the Board of Directors, the Audit Committee has among its functions the following:

- Supervise the internal audit services and monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-election and dismissal of the head of the internal audit service; propose the budget for said service; receive periodical information regarding its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
- Periodically revise the internal control and risk management systems, in order that the principle risks may be adequately identified, managed and disclosed;
- Supervise the process of drafting the Company and if applicable, Group, financial reporting and the completeness thereof, reviewing compliance with the regulatory requirements, proper delimitation of the consolidation perimeter and the correct application of accounting criteria.
- Report, at least once a year, to the Board of Directors in regard to matters of risk control and any malfunctions detected, if applicable, in the internal audit reports or in the exercise of the above listed functions.
- Once a year draft an annual report containing the activities carried out by the Committee

A. Internal Audit Function

The Codere Group has an Internal Audit Management which is directly under the Board of Directors through the Audit Committee, which supervises the internal audit services.

Among the Internal Audit Management functions is that of supervising the compliance, efficacy, and efficiency of the internal control systems, as well as the reliability and quality of the financial and operational information.

This Department is corporate and is present in all countries where the Group has a significant presence. Its entire personnel devote full time to this function, and do not engage in any functions other than those related to internal auditing.

The Audit Committee annually approves the audit plans presented by the Audit Management and, at least once a year, is informed of the result of the work carried out. In the exercise of its functions, the Audit Committee is periodically informed of the internal audit activities and verifies that Senior Management take into account the recommendations and conclusions of its reports.

B. Scope of evaluation of the Internal Control System with regard to Financial Reporting.

The Internal Audit Department, in executing its Annual Plan approved by the Audit Committee, carries out continual supervision of the internal control system of the Codere Group, in order to ensure the control of the reliability of the financial reporting and the operational procedures.

The Audit Department has a pluri-annual supervision plan approved by the Audit Committee. This Plan calls for the review of all critical business processes in all of the Group companies and geographical locations (including information systems) over a three-year period, with the exception of specific areas and processes, which, given their special relevance, are reviewed annually.

Likewise, a specific work plan has been designed to evaluate the operation and efficacy of the identified controls, which will allow it to serve as supervision of the entire Financial Reporting Internal Control System.

C. Communication of results and corrective measure action plans.

The Audit Committee is informed quarterly of the principal conclusions and recommendations manifested by the Internal Audit Committee in its reports, as well as of the action plans taken on with regard to corrective measures. It is likewise informed of compliance with these action plans.

F.5.2 If the entity has a procedure for discussion by means of which the auditor (in conformity with that established in the NTA), the internal audit function and other experts are able to communicate to senior management and to the Audit Committee or entity directors the significant weaknesses of the internal control system identified during the annual account review processes or any other review processes entrusted to them. Likewise, the entity will report whether it has an action plan which seeks to correct or mitigate the weaknesses noted.

The Audit Committee meets at least once every three months (prior to the publication of regulated information) in order to obtain and analyse the information necessary to discharge the duties entrusted to it. At said meetings the Group Annual and Half-yearly Accounts and the intermediate quarterly declarations are reviewed, as is all other information disclosed to the market.

These meetings are also attended by the Economic Financial Department (responsible for the preparation of financial information), the Internal Audit Department (with the periodic information on activities), as well as the external auditor who, in addition to communicating the results of their work, is consulted on any aspect related to the preparation of financial information, with the aim of ensuring the correct application of current accounting standards and the reliability of financial information.

In any event, and at all times prior to year-end, the external auditor has a meeting with the Audit Committee at which the principal identified matters of interest and the aspects detected by the auditor at year-end are deliberated on.

On its part, the Group auditor has direct access to Group Senior Management, holding periodical meetings in order to obtain the information required to carry out its work as well as to communicate any control weaknesses detected during the course of its work. With respect to this latter aspect, on an annual basis the external auditor presents a report to the Audit Committee which details the internal control weaknesses detected in its work. This report incorporates the comments of the Group Management and, if applicable, any action plans which have been put into practice in order to remedy the corresponding internal control weaknesses.

F.6. Other relevant information

The relevant information has been provided in the previous points.

F.7. Report of the external auditor.

Report:

F.7.1 If the FRICS sent to the markets has been subject to review by the external auditor, in which case the entity should include the corresponding report as an Annex. Otherwise, you should explain the reasons for this.

The Codere Group has not requested a specific report from the external auditors on the information sent by the SCIF to the markets, as it considers that the SCIF has already carried out a review of internal control, developed in accordance with technical auditing standards, in the process of reviewing the accounts.

G. DEGREE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of monitoring of the company with respect to the recommendations of the Good Governance Code of listed companies.

In the event that any recommendation is not followed or partially followed, you should include a detailed explanation of the reasons so that shareholders, investors and the market in general, have sufficient information to evaluate the performance of the company. General explanations are not acceptable.

1. That the Articles of Association of the listed companies do not limit the maximum number of votes which the same shareholder can cast, and not contain any other restrictions which would hinder taking control of the company through the acquisition of its shares on the market.

Comply [] Explain [X]

As a result of the financial restructuring process undertaken by the Company in recent years, and in order to ensure its continuity, the Company accepted certain conditions, among others, the modification of its Articles of Association, in order to include them in the same. In the same case, the same shareholder, the companies belonging to the same group or those acting in concert with the foregoing, may issue a number of votes at a General Meeting higher than those corresponding to shares that represent a percentage of 44% of the share capital, even if the number of shares it holds exceeds said percentage of share capital, without prejudice to the provisions of article 527 of the Capital Companies Act.

