



## **APPOINTMENTS AND REMUNERATIONS COMMITTEE REPORT ON THE PROPOSED RESOLUTION RELATING TO THE RATIFICATION OF MR JOHANNES BERNARDUS DIJSSELHOF AS DIRECTOR OF BME**

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The Appointments and Remunerations Committee issues this report at its meeting dated 22 June 2020, in relation to the proposal of the Board of Directors to ratify Mr Johannes Bernardus Dijsselhof as a member of the Board of Directors of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A (hereinafter “BME” or “the Company”), classified as a proprietary Director, pursuant to articles 529.decies, section 6 of the Corporate Enterprises Act and articles 20.2.d) and 22.1 of the Board of Directors Regulations, which commission the task of reporting on proposed appointments of proprietary Directors to this Committee.

In the event that Mr Dijsselhof is ratified as a Director of the Company, the Appointments and Remunerations Committee will prepare this report in relation to the proposal for his appointment as Chairman of the Board of Directors, in order to comply with that established in articles 13.1, and 20.2.f), of the Board of Directors Regulations, which requires this Committee to report on compliance with the Articles of Association and the Regulations regarding the appointment of the Chairman of the Board of Directors.

Mr Dijsselhof has not participated in the preparation, deliberation and approval of this report by the Appointments and Remunerations Committee.

### **I. Background**

The Board of Directors, at its meeting held on 18 June 2020, following a favourable report by the Appointments and Remunerations Committee, agreed to appoint Mr Johannes Bernardus Dijsselhof and Mr Daniel Schmucki as Directors by co-optation under the vacancy provision system, in order to fill two (2) of the vacancies presented on that date by the Board of Directors.

Messrs Dijsselhof and Schmucki were classified as proprietary external Directors, having been appointed at the proposal of SIX GROUP AG, majority shareholder of BME.

### **II. Medium and long-term planning of the structure and composition of the Board of Directors.**

As a consequence of the new shareholding structure of the Company, with a shareholder owning 93.16% of the share capital, the Appointments and Remunerations Committee has analysed the size, composition and structure that would be appropriate for the Board of Directors to effectively perform the functions attributed to it, in accordance with the medium- and long-term planning of the structure and composition of the Board of Directors.

Specifically, among the criteria to be taken into account to determine the number of members considered appropriate by the Board of Directors and its composition, the aforementioned

Planning makes special reference to the shareholding structure that the Company presents at all times and, in particular, the existence of owners of significant shares, as well as the composition requirements of the Board Committees and the possible modification of the activity carried out by the Company.

In this regard, to determine the number of members that the Board of Directors should have, the Appointments and Remunerations Committee has considered that the existence of a majority shareholder advises a reduction in the number of Directors.

It has also assessed the number of Board Committees on which the Directors will sit and the number and classification of the Directors that must be included on these Committees to comply with the legal requirements regarding their respective composition, to guarantee that the Directors have sufficient availability to correctly perform their functions.

Thus, the Appointments and Remunerations Committee has taken into account the existence of three (3) Board Committees, two of which, the Audit Committee and Appointments and Remunerations Committee must be made up entirely of non-executive Directors, of which, in the case of the Audit Committee, the majority must have the status of independent Directors, while on the Appointments and Remunerations Committee, at least two (2) have to be classified as independent Directors. The Markets and Systems Operating Procedure Committee does not have any qualitative criteria regarding its composition.

The Appointments and Remunerations Committee has evaluated the Recommendations of the Good Governance Code of listed companies, which refer to the size of the Board of Directors and those that refer to the functional structure of the Board of Directors, the degree of independence of this body and the proportion of proprietary and independent Directors.

In this regard, the Appointments and Remunerations Committee has concluded that six (6) Directors consider themselves to form the adequate number of members of the Board of Directors, to guarantee its effective, participatory and functional operations, of which one (1) would be classified as executive, two (2) as external independent and the remaining three (3) would be classified as external proprietary Directors, representing the majority shareholder SIX GROUP AG.

With this composition of the Board of Directors, the proportion between proprietary and independent Directors is considered to be in line with the shareholder composition, and there is a minimum presence of executive Directors.

In view of the above, together with the proposed ratification as Director of Mr Johannes Bernardus Dijsselhof, in compliance with the medium and long-term Planning of the structure and composition of the Board of Directors, and in line with the best governance practices, the Appointments and Remunerations Committee has assessed a proposal to reorganise the governance body, which sets the number of Directors at six (6) and the number of members of each of the Board Committee at three (3).

After this analysis, and simultaneously with the proposal to ratify as Director of Mr Johannes Bernardus Dijsselhof, classified as proprietary Director, will be submitted for approval by the by the extraordinary General Shareholders' Meeting, the proposal for the appointment of Ms Belén Romana García and the re-election of Mr David Jiménez-Blanco Carrillo de Albornoz, classified as independent Directors, the ratify of Mr Daniel Schmucki and the appointment of Ms Marion Leslie, classified as proprietary Directors, and the re-election of Mr Javier Hernani Burzako, classified as executive Director.

### **III.- Mr Dijsselhof's professional background.**

Mr Johannes Bernardus Dijsselhof holds a Bachelor's degree in Computer Science from the Drenthe University of Vocational Education (1991), a Master's Degree in Business Administration from the Amsterdam University of Vocational Education (1992) and a Master's Degree in the Advanced Management Programme of the INSEAD Business School (2005), and he had taken multiple technical and senior management courses between 1994 and 2016.

Between March 1993 and July 2008, he worked at ABN AMRO BANK N.V., occupying positions such as Derivatives Project Manager, Director of FX Options Transactions, Director of Wholesale Operations in the Netherlands, Regional Director of EMEA Market Operations, Global Director of Market Operations and Regional Director of Asia-Pacific Operations.

From July 2008 to March 2010 he was employed at the ROYAL BANK OF SCOTLAND NV as Director of Group Operations in Asia-Pacific and Head of the Technology and Operations Team, and from April 2010 to June 2014 he worked at AUSTRALIA AND NEW ZEALAND BANK LIMITED (ANZ), where he held the position of Director General of Operations in Asia-Pacific, Europe and the Americas and Director General of the Hubs Group, which was part of ANZ.

Between July 2014 and July 2017, he acted as COO at EURONEXT N.V., also serving as its Chief Executive Officer (CEO) from August 2014 to February 2015 and from May 2015 to November 2015.

Since December 2017, Mr Dijsselhof has been the Chief Executive Officer (CEO) of SIX GROUP AG and a member of its Executive Board.

### **IV. Procedure for the appointments of Directors.**

Pursuant section 6 of article 529.decies of the Corporate Enterprises Act, and articles 20.2.d) and 22.1 of the Board of Directors Regulations state that it is the Appointments and Remunerations Committee's duty to inform on the proposed ratification of directors classified as executive and proprietary Directors by the Board of Directors, to be submitted for approval by the General Shareholders Meeting.

Likewise, in accordance with article 6, section 2, of the Board of Directors Regulations, the category of each Director will be explained to the General Shareholders Meeting who must, when applicable, ratify the appointments of Directors approved by the Board of Directors by co-optation under the vacancy provision system.

### **V. Analysis of Mr Johannes Bernardus Dijsselhof's compliance with the legal and statutory requirements for his appointment as Director.**

Mr Johannes Bernardus Dijsselhof is currently a Director at the Company and, therefore, he is considered to have already accredited his compliance with the requirements of experience, expertise and integrity demanded to perform his duties.

Regardless of the foregoing, the Appointments and Remunerations Committee has evaluated Mr Dijsselhof's professional track-record and confirmed that he fulfils the requirements of article 184 bis, section 1 of the Spanish Securities Market Law, which substitutes article 152, section 1.f) of the same Law, referred to in point 3 of the additional provision six, stipulating that members of BME's Board have the acknowledged honourability, honesty and integrity and

sufficient knowledge, competence and experience, and are able to act independently, and are in a position to exercise good governance at the Company.

The Appointments and Remunerations Committee has also verified that Mr Johannes Bernardus Dijsselhof is not subject to any of the incompatibility causes and legal limitations which, to exercise his position, are established by the prevailing regulations and in article 213 of the Corporate Enterprises Act and articles 6.2 and 6.23 of the Board of Directors Regulations.

In this regard, the Appointments and Remunerations Committee has taken into account Mr Dijsselhof's extensive professional experience in the European financial markets, in which, in addition to the current position of Chief Executive Officer of SIX GROUP AG, he has held the position of Chief Executive Officer at EURONEXT and, previously, he has provided his services to different financial entities in the fields related to the securities markets and professional experience of Mr Dijsselhof, which accredits his extensive knowledge of the activity carried out by the Company, and in particular, of the European financial markets.

Based on the analysis of the above-mentioned data, the Appointments and Remunerations Committee has concluded that the positions held by Mr Dijsselhof at other companies should not impede his ratification as Director, and he has sufficient availability to provide the dedication required for the exercise of said position.

#### **VI. Category that would be assigned to the Director.**

Mr Johannes Bernardus Dijsselhof has been classified as an external proprietary Director of the Company, in accordance with the provisions of article 529 duodecies, section 3, of the Corporate Enterprises Act, to which article 6, section 2, of the Board of Directors Regulations refers, and he was proposed for appointment by SIX GROUP AG, the majority shareholder of BME.

#### **VII. Effects of the ratification of the Director on the composition of the Board of Directors and the Committees on which his re-election is proposed.**

Simultaneously with the proposed ratification as Director of Mr Johannes Bernardus Dijsselhof, classified as an external proprietary Director, it is foreseen that the Board of Directors will submit the proposals to modify the Articles of Association to the extraordinary General Shareholders Meeting, in order to reduce the minimum number, from nine (9) to six (6), and the maximum number, from fifteen (15) to nine (9), members of the Board of Directors, the removal of Directors with a valid position at the date of the aforementioned extraordinary General Shareholders Meeting, which does not affect Messrs. Dijsselhof and Schmucki, and the setting of the number of members of the Board of Directors at six (6).