This limitation does not affect the votes corresponding to the shares in respect of which a shareholder holds the representation as a consequence of the provisions of article 13 of the Articles of Association, although, in relation to the number of votes corresponding to the shares of each represented shareholder, the previously established limitation shall also apply.

2. That, when the listed company is controlled, within the meaning of Article 42 of the Commercial Code, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it should publicly disclose precisely the following:

- a) The respective areas of activity and eventual business relations between, on the one hand, the listed company or its subsidiaries and, on the other hand, the parent company or its subsidiaries.
- b) The mechanisms established to resolve any eventual conflict of interests which may arise.

Complies [] Partially complies [] Explain [] Not applicable [X]

3. That during the celebration of the ordinary general meeting, as a complement to the written dissemination of the annual corporate governance report, the chairman of the Board of Directors verbally informs the shareholders, in sufficient detail, of the most relevant aspects of the corporate governance of the company and, in particular:

- a) On the changes that have occurred since the previous ordinary general meeting.
- b) The specific reasons why the company does not follow any of the recommendations of the Corporate Governance Code and, if they exist, the alternative rules that apply in that area.

Complies [X] Partially complies [] Explain []

4. That the company defines and promotes a policy relating to communication and contacts with shareholders within the framework of their involvement in the company, as well as with institutional investors and voting advisers that is fully respectful of the rules against market abuse and provides similar treatment to shareholders who are in the same position. And that the company makes this policy public through its

website, including information regarding the way in which it has been put into practice and identifying the interlocutors or those responsible for carrying it out.

And, without prejudice to legal obligations regarding the dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social networks or other channels) that helps to maximise the dissemination and quality of the information available to the market, investors and other stakeholders.

Complies [X] Partially complies [] Explain []

5. That the Board of Directors does not submit to the general meeting a proposal to delegate powers, to issue shares or convertible securities excluding the right of preferential subscription, for an amount greater than 20% of the capital at the time of delegation.

And when the Board of Directors approves any issuance of shares or convertible securities excluding the right of pre-emptive subscription, the company immediately publishes on its website the reports on said exclusion to which the commercial legislation refers.

Complies [X] Partially complies [] Explain []

6. That listed companies that prepare the reports listed below, whether mandatory or voluntary, publish them on their website sufficiently in advance of the ordinary general meeting, although their dissemination is not mandatory:

- a) Report on the independence of the auditor.
- b) Performance reports of the audit and appointments and remuneration commissions.
- c) Report of the audit committee on related-party transactions.

Complies [] Partially complies [X] Explain []

The company has prepared and published the reports listed in letters a) and b).

The report on related-party transactions, which has been regularly prepared and published in previous years, was not prepared in the 2020 financial year due to the temporary redundancy plan (ERTE in Spanish) carried out by the Group as a result of the COVID 19 pandemic. This ERTE reduced the staff available in the corporate services, so there were jobs that could not be carried out as they had been done to date.

The company intends to resume the preparation of this report in 2021.

7. That the company transmits live, through its website, the holding of general shareholders meetings.

And that the company has mechanisms that allow the delegation and exercise of votes by telematic means and even, in the case of large cap companies and to the extent proportionate, attendance and active participation in the General Shareholders' Meeting.

Complies [X] Partially complies [] Explain []

8. That the audit committee ensures that the annual accounts submitted by the board of directors to the general meeting of shareholders are drawn up in accordance with accounting standards. And in those cases in which the auditor has included a qualification in its audit report, the chairman of the audit committee should clearly explain the audit committee's opinion on its content and scope at the general meeting, making a summary of said opinion available to shareholders at the time of publication of the notice of the meeting, together with the rest of the proposals and reports of the board, a summary of said opinion.

Complies [X] Partially complies [] Explain []

9. That the company make permanently public on its website, the requirements and procedures it will accept to accredit the ownership of shares, the right to attend the general meeting of shareholders and the exercise or delegation of the right to vote.

And that such requirements and procedures favour attendance and the exercise of their rights by shareholders and are applied in a non-discriminatory manner.

Complies [X] Partially complies [] Explain []

10. That when a legitimated shareholder has exercised, prior to the holding of the general meeting of shareholders, the right to complete the agenda or present new proposals for agreement, the company:

- a) Immediately disseminate such complementary points and new proposals for agreement.
- b) Make public the model of attendance card or form of delegation of vote or remote vote with the precise modifications so that the new points of the agenda and alternative proposals can be voted according to the same terms as those proposed by the council of administration.
- c) Submit all those points or alternative proposals to vote and apply the same voting rules to them as those formulated by the Board of Directors, including, in particular, the presumptions or deductions regarding the direction of the vote.
- d) After the general meeting of shareholders, communicate the breakdown of the vote on such complementary points or alternative proposals.

Complies [] Partially complies [X] Explain [] Not applicable []

With regard to the request made in 2020 for a supplement to the call and alternative proposals for resolutions, for each shareholder with a participation of more than 3%, the company proceeded to make them public 11 days after their receipt, but on the same day that the Board of Directors took cognizance of the request and proceeded to take the pertinent resolutions for their publication.

11. That, in the event that the company plans to pay attendance premiums to the general meeting of shareholders, establish, in advance, a general policy on such premiums and that said policy is stable.

Complies [] Partially complies [] Explain [] Not applicable [X]

12. That the Board of Directors perform its functions with unity of purpose and independence of judgement, dispense the same treatment to all shareholders who are in the same position and be guided by the corporate interest, understood as the achievement of a profitable and sustainable business in the long term, that promotes its continuity and the maximization of the economic value of the company.

And in the pursuit of corporate interest, in addition to respect for laws and regulations and behaviour based on good faith, ethics and respect for commonly accepted good practices and standards, try to reconcile your own corporate interest with, as appropriate, the legitimate interests of its employees, its suppliers, its customers and those of the other stakeholders that may be affected, as well as the impact of the company's activities on the community as a whole and on the environment.

Complies [X] Partially complies [] Explain []

13. That the size of the Board be large enough to be able to function effectively and in a participative manner, which makes it advisable that it have no fewer than five nor more than fifteen members.

Complies [X] Explain []

14. That the Board of Directors approve a policy aimed at favouring an appropriate composition of the Board of Directors and that

- a) is concrete and verifiable.
- b) ensures that the proposals for appointment or re-election are based on a prior analysis of the competencies required by the Board of Directors; and
- c) encourage the diversity of knowledge, experiences, age and gender. For these purposes, measures that encourage gender diversity and to have a significant number of female senior managers.

That the result of the previous analysis of the competencies required by the Board of Directors be included in the justification report of the appointments committee that is published when the general meeting of shareholders is convened to which the ratification, appointment or re-election of each director is submitted.

The appointments committee will verify annually the compliance of this policy and will be informed of this in the annual corporate governance report.

Complies [] Partially complies [X] Explain []

The Board of Directors of Codere, S.A. has a specific and verifiable Director Selection Policy, which ensures that proposals for appointment or re-election are based on a prior analysis of the skills required on the Board and whose objective is that there should be diversity in the composition of the Board in a broad sense, both in terms of knowledge and experience, origin and gender, expressly including the objective that by 2020 the number of female directors should represent at least 30% of the members of the Board.

Notwithstanding the above, the existence of a shareholder agreement dated 6 April 2016 (signed by the Company) which establishes the rights of signing shareholders to nominate or appoint Directors determines the composition of the Board so that this recommendation is not currently complied with, in those aspects referred to the number of women at the Board.

15. That the external nominee and independent directors make up an ample majority of the Board of Directors and that the number of executive directors be limited to the minimum required, taking into account the complexity of the corporate group and the percentage of share capital held by the executive directors.

And that the number of female directors should account for at least 40% of the members of the board of directors by the end of 2022 and thereafter, and not be less than 30% prior to that date.

Complies [] Partially complies [X] Explain []

Nominee and independent directors constitute an ample majority of the Board of Directors (100%).

However, the company does not comply with the recommended percentage of 30% of female directors as members of the Board. As we have mentioned in section C.6. the process of election and re-election of directors is detailed in a very precise manner in the shareholders' agreement signed by the company, making it difficult to modify the composition of the Board with respect to that initially agreed.

16. That the percentage of nominee directors over the total of non-executive directors is not greater than the proportion between the capital of the company represented by said directors and the rest of the capital.

This criterion may be mitigated:

- a) In companies with large capitalization in which shareholdings that are legally considered significant are scarce.
- b) In the case of companies in which there is a plurality of shareholders represented on the Board of Directors and have no links with each other.

Complies [X] Explain []

17. That the number of independent directors represents at least one-third of the total number of directors.

That, however, when the company is not highly capitalized or when, even if it is, it has a shareholder or several acting in concert, that controls more than 30% of the share capital, the number of independent directors represents at least one third of the total number of directors.

Complies [X] Explain []

18. That companies publicize and keep up to date the following information on their directors through their Website:

- a) Professional and biographical profile;
- b) Other Boards of Directors to which they belong, whether or not they are listed companies, as well as other paid activities that they carry out, whatever their nature.
- c) Indication of the type of directorship they hold, indicating in the case of nominee directors, the shareholder which they represent or with which they have ties;
- d) Date of their initial appointment as company director, and dates of subsequent appointments; and;

e) Any company shares and stock options which they hold.

Complies [X]

Partially complies []

Explain []

19. That in the annual corporate governance report, after verification by the appointments committee, explain the reasons why nominee directors have been appointed at the request of shareholders whose shareholding is less than 3% of the capital; and the reasons why formal requests for presence on the Board from shareholders whose shareholding is equal to or greater than that of others at whose request proprietary directors have been appointed should not be addressed.

Complies [X]

Partially complies []

Explain []

Not applicable []

During the 2020 financial year, the Board of Directors did not respond to the request of Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro to appointed as nominee directors, pursuant to the provisions of the shareholders' agreement dated 6 April 2016, as it did not consider them suitable since it considered that they had not fulfilled their essential duty to perform their duties with loyalty, acting as faithful representatives, acting in good faith and in the best interests of the company.

However, said shareholders, by using their legal right to propose new items on the agenda, proposed to the AGM their appointment as Directors, being it rejected by majority voting at the AGM.

20. That nominee directors tender their resignation when the shareholder which they represent sells his or her entire shareholding. And that they likewise do so, in the corresponding proportion, when said shareholder reduces his or her shareholding down to a level which requires the reduction of the number of the shareholder's nominee directors.