In line with the foregoing, the proposal for the appointment of six (6) Directors has been submitted to the extraordinary General Shareholders Meeting, of which two (2) would meet the status of external independent Directors, three (3) would be classified as external proprietary Directors and one (1) would be classified as an executive Director.

The Appointments and Remunerations Committee considers that this composition by category of the Board of Directors is appropriate for the Company's shareholding structure, in which SIX GROUP AG holds 93.16% of the share capital of BME.

Thus, the Board of Directors would be composed of a vast majority of external Directors, 83.33% of the total number of Directors, of which 50% would be classified as external proprietary Directors and 33.33% external independent Directors, in accordance with Recommendation 17 of the Code of Good Governance of listed companies for companies that have a shareholder that controls more than 30% of the share capital.

The presence of a third of external independent Directors guarantees, to the understanding of the Appointments and Remunerations Committee, an adequate and relevant representation of the interests of non-controlling shareholders, which represent 6.84%, without any of them holding a significant stake in BME's share capital.

With the proposed composition of the Board of Directors, the presence of female Directors on this body would account for 33.33% of the total number of Directors. This percentage would meet the target number of female Directors set by the Appointments and Remunerations Committee of 30% of total Directors for 2020, in line with Recommendation 14 of the Good Governance Code of listed companies.

The geographic and cultural diversity of this body would also be increased by incorporating Directors of European origin and residence, who represent 50% of the total number of Directors.

#### **VIII.- Assessment of services provided by Mr Dijsselhof during his last term of office**

Mr Johannes Bernardus Dijsselhof was appointed Director by the co-option under the vacancy provision system on 18 June 2020, and since then has attended the sole Board of Directors meeting held, including the meeting in which he was appointed Director.

The Appointments and Remunerations Committee considers that the proposed ratification of Mr Johannes Bernardus Dijsselhof as a member of the Board of Directors will be beneficial for BME given that, his professional experience, the quality of the professional services provided and his dedication shown since his appointment have been in the Company's best interests.

#### **IX.- Analysis of Mr Johannes Bernardus Dijsselhof's compliance with the requirements laid down by law for his appointment as Chairman of the Board of Directors.**

After the resignation as Director of Mr Antonio J. Zoido Martínez, the position of Chairman of the Board of Directors has become vacant.

Thus, the Appointments and Remunerations Committee, in accordance with the powers granted thereto by articles 13.1, and 20.2.f), of the Board of Directors Regulations, and based on medium and long-term Planning of the structure and composition of the Board of Directors, it has examined the personal and professional competences that the candidates for Chairman of the Board of Directors must hold and has concluded that Mr Johannes Bernardus Dijsselhof has the appropriate profile to be appointed Chairman of the Board of Directors by this body, once the extraordinary General Shareholders Meeting ratify his appointment as Director of the Company.

#### **X.- Conclusion of the Appointments and Remunerations Committee.**

In light of the foregoing, the Appointments and Remunerations Committee, after deliberation, has resolved to issue a favourable report on the proposal that, where appropriate, the Board

of Directors would submit to the General Shareholders Meeting to ratify Johannes Bernardus Dijsselhof as a member of the Board of Directors.

Likewise, should Mr Johannes Bernardus Dijsselhof be ratified as a member of the Board of Directors by the extraordinary General Shareholders Meeting, the Appointments and Remunerations Committee, in accordance with the powers granted thereto by articles 13.1, and 20. 2.f) of the Board of Directors Regulations, reports favourably on compliance with the statutory requirements necessary for Mr Johannes Bernardus Dijsselhof to be appointed as Chairman of the Board of Directors.



## **APPOINTMENTS AND REMUNERATIONS COMMITTEE PROPOSAL RELATING TO THE RE-ELECTION OF MR DAVID JIMÉNEZ BLANCO CARRILLO DE ALBORNOZ AS DIRECTOR OF BME**

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The Appointments and Remunerations Committee, at its meeting of 22 June 2020, issues the present proposal of the Board of Directors for re-election as a member of the Board of Directors of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, SA (hereinafter "BME" or "the Company") of Mr David Jiménez -Blanco Carrillo de Albornoz, classified as an independent external director, in accordance with the provisions of articles 529 decies, section 4, and 529 fifteen, section 3.c), of the Corporate Enterprises Act, and 20, section 2.c) and 22, section 1, of the Board of Directors Regulations.

The re-election of Mr Jiménez-Blanco Carrillo de Albornoz as Lead Independent Director is not proposed, as it is planned to submit to the extraordinary General Shareholders Meeting, simultaneously with the present proposal for re-election as Director, a proposal to amend the Articles of Association to the effects of eliminating the obligation to appoint a Lead Independent Director, regardless of the classification of the Chairman of the Board of Directors.

Mr Jiménez-Blanco Carrillo de Albornoz has not participated in the preparation, deliberation and approval of this report by the Appointments and Remunerations Committee.

### **I. Background**

Mr Jiménez-Blanco Carrillo de Albornoz, who as of this date has a current term of office, was appointed Director by resolution of the ordinary General Shareholders Meeting, at its meeting held on 26 April 2018, on the proposal of the Appointments and Remunerations Committee, and appointed Lead Independent Director at the meeting of the Board of Directors held on 28 May 2018.

### **II. Medium and long-term planning of the structure and composition of the Board of Directors.**

As a consequence of the new shareholding structure of the Company, with a shareholder owning 93.16% of the share capital, the Appointments and Remunerations Committee has analysed the size, composition and structure that would be appropriate for the Board of Directors to effectively perform the functions attributed to it, in accordance with the medium- and long-term planning of the structure and composition of the Board of Directors.

Specifically, among the criteria to be taken into account to determine the number of members considered appropriate by the Board of Directors and its composition, the aforementioned Planning makes special reference to the shareholding structure that the Company presents at all times and, in particular, the existence of owners of significant shares, as well as the composition requirements of the Board Committees and the possible modification of the activity carried out by the Company.

In this regard, to determine the number of members that the Board of Directors should have, the Appointments and Remunerations Committee has considered that the existence of a majority shareholder advises a reduction in the number of Directors.

It has also assessed the number of Board Committees on which the Directors will sit and the number and classification of the Directors that must be included on these Committees to comply with the legal requirements regarding their respective composition, to guarantee that the Directors have sufficient availability to correctly perform their functions.

Thus, the Appointments and Remunerations Committee has taken into account the existence of three (3) Board Committees, two of which, the Audit Committee and Appointments and Remunerations Committee must be made up entirely of non-executive Directors, of which, in the case of the Audit Committee, the majority must have the status of independent Directors, while on the Appointments and Remunerations Committee, at least two (2) have to be classified as independent Directors. The Markets and Systems Operating Procedure Committee does not have any qualitative criteria regarding its composition.

The Appointments and Remunerations Committee has evaluated the Recommendations of the Good Governance Code of listed companies, which refer to the size of the Board of Directors and those that refer to the functional structure of the Board of Directors, the degree of independence of this body and the proportion of proprietary and independent Directors.

In this regard, the Appointments and Remunerations Committee has concluded that six (6) Directors consider themselves to form the adequate number of members of the Board of Directors, to guarantee its effective, participatory and functional operations, of which one (1) would be classified as executive, two (2) as external independent and the remaining three (3) would be classified as external proprietary Directors, representing the majority shareholder SIX GROUP AG.

With this composition of the Board of Directors, the proportion between proprietary and independent Directors is considered to be in line with the shareholder composition, and there is a minimum presence of executive Directors.

In view of the above, together with the proposed re-election as Director of Mr David Jiménez-Blanco Carrillo de Albornoz, in compliance with the medium and long-term Planning of the structure and composition of the Board of Directors, and in line with the best governance practices, the Appointments and Remunerations Committee has assessed a proposal to reorganise the governance body, which sets the number of Directors at six (6) and the number of members of each of the Board Committee at three (3).

After this analysis, and simultaneously with the proposal to re-elect as Director of Mr David Jiménez-Blanco Carrillo de Albornoz, classified as independent Director, will be submitted for approval by the by the extraordinary General Shareholders' Meeting, the proposal for the appointment of Ms Belén Romana García, classified as independent Director, the ratify of Mr Johannes Bernardus Dijsselhof and Mr Daniel Schmucki and the appointment of Ms Marion Leslie, classified as proprietary Directors, and the re-election of Mr Javier Hernani Burzako, classified as executive Director.

### **III. Professional background.**

Mr David Jiménez-Blanco Carrillo de Albornoz has a Bachelor's Degree in Economics and Business from the University College of Financial Studies -CUNEF- (1986).

Since 2016, he has served as Chief Strategy and Restructuring Officer of Abengoa, S.A.



In 2018, he was appointed independent Director, Lead Independent Director and Chairman of the Appointments and Remunerations Committee of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.

Likewise, in 2018, he was appointed Director, classified as an independent external Director, of Árima Real Estate Socimi, SA, and is Chairman of its Audit Committee.

Since 2010 he has acted as a shareholder, Director and member of the Investment Committee of Gawa Capital Partners, SGEIC S.A., an investment management firm. In 2019, he was appointed non-executive Chairman.

Between 2014 and 2018 he was classified as an external independent Director at Axiare Patrimonio Socimi, S.A., serving between 2014 and 2017 as Chairman of its Audit Committee and between 2017 and 2018 as Chairman of its Remunerations Committee.

In 2011 and 2012, he was an independent Director and member of the Audit Committee at Atento Inversiones y Teleservicios, S.A. Likewise, between 2006 and 2009 he was a member of the Governing Board of the American Chamber of Commerce in Spain.