Complies []

Partially complies []

Explain []

Not applicable [X]

21. That the Board of Directors refrain from proposing the separation of any independent director before said director finishes his or her term of appointment, unless there is good cause to do so, as determined by the Board of Directors on the basis of a report by the appointments committee. In particular, it shall be understood that there is just cause when the director moves into new positions or contracts new obligations that prevent him from devoting the time necessary to perform the duties of the position of director, breach the duties inherent to his position or incur in some of the circumstances that cause him to lose his status as independent, in accordance with the provisions of the applicable legislation.

Separation of independent directors may also be proposed as a result of public takeover bids, mergers or other similar corporate transactions that imply a change in the capital structure of the company, when such changes in the structure of the Board of Directors are favoured by the criterion of proportionality indicated in recommendation 16.

Complies [X]

Explain []

22. That the companies set up rules requiring directors to report and, where appropriate, to resign when situations arise that affect them, whether or not related to their performance in the company itself, that may damage the credit and reputation of the company and, in particular, oblige them to inform the board of directors of any criminal proceedings in which they are under investigation, as well as of the procedural vicissitudes thereof.

And, having been informed or having otherwise become aware of any of the situations mentioned in the preceding paragraph, the board should examine the case as soon as possible and, in view of the specific circumstances, decide, following a report from the appointments and remuneration committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing his or her removal. And to report thereon in the annual corporate governance report, unless there are special circumstances that justify it, which must be recorded in the minutes. This is without prejudice to the information that the company must disseminate, if appropriate, when the corresponding measures are adopted.

Complies ☒ Partially complies ☐ Explain ☐

23. That all directors clearly express their opposition when they consider that any proposal for a decision submitted to the Board of Directors may be contrary to the corporate interest. And, in particular, independent directors and other directors not affected by the potential conflict of interest should do so in the case of decisions that could harm shareholders not represented on the Board of Directors.

Moreover, when the Board of Directors adopts significant or reiterated decisions in regard to which the director had made serious reservations, that the latter draw the pertinent conclusions, and, if said director chooses to resign, that he or she explain the reasons in a letter as referred to in the following recommendation.

This recommendation is likewise made in regard to the Secretary of the Board, even if said Secretary is not a director.

Complies ☒ Partially complies ☐ Explain ☐ Not applicable ☐

24. That when, whether as a result of resignation or for resolution of the shareholders in general meeting, a director resigns from office before the end of his term of office, he shall sufficiently explain the reasons for his resignation or, in the case of non-executive directors, his opinion on the reasons for the removal by the shareholders, in a letter to be sent to all of the members of the Board of Directors.

Notwithstanding the fact that all of the above is disclosed in the annual corporate governance report, to the extent that it is relevant for investors, the company should publish the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Complies ☐ Partially complies ☐ Explain ☐ Not applicable ☒

25. That the appointments committee ensures that non-executive directors have sufficient time available for the proper performance of their duties.

And that the rules of procedure of the Board establish the maximum number of Board of Directors of which its directors can be a part.

Complies ☒ Partially complies ☐ Explain ☐

26. That the Board of Directors meet with the necessary frequency to effectively perform its functions and, at least, eight times a year, following the schedule of dates and matters established at the beginning of the year, each director being able to individually propose other points of order of the day initially not foreseen.

Complies [X] Partially complies [] Explain []

27. That the absences of the directors are reduced to the indispensable cases and are quantified in the annual corporate governance report. And that, when they should be produced, representation is granted with instructions.

Complies [] Partially complies [X] Explain []

During the year 2020 there have been 2 absences from the Board, one of which have been represented by another nominee, although no instructions have been given.

28. That when the directors or the Secretary express their concern over a given proposal or, in the case of the directors, over the running of the company, and these concerns are not resolved at the Board of Directors meeting, said circumstance be reflected in the minutes at the request of the person voicing such concerns.

Complies [X] Partially complies [] Explain [] Not applicable []

29. That the company establishes the appropriate channels so that the directors can obtain the necessary advice for the fulfilment of their duties, including, if required by the circumstances, external advice charged to the company.

Complies [X] Partially complies [] Explain []

30. That, regardless of the knowledge required of directors for the exercise of their duties, companies also offer directors refresher programs when the circumstances warrant.

Complies [X] Explain [] Not applicable []

31. That the agenda of the meetings clearly indicate those points on which the Board of Directors must adopt a decision or agreement so that the directors can study or collect, in advance, the information required for its adoption.

When, exceptionally for reasons of urgency, the chairman wishes to submit decisions or resolutions that do not appear on the agenda to the approval of the Board of Directors, the prior and express consent of the majority of the directors present shall be required, which shall be duly recorded in the minutes.

Complies [X] Partially complies [] Explain []

32. That the directors are periodically informed of the movements in the shareholding and of the opinion that the significant shareholders, investors and rating agencies have about the company and its group.

Complies [X] Partially complies [] Explain []

33. That the Chairman, as the person in charge of the efficient functioning of the Board of Directors, in addition to exercising the functions legally and statutorily attributed thereto, prepares and submits to the Board of Directors a schedule of dates and matters to be discussed; organize and coordinate the periodic evaluation of the Board, as well as, where appropriate, the first executive of the company; be responsible for the direction of the Board and the effectiveness of its operation; ensure that sufficient discussion time is devoted to strategic issues, and agree and review the knowledge updating programs for each director, when circumstances warrant.