Between 2013 and 2016 he was Chief Financial Officer (CFO) at World Duty Free Group, and between 2010 and 2013 he was Co-Founder and Partner at BK Partners, an investment management firm.

Between 2006 and 2009, he was Chairman and Chief Executive Officer at Merrill Lynch Capital Markets España, S.A., S.V., serving as Head of Global Markets and Investment Banking for Spain and Portugal. Furthermore, he was a member of the Investment Banking Operating Committee for Europe, the Middle East and Africa at Merrill Lynch.

Between 1995 and 2006 he worked at Goldman Sachs International, in different positions at the London and Madrid offices. Between 1995 and 2000, he held the post of Executive Investment Banking Director in London, between 2000 and 2004, he served as Managing Director as Co-Head of the Spanish *Investment Banking* Team in Madrid and between 2004 and 2006 as Head of the *European Industrials Group* in London.

Lastly, he held the post of Associate, Vice-Chairman and Director of Salomon Brothers International between 1989 and 1995, that of fund manager at DREXEL BURNHAM LAMBERT between 1988 and 1989 and of Banif between 1986 and 1988.

#### **IV. Appointment procedure.**

Section 4 of article 529.decies and section 3.c) and article 529.quindecies of the Corporate Enterprises Act, and articles 22.1 and 20.2.c) of the Board of Directors Regulations state that it is up to the Appointments and Remunerations Committee to present to the Board of Directors the proposals for the appointment of external independent Directors to be submitted for approval by the extraordinary General Shareholders Meeting.

In addition, in accordance with article 6.3 of the Board of Directors Regulations, this proposal includes an explanation of the category into which the Director whose appointment is proposed to the ordinary General Shareholders Meeting would be classified within the categories of Directors set out in article 529 duodecies of the Corporate Enterprises Act.

**V. Analysis of Mr David Jimenez-Blanco Carrillo de Albornoz's compliance with the requirements laid down by law and under the Articles of Association for appointment as Director.**

Given that Mr David Jiménez-Blanco Carrillo de Albornoz is currently a Director of the Company, compliance with the requirements of good repute, knowledge and experience required for the performance of his duties, which must be proven in relation to the present proposal for re-election as an external independent Director, is considered proven for Mr Jiménez-Blanco Carrillo de Albornoz.

Regardless of the foregoing, in connection with the present proposal, the Appointments and Remunerations Committee has evaluated Mr Jiménez-Blanco Carrillo de Albornoz's professional track-record and confirmed that he fulfils the requirements of article 184 bis, section 1 of the Spanish Securities Markets Law, which substitutes article 152, section 1.f) of the same Law, referred to in point 3 of the additional provision six, stipulating that members of BME's Board of Directors have the acknowledged honourability, honesty and integrity and sufficient knowledge, competence and experience, and are able to act independently, and are in a position to exercise good governance at the Company.

The Appointments and Remunerations Committee has also verified that Mr Jiménez-Blanco Carrillo de Albornoz is not subject to any of the incompatibility causes and legal limitations which, to exercise his position, are established by the prevailing regulations and in article 213 of the Corporate Enterprises Act and articles 6.2 and 6.23 of the Board of Directors Regulations.

In this regard, the Appointments and Remunerations Committee has taken into consideration the extensive experience of Mr Jiménez-Blanco Carrillo de Albornoz in the investment banking and investment management sector, having held various positions of extensive responsibility in the financial sector, and his experience as a Director in various listed companies.

Based on the analysis of the aforementioned data, the Appointments and Remunerations Committee has concluded that the positions held by Mr Jiménez-Blanco Carrillo de Albornoz in other companies do not constitute an obstacle to his re-election as Director and that he is available to provide the dedication required by the position of Director of BME.

**VI. Category to which the director candidate would be assigned.**

Mr David Jiménez-Blanco Carrillo de Albornoz has been classified as an external independent Director of the Company in accordance with the provisions of article 529 duodecés, section 4, of the Corporate Enterprises Act, to which article 6, section 2, of the Board of Directors Regulations, given that his appointment has been made for his personal and professional qualities and he would be in a position to carry out his duties without being influenced by relationships with the Company, its majority shareholders or its managers, as none of the situations set forth therein precluding this classification exist, as the Appointments and Remunerations Committee itself has verified based on his professional background and Mr Jiménez-Blanco has shown in the years that he has been part of the Company's Board of Directors.

## **VII. Effects of the Director's re-election on the composition of the Board of Directors**

Simultaneously with the proposed re-election as Director of Mr David Jiménez-Blanco Carrillo de Albornoz, classified as an external independent Director, the Board of Directors is expected to submit the proposals to modify the Articles of Association to the extraordinary General Shareholders Meeting, in order to reduce the minimum number, from nine (9) to six (6), and the maximum number, from fifteen (15) to nine (9), members of the Board of Directors, the removal of Directors with a valid position at the date of the aforementioned extraordinary General Shareholders Meeting, which does not affect Messrs. Dijsselhof and Schmucki, and the setting of the number of members of the Board of Directors at six (6).