Complies [X] Partially complies [] Explain []

34. When there is a coordinating director, the Articles of Association or the rules of procedure of the Board of Directors, in addition to the powers that correspond legally, assign the following: to preside over the Board of Directors in the absence of the chair and the vice-chair, if any; echo the concerns of non-executive directors; maintain contacts with investors and shareholders to know their points of view in order to form an opinion on their concerns, in particular, in relation to the corporate governance of the company; and coordinate the chair's succession plan.

Complies [] Partially complies [] Explain [] Not applicable [X]

35. That the secretary of the Board of Directors ensure in a special manner that in its actions and decisions the Board of Directors takes into account the recommendations on good governance contained in this Code of good governance that are applicable to the company.

Complies [X] Explain []

36. That, once a year, the Board of Directors in full should evaluate and adopt, if necessary, an action plan to correct the deficiencies identified in respect of:

- a) The quality and efficiency of the manner in which the Board of Directors is run;
- b) The operation and the composition of its committees.
- c) The diversity in the composition and powers of the Board of Directors.
- d) The performance of the chairperson of the Board of Directors and the chief executive of the company.
- e) The performance and contribution of each director, paying particular attention to those responsible for the various Board committees.

In order to carry out the evaluation of the different commissions, it will be based on the report that they submit to the Board of Directors, and for the latter's, from that the appointment commission elevates.

Every three years, the Board of Directors will be assisted to carry out the evaluation by an external consultant, whose independence will be verified by the appointments committee.

The business relationships that the consultant or any company of its group maintains with the company or any company of its group should be broken down in the annual corporate governance report.

The process and the areas evaluated will be described in the annual corporate governance report.

Complies [] Partially complies [X] Explain []

Given the economic and financial situation of Codere S.A. in recent years, Codere has chosen to carry out the annual evaluation and action plan internally, and without the help of an external consultant. Notwithstanding the above, the assessment covers all the areas set out in the recommendation.

37. That when there is an executive committee at least two non-executive directors should be present, at least one of whom should be independent; and that its secretary should be the secretary of the board of directors.

Complies [] Partially complies [] Explain [] Not applicable [X]

38. That the Board at all times be informed of the matters dealt with and the decisions adopted by the Delegated Committee, and that all members of the Board of Directors receive a copy of the minutes of the Delegated Committee meetings.

Complies [] Partially complies [] Explain [] Not applicable [X]

39. That the members of the audit committee as a whole, and especially its chairman, be appointed taking into account their knowledge and experience in accounting, auditing and risk management, both financial and non-financial.

Complies [X] Partially complies [] Explain []

40. That under the supervision of the audit committee, there be a unit that assumes the function of internal audit that ensures the proper functioning of the information and internal control systems and functionally depends on the non-executive chairman of the Board or the Board of Directors' audit commission.

Complies [X] Partially complies [] Explain []

41. That the person in charge of the internal audit function present to the Audit Committee, for approval thereby or by the Board of Directors, its annual work plan, informs said committee directly of its execution, including possible incidents and limitations to the scope that may arise in its development, the results and the follow-up of its recommendations and submit an activity report to it at the end of each financial year.

Complies [X] Partially complies [] Explain [] Not applicable []

42. That, in addition to those provided by law, the following functions correspond to the audit committee:

1. 1. In relation to the information and internal control systems:

- a) Supervise and evaluate the process of drafting and the integrity of the financial and non-financial information, as well as the systems of control and management of financial and non-financial risks relating to the company and, where appropriate, to the group -including operational, technological, legal, social, environmental, political and reputational or corruption-related risks-

reviewing compliance with the regulatory requirements, proper delimitation of the consolidation perimeter and the correct application of accounting criteria.

- b) Ensure the independence of the unit that assumes the internal audit function; propose the selection, appointment and removal of the person responsible for the internal audit service; propose the budget for that service; approve or propose approval to the board of the orientation and annual work plan of the internal audit, making sure that its activity is focused mainly on the relevant risks (including reputation); receive periodic information about their activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
 - c) Establish and supervise a mechanism allowing employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, communicate any irregularities of potential importance, including financial and accounting irregularities, or any other irregularities of any other nature related to the company that they may notice within the company or its group. This mechanism should guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the complainant and the accused.
 - d) Overall, to ensure that the policies and systems in place for internal control are effectively implemented in practice.
2. In relation to the external auditor:
- a) In the event that the auditor should choose to resign, the Committee shall examine the reasons why.
 - b) Ensure that the remuneration of the external auditor for their work does not compromise their quality or independence.
 - c) Supervise that the company reports the change of auditor through the CNMV and accompanies it with a statement about the possible existence of disagreements with the outgoing auditor and, if they existed, their content.
 - d) Ensure that the external auditor holds an annual meeting with the full Board of Directors to inform them of the work performed and the evolution of the accounting and risk situation of the company.
 - e) Ensure that the company and the external auditor respect current regulations on the provision of services other than auditing, the limits on the concentration of the auditor's business and, in general, the other rules on the independence of auditors.