In line with the foregoing, the proposal for the appointment of six (6) Directors has been submitted to the extraordinary General Shareholders Meeting, of which two (2) would meet the status of external independent Directors, three (3) would be classified as external proprietary Directors and one (1) would be classified as an executive Director.

The Appointments and Remunerations Committee considers that this composition by category of the Board of Directors is appropriate for the Company's shareholding structure, in which SIX GROUP AG holds 93.16% of the share capital.

Thus, the Board of Directors would be composed of a vast majority of external Directors, 83.33% of the total number of Directors, of which 50% would be external proprietary Directors and 33.33% external independent Directors, in accordance with Recommendation 17 of the Good Governance Code of Listed Companies for companies that have a shareholder that controls more than 30 percent of the share capital.

The presence of a third of external independent Directors guarantees, to the understanding of the Appointments and Remunerations Committee, an adequate and relevant representation of the interests of non-controlling shareholders, which represent 6.84%, without any of them holding a significant stake in BME's share capital.

With the proposed composition of the Board of Directors, the presence of female Directors on this body would account for 33.33% of the total number of Directors. This percentage would meet the target number of female directors set by the Appointments and Remunerations Committee of 30% of total Directors for 2020, in line with Recommendation 14 of the Good Governance Code of listed companies.

The geographic and cultural diversity of this body would also be increased by incorporating Directors of European origin and residence, who represent 50% of the total number of Directors.

## **VIII.- Assessment of the services rendered by Mr Jiménez-Blanco Carrillo de Albornoz during his last term of office.**

The quality of Mr Jiménez-Blanco Carrillo de Albornoz's work and responsibilities as a member of the Board of Directors is assessed annually as per article 10.3 of the Board of Directors Regulations, by way of the Board of Directors' approval of the Report on its performance.

Based on these reports, the Appointments and Remunerations Committee holds a favourable view of the services rendered by Mr Jiménez-Blanco Carrillo de Albornoz as a member of the Board of Directors since his appointment as Director, as well as the services he renders as Lead Independent Director and Chairman of the Appointments and Remunerations Committee.

With regard to the temporary dedication of Mr Jiménez-Blanco Carrillo de Albornoz during his term, the Appointments and Remunerations Committee has highlighted his attendance at all the meetings of the Board of Directors and the Appointments and Remunerations Committee, his degree of preparation of the meetings of both bodies and the performance of the position of Lead Independent Director, which shows his temporary availability to provide the dedication required by the position.

The Appointments and Remunerations Committee considers that the proposed re-election of Mr David Jiménez-Blanco Carrillo de Albornoz as a member of the Board of Directors will be beneficial for BME given that, his professional experience, the quality of the professional services provided and his dedication shown since his appointment have been in the Company's best interest.

### **IX. Conclusion of the Appointments and Remunerations Committee**

The Appointments and Remunerations Committee considers that the proposed re-election of Mr David Jiménez-Blanco Carrillo de Albornoz as Director benefits BME on account of his profile, professional experience and knowledge of the securities market and investment banking in the best interests of the Company.

In view of the foregoing, the Appointments and Remunerations Committee, after due deliberation, has resolved to propose to the Board of Directors the appointment of Mr David Jiménez-Blanco Carrillo de Albornoz as Director of BME and to submit to the Board of Directors the proposal for his appointment.



## **APPOINTMENTS AND REMUNERATIONS COMMITTEE REPORT ON THE PROPOSED RESOLUTION RELATING TO THE RATIFICATION OF MR JAVIER HERNANI BURZAKO AS DIRECTOR OF BME**

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The Appointments and Remunerations Committee, at its meeting of June 22, 2020, issues this report in relation to the proposal of the Board of Directors for re-election as a member of the Board of Directors of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, SA (hereinafter "BME" or "the Company") of Mr Javier Hernani Burzako, classified as an executive, in accordance with the provisions of the articles 529 decies, section 6, of the Corporate Enterprises Act and 20, section 2, and 22, section 1, of the Board of Directors Regulations, which charge this Committee with the task of reporting on proposals for appointment and re-election of executive Directors.

As it is expected that the Board of Directors will appoint Mr Hernani Burzako as Chief Executive Officer, if his re-election as Director is approved at the extraordinary General Shareholders Meeting, this report is also issued in relation to the proposed re-election.

### **I. Background**

As a consequence of the success of the Voluntary Public Offering for the Acquisition of Shares presented by SIX GROUP AG over the 100% of the share capital of BME, and the new shareholding structure of the Company, with a shareholder owning 93.16% of the share capital, the Appointments and Remunerations Committee has reviewed and evaluated the structure of the Board of Directors for the purposes of analysing the size and composition that would be appropriate to submit by this body.

The Appointments and Remunerations Committee concluded that it was advisable to re-elect as Director Mr Javier Hernani Burzako, classified as an executive Director.