Complies []

Partially complies [X]

Explain []

In relation to the establishment and supervision of a mechanism that allows employees to communicate, confidentially, and if possible and considered appropriate, anonymous, irregularities of potential importance, especially financial and accounting, that they notice within the company, this function is entrusted in Codere S.A. to the Compliance Committee (art.15 of the Regulations of the Board of Directors), with the system known as the "Whistleblower Channel" (nationally and internationally), which is periodically reported to the Committee.

The Rules of Procedure of the Board of Directors of Codere S.A. do not include among the functions of the Audit Committee, that of ensuring that the external auditor holds an annual meeting with the full Board to inform them of the work done and the evolution of the accounting situation and of company risks. Notwithstanding the foregoing, during fiscal year 2020, the external auditor appeared before the full Board on several occasions, both to report on the progress of the audit work and to inform on the company's risks.

43. That the audit committee may request the presence of any company employee or manager, and even order that they appear without the presence of any other manager.

Complies [X] Partially complies [] Explain []

44. That the audit committee is informed about the operations of structural and corporate modifications that the company plans to carry out for its analysis and prior report to the Board of Directors on its economic conditions and its accounting impact and, especially, where applicable, on the equation of proposed exchange.

Complies [X] Partially complies [] Explain [] Not applicable []

45. That the risk control and management policy identify or determine at least the following:

- a) The different types of risk, financial and non-financial (including operational, technological, legal, social, environmental, political and reputational including those related to corruption) faced by the company, including financial or economic liabilities, contingent liabilities and other off-balance sheet risks.
- b) A risk control and management model based on different levels, of which a specialised risk committee will form part when the sectoral regulations so provide, or the company deems appropriate.
- c) The risk level which the company considers acceptable;
- d) The measures planned to mitigate the impact of identified risks, should they materialize;
- e) The information and internal control systems which will be used to control and manage the aforesaid risks, including contingent liabilities or off-balance-sheet risks.

Complies [X] Partially complies [] Explain []

46. That under the direct supervision of the audit committee or, as the case may be, of a specialized committee of the Board of Directors, there is an internal risk control and management function exercised by a unit or internal department of the company that has expressly attributed the following functions:

- a) Ensure the proper functioning of the risk management and control systems and, in particular, that all important risks that affect society are identified, managed and quantified adequately.
- b) Actively participate in the preparation of the risk strategy and in important decisions about its management.
- c) Ensure that risk control and management systems mitigate risks adequately within the framework of the policy defined by the Board of Directors.

Complies [] Partially complies [X] Explain []

The Board of Directors has conferred upon the Audit Committee, which in turn has delegated the responsibility to the Internal Audit Department, of periodically reviewing the risk control and internal control systems, for the proper identification, management and dissemination of the principal risks. The Board defines the Group's risk tolerance on an annual basis.

Notwithstanding the foregoing, each Business Unit is responsible for analysing these risks, controlling them and implementing appropriate systems and measures to mitigate the impact of the materialisation of the risks, so that the risk remains below the limits established by the Board of Directors.

47. That the members of the appointments and remuneration committee - or of the Appointments Committee and the Remuneration Committee, if they are separate - be appointed so that they have the knowledge, skills and experience appropriate to the functions they are called upon to perform and that the majority of these members are independent directors.

Complies [] Partially complies [X] Explain []

The Appointments, Remuneration and Corporate Governance Committee is composed of four members, of which 50% is independent. The composition of the Committee is established in the Shareholders' Agreement to which the company adhered in May 2016.

48. That the companies of high capitalization have a commission of appointments and a separate commission of remunerations.

Complies [] Explain [] Not applicable [X]

49. That the appointments committee consult with the company Chairman and CEO, especially in regard to matters pertaining to executive directors.

Furthermore, that any director be able to request that the appointments committee take into consideration potential candidates to cover director vacancies, if it considers such candidates suitable.

Complies [X] Partially complies [] Explain []

50. That the remuneration committee exercises its functions independently and that, in addition to the functions attributed to it by law, the following correspond to it:

- a) Propose to the Board of Directors the basic conditions of the contracts of senior managers.
- b) Confirm the observance of the remuneration policy established by the company.
- c) Periodically review the remuneration policy applied to directors and senior managers, including the remuneration systems with shares and their application, as well as ensuring that their individual remuneration is proportionate to that paid to other directors and senior executives of the company.
- d) Ensure that any conflicts of interest do not prejudice the independence of external advice provided to the commission.
- e) Verify the information on the remuneration of directors and senior managers contained in the various corporate documents, including the annual report on the remuneration of directors.

Complies [X] Partially complies [] Explain []

As can be seen in Article 16 of the Rules of Procedure of the Board of Directors, most of the functions included in this Recommendation are entrusted to the Appointments, Remuneration and Corporate Governance Committee.

Regarding letter d), it is not applicable, since as previously reported, the assessment of the Board is done internally, without external advice.

51. That the Compensation Committee enquires with the company chairperson and CEO, especially in regard to matters concerning executive directors and senior management.

Complies ☒ Partially complies ☐ Explain ☐

52. That the rules for the composition and operation of the supervision and control commissions appear in the regulations of the Board of Directors and that they are consistent with those applicable to the legally binding commissions according to the previous recommendations, including:

- a) That they are composed exclusively of non-executive directors, with a majority of independent directors.
- b) That the chairs thereof be independent directors;
- c) That the Board of Directors appoint the members of these Committees, taking into account the knowledge, aptitudes and experience of the directors and the duties of each committee; that it deliberate on the proposals and reports of these committees; and that said committees report to the Board of Directors on their activity and be held accountable for the work they have done, at the first Board plenum held after the committee meetings;
- d) That these committees may obtain external consultancy, when they consider this advisable for the performance of their functions;
- e) That minutes be drawn up from its meetings, which will be made available to all the directors.