Mr Hernani Burzako, who as of this date has a current term of office, was appointed Director by agreement of the ordinary General Shareholders' Meeting on 27 April 2017, following a favourable report from the Appointments and Remunerations Committee, and appointed Chief Executive Officer at the meeting of the Board of Directors also held on 27 April 2017 following the aforementioned General Shareholders Meeting.

### **II. Medium and long-term planning of the structure and composition of the Board of Directors.**

The Appointments and Remunerations Committee has analysed the size, composition and structure that would be appropriate for the Board of Directors to effectively perform the functions attributed to it in view of the new shareholding structure of the Company, and in

accordance with the medium- and long-term planning of the structure and composition of the Board of Directors.

Specifically, among the criteria to be taken into account to determine the number of members considered appropriate by the Board of Directors and its composition, the aforementioned Planning makes special reference to the shareholding structure that the Company presents at all times and, in particular, the existence of owners of significant shares, as well as the composition requirements of the Board Committees and the possible modification of the activity carried out by the Company.

In this regard, to determine the number of members that the Board of Directors should have, the Appointments and Remunerations Committee has considered that the existence of a majority shareholder advises a reduction in the number of Directors.

It has also assessed the number of Board Committees on which the Directors will sit and the number and classification of the Directors that must be included on these Committees to comply with the legal requirements regarding their respective composition, to guarantee that the Directors have sufficient availability to correctly perform their functions.

Thus, the Appointments and Remunerations Committee has taken into account the existence of three (3) Board Committees, two of which, the Audit Committee and Appointments and Remunerations Committee must be made up entirely of non-executive Directors, of which, in the case of the Audit Committee, the majority must have the status of independent Directors, while on the Appointments and Remunerations Committee, at least two (2) have to be classified as independent Directors. The Markets and Systems Operating Procedure Committee does not have any qualitative criteria regarding its composition.

The Appointments and Remunerations Committee has evaluated the Recommendations of the Good Governance Code of listed companies, which refer to the size of the Board of Directors and those that refer to the functional structure of the Board of Directors, the degree of independence of this body and the proportion of proprietary and independent Directors.

In this regard, the Appointments and Remunerations Committee has concluded that six (6) Directors consider themselves to form the adequate number of members of the Board of Directors, to guarantee its effective, participatory and functional operations, of which one (1) would be classified as executive, two (2) as external independent and the remaining three (3) would be classified as external proprietary Directors, representing the majority shareholder SIX GROUP AG.

With this composition of the Board of Directors, the proportion between proprietary and independent Directors is considered to be in line with the shareholder composition, and there is a minimum presence of executive Directors.

In view of the above, together with the proposed re-election of Mr Javier Hernani Burzako, in compliance with the medium and long-term Planning of the structure and composition of the Board of Directors, and in line with the best governance practices, the Appointments and Remunerations Committee has assessed a proposal to reorganise the governance body, which sets the number of Directors at six (6) and the number of members of each of the Board Committee at three (3).

After this analysis, and simultaneously with the proposal to re-elect as Director of Mr Javier Hernani Burzako, classified as executive Director, will be submitted for approval by the by the extraordinary General Shareholders' Meeting, the proposal for the appointment of Ms Belén Romana García and the re-election of Mr David Jiménez-Blanco Carrillo de Albornoz,

classified as independent Directors, the ratify of Mr Johannes Bernardus Dijsselhof and Mr Daniel Schmucki and the appointment of Ms Marion Leslie, classified as proprietary Directors.

### **III.- Mr Hernani's professional background**

Mr Javier Hernani Burzako has a Bachelor's degree in Economics and Business Management from the University of Deusto; a Master's Degree in European Studies, specialising in Economics, from the College of Europe in Bruges (Belgium); and a Master's Degree in Advanced Management from the University of Deusto, where he completed his PhD.

He has held the position of CEO of Bolsas y Mercados Españoles Sociedad Holding de Mercados y Sistemas Financieros, S.A. (BME) since April 2017.

He has sat on the board of Operador del Mercado Ibérico de Energía-Polo Español, S.A. (OMIE) since 2019, and is a representative of BME as member of the Board of Directors of Operador do Mercado Ibérico (Portugal) SGPS, S.A. (OMIP).

He is joint director of several companies of the Group, Bolsas y Mercados Españoles Inntech, S.A.U., and Bolsas y Mercados Españoles, Servicios Corporativos, S.A., and up until 2019 he held the positions of Director at Sociedad Rectora de la Bolsa de Valores de Bilbao, S.A.U. and at Bolsas y Mercados Españoles Market Data, S.A.

Between December 2012 and April 2017 he served as Managing Director of BME, where since March 2003 he has worked as Finance Director and member of the Coordination Committee.