Complies ☐ Partially complies ☒ Explain ☐ Not applicable ☐

The Compliance Committee of Codere S.A. complies with the recommendations except for the fact that there is not a majority of independent directors in its composition (33% independents), notwithstanding which, its Chairman is an Independent Director.

53. That the supervision of compliance of the policies and rules of the company in environmental, social and corporate governance matters , as well as of the internal codes of conduct is attributed to one or is distributed among several committees of the Board of Directors that may be the audit committee, the appointments, a specialized committee in sustainability or corporate social responsibility or another specialized committee that the Board of Directors, exercising its powers of self-organization, has decided to create. This committee should be made up solely of non-executive directors, the majority of whom should be independent, and should be specifically assigned the minimum functions indicated in the following recommendation.

Complies ☐ Partially complies ☒ Explain ☐

The Company has entrusted to the Appointments, Remuneration and Corporate Governance Committee with the functions in matters of Corporate Governance, Corporate Social Responsibility and compliance with the Internal Code of Conduct.

This Committee is composed solely of non-executive directors, 50% of whom are independent, and 50% of whom are executive directors.

54. The minimum functions referred to in the above recommendation are as follows:

- a) Supervising compliance with the company's corporate governance rules and internal codes of conduct, ensuring that the corporate culture is aligned with its purpose and values.
- b) The supervision of the application of the general policy relating to the communication of economic-financial, non-financial and corporate information as well as communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the company communicates and relates to small and medium-sized shareholders will also be monitored.
- c) The periodic evaluation and revision of the adequacy of the corporate governance system of the company, in order that it fulfils its mission to promote the corporate interest and take into account, as appropriate, the legitimate interests of the other stakeholders.
- d) Monitoring that the company's environmental and social practices are in line with the strategy and policy.
- e) Supervision and evaluation of the relationship processes with the different stakeholders.

Complies [] Partially complies [X] Explain []

The Audit Committee is responsible for reviewing the functions mentioned in letter b, a committee on which the majority of the directors are independent.

The Appointments, Remuneration and Corporate Governance Committee is responsible for the functions mentioned in letters a, c, d and e. However, it should be noted that all the functions related to practices in environmental and social matters and in relation to the different stakeholders are included within the function of supervision and review of the policy and practices in matters of corporate social responsibility, since it is within this Policy, and its Corporate Social Responsibility and Responsible Gaming Plan, where certain measures are included in these areas.

The Group has no specific environmental policies, since its activities are not susceptible to being considered as potentially harmful to the environment. Notwithstanding the above, the aforementioned Employee Corporate Social Responsibility Plan for 2020-2021 includes certain environmental initiatives (reduction in the use of plastic and a project to recycle surpluses for the creation of a solidarity crisis fund), with plans for subsequent years to continue to make progress by carrying out an analysis and rationalisation of energy consumption.

55. That sustainability policies in environmental and social matters identify and include at least:

- a) The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social issues, environment, diversity, fiscal responsibility, respect for human rights and prevention of corruption and other illegal conduct
- b) The methods or systems for monitoring compliance with policies and associated risks and their management.
- c) The mechanisms for supervising non-financial risk, including those related to ethical and business conduct issues.
- d) The channels of communication, participation and dialogue with stakeholders.
- e) Responsible communication practices that avoid information manipulation and protect integrity and honour.

Complies [] Partially complies [] Explain [X]

The Group has no specific environmental policies, since its activities are not susceptible to being considered as potentially harmful to the environment. There is also no specific social policy, although the Group has included most of the practices established in this recommendation, as follows:

- With respect to letter a), the Group's Corporate Social Responsibility Policy includes principles of action in relation to the main stakeholders (shareholders and investors, customers, employees, communities, suppliers and the environment), as well as specific principles of action, including responsible taxation. In addition, the Group has approved an Anti-Corruption and Irregular Conduct Prevention Manual.

- With regard to letter c), the Integrated Report prepared annually by the Company, which includes non-financial and diversity information, is prepared in accordance with the guidelines of the Global Reporting Initiative and the requirements of Law 11/2018, with the collaboration of external advisors (PWC). With regard to risks related to ethical aspects and business conduct, the Group has established a Crime Prevention Model, within which the Ethics, Anti-Fraud and Criminal Compliance Committee has been set up, whose functions include supervising the functioning and compliance with the model implemented, reporting periodically to the Board of Directors.

- With regard to letters d) and e), the Group has communication channels with its stakeholders and a responsible Communication Plan, segmented by stakeholder groups, coordinated by the Corporate Communication Department.

56. That the remuneration of the directors be necessary to attract and retain the directors of the desired profile and to reward the dedication, qualification and responsibility required by the position, but not so high as to compromise the independent judgement of the non-executive directors.

Complies ☒ Explain ☐

57. That the variable remuneration linked to the performance of the company and personal performance be limited to the executive directors, as well as the remuneration through the delivery of shares, options or rights over shares or instruments referenced to the value of the share and the long-term savings systems such as pension plans, retirement systems or other social welfare systems.

The delivery of shares may be considered as remuneration for non-executive directors when it is conditioned to keep them until they cease to be directors. The foregoing shall not apply to the actions that the director needs to transfer, in its case, to satisfy the costs related to its acquisition.

Complies ☒ Partially complies ☐ Explain ☐

58. That in cases of variable compensation, compensation policies incorporate the limits and technical precautions required so as to ensure that said compensation is in line with the professional performance of its beneficiaries and does not merely result from general market performance or from corporate sector activity performance or other similar circumstances.

And, in particular, that the variable components of remuneration:

- Are linked to performance criteria that are predetermined and measurable and that said criteria consider the risk assumed to obtain a result.
- Promote the sustainability of the company and include non-financial criteria that are adequate for the creation of long-term value, such as compliance with the rules and internal procedures of the company and its policies for the control and management of risks.
- They are configured on the basis of a balance between the fulfilment of short, medium and long-term objectives, which allow remunerating the performance for continuous performance during a period of time sufficient to appreciate their contribution to the sustainable creation of value, so that the

elements of measurement of that performance do not revolve solely around specific, occasional or extraordinary events.

Complies [] Partially complies [] Explain [] Not applicable [X]

59. That the payment of the variable components of the remuneration be subject to sufficient verification that the performance or other conditions previously established have been effectively fulfilled. The entities shall include the criteria regarding the time required and methods for such verification depending on the nature and characteristics of each variable component in the annual directors' remuneration report.

In addition, institutions should consider the establishment of a malus clause based on the deferral for a sufficient period of time of the payment of a portion of the variable components that entails their total or partial loss in the event that some event occurs prior to the time of payment that makes it advisable to do so.

Complies [] Partially complies [] Explain [] Not applicable [X]

60. That the compensation related to the company results take into account any eventual qualified opinions stated in the external auditor's report and diminish said results.

Complies [] Partially complies [] Explain [] Not applicable [X]

61. That a relevant percentage of variable remuneration of executive directors be linked to the delivery of shares or financial instruments referenced to their value.

Complies [] Partially complies [] Explain [] Not applicable [X]

62. Once the shares or options or financial instruments corresponding to the remuneration systems have been attributed, the executive directors cannot transfer their ownership or exercise them until a period of at least three years has elapsed.

An exception is made in the case where the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount equivalent to at least twice his annual fixed remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to the shares that the director needs to transfer to satisfy the costs related to its acquisition or, subject to the favourable opinion of the Appointments and Remuneration Committee, to meet extraordinary situations that require it.

Complies [] Partially complies [] Explain [] Not applicable [X]

63. That the contractual agreements include a clause that allows the company to claim the reimbursement of the variable components of the remuneration when the payment has not been adjusted to the performance conditions or when they have been paid based on data whose inaccuracy is subsequently accredited.

Complies [] Partially complies [] Explain [] Not applicable [X]

64. That the payments for resolution or termination of the contract do not exceed an amount equivalent to two years of the total annual remuneration and that they are not paid until the company has been able to verify that the director has complied with the previously established performance criteria or conditions established for their receipt.

For the purposes of this recommendation, termination or contractual termination payments shall include any payments whose accrual or payment obligation arises as a result of or in connection with the termination of the contractual relationship between the director and the company, including amounts not previously vested in long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Complies [☐] Partially complies [☐] Explain [☐] Not applicable [☒]

H. OTHER INFORMATION OF INTEREST

1. If you consider that there is any principle or relevant aspect regarding the corporate governance practices applied by your company which has not been dealt with in the present Report, but that more complete and reasoned information is necessary regarding the structure and governance practices of your company and/or group, mention this below and briefly explain what it consists of.
2. Any information, clarification or nuance related to the preceding sections of this report may also be included in this section.

Specifically, indicate whether or not the company is subject to any legislation other than Spanish legislation in matters of corporate governance and, if applicable, include any information which it is required to provide which differs from the information called for in this report.

3. The company may also indicate whether voluntarily acceded to other ethical principles or codes of good practice, international, sectoral or other authorities. In such a case, the code in question and the date of application should be identified. In particular, it will mention if the company has adhered to the Code of Good Tax Practices, of 20 July 2010:

In relation to section C.1.14, the total remuneration also includes the amounts of members of Senior Management who lost their status during 2020, i.e. Mr. Toro Echevarría, Country Manager of Colombia, Mr. Gurméndez, Country Manager of Uruguay and Mr. Cuenca, Corporate Director of Legal Counsel and Compliance.

In relation to Recommendation G.4 we hereby informed that the supervision of the Policy on Communication with investors of Codere, corresponds to the Audit Committee, which annually receives information on how said Policy has been developed and executed, reporting it to the Board after that.

This annual corporate governance report was approved by the Board of Directors of the Company, at its meeting held on

25/02/2021

Indicate whether any Directors have voted against or have abstained from the approval of the present report.

☒ Yes
☐ No

Name of Director not voting in favour of the approval of this report	Reasons (against, abstain, not attending)	Explain the reasons
Masampe S.L.	Abstain	As stated by Masampe's representative (Mr. Sánchez Revenga), his recent incorporation to the Company (one week prior to the date in which this report was approved) does not allow him to have reasonable grounds to vote in favour of the report.