Previously, he was Deputy General Manager of Sociedad Rectora de la Bolsa de Valores de Bilbao, S.A.U. (December 1998-March 2003), which he represented as a member of the Board of Directors of Servicio de Compensación y Liquidación de Valores (SCLV) until it merged with Iberclear. He sat on the Contracts and Supervisory Committee of MEF until it merged with BME, and on various international forums such as the Federation of Ibero-American Stock Exchanges (FIABV) and the World Federation of Exchanges (WFE). He also served as Finance Director at Norbolsa, S.V.B. between September 1989 and December 1998, and as European financial sector consultant at Coopers & Lybrand in Brussels between June 1988 and August 1989.

### **IV. Procedure for the re-election as Director.**

Pursuant section 6 of article 529.decies of the Corporate Enterprises Act, and articles 22.1 a and 20.2 of the Board of Directors Regulations state that it is the Appointments and Remunerations Committee's duty to provide guidance to the Board of Directors on the latter's proposals for the re-election of Executive and Proprietary Directors to be submitted for approval by the General Shareholders Meeting.

Pursuant to article 6.3 of the Board of Directors Regulations, the category of each Director shall be explained at the General Shareholders Meeting where the appointment is to be made.

### **V.- Analysis of Javier Hernani Burzako's compliance with the requirements laid down by law and under the Articles of Association for re-election as Director.**

Mr Javier Hernani Burzako is currently a Director at the Company and, therefore, he is considered to have already accredited his compliance with the requirements of experience, expertise and integrity demanded to perform his duties.

Regardless of the foregoing, the Appointments and Remunerations Committee has evaluated Mr Hernani Burzako's professional track-record and confirmed that he fulfils the requirements of article 184 bis, section 1 of the Spanish Securities Markets Law, which substitutes article 152, section 1.f) of the same Law, referred to in point 3 of the additional provision six, stipulating that members of BME's Board of Directors have the acknowledged honourability, honesty and integrity and sufficient knowledge, competence and experience, and are able to act independently, and are in a position to exercise good governance at the Company.

The Appointments and Remunerations Committee has also verified that Mr Javier Hernani Burzako is not subject to any of the incompatibility causes and legal limitations which, to exercise his position, are established by the prevailing regulations and in article 213 of the Corporate Enterprises Act and articles 6.2 and 6.23 of the Board of Directors Regulations.

In this regard, the Appointments and Remunerations Committee has taken into consideration Mr Hernani Burzako's in-depth knowledge of the Company's activity and strategy and of the Spanish and European financial markets.

Based on the analysis of the aforementioned data, the Appointments and Remunerations Committee has concluded that the positions held by Mr Hernani Burzako in other companies do not constitute an obstacle to his re-election as Director and that he is available to provide the dedication required for the exercise of said position..

#### **VI. Category that would be assigned to the Director.**

Mr Javier Hernani Burzako has been classified as Executive Director of the Company in accordance with the provisions of article 529 duodecies, section 1, of the Corporate Enterprises Act, currently holds the position of Chief Executive Officer, and since 25 April 2019 he has been the chief executive of BME and responsible for the management of the Company's ordinary business, with the highest executive duties.

This classification has also been given on the basis that Mr Hernano Burzako will be subsequently re-elected as the Company's Chief Executive Officer by the Board of Directors.

#### **VII. Effects of the Director's re-election on the composition of the Board of Directors**

Simultaneously with the proposed re-election as Director of Mr Javier Hernani Burzako, classified as an executive Director, it is foreseen that the Board of Directors will submit the proposals to modify the Articles of Association to the extraordinary General Shareholders Meeting, in order to reduce the minimum number, from nine (9) to six (6), and the maximum number, from fifteen (15) to nine (9), members of the Board of Directors, the removal of Directors with a valid position at the date of the aforementioned extraordinary General Shareholders Meeting, which does not affect Messrs. Dijsselhof and Schmucki, and the setting of the number of members of the Board of Directors at six (6).

In line with the foregoing, the proposal for the appointment of six (6) Directors has been submitted to the extraordinary General Shareholders Meeting, of which two (2) would meet the status of external independent Directors, three (3) would be classified as external proprietary Directors and one (1) would be classified as an executive Director.

The Appointments and Remunerations Committee considers that this composition by category of the Board of Directors is appropriate for the Company's shareholding structure, in which SIX GROUP AG holds 93.16% of the share capital of BME.



Thus, the Board of Directors would be composed of a vast majority of external Directors, 83.33% of the total number of Directors, of which 50% would be external proprietary Directors and 33.33% external independent Directors, in accordance with Recommendation 17 of the Good Governance Code of Listed Companies for companies that have a shareholder that controls more than 30 percent of the share capital.

The presence of a third of external independent Directors guarantees, to the understanding of the Appointments and Remunerations Committee, an adequate and relevant representation of the interests of non-controlling shareholders, which represent 6.84% of the share capital, without any of them holding a significant stake.

With the proposed composition of the Board of Directors, the presence of female Directors on this body would account for 33.33% of the total number of Directors. This percentage would meet the target number of female directors set by the Appointments and Remunerations Committee of 30% of total Directors for 2020, in line with Recommendation 14 of the Good Governance Code of listed companies.

The geographic and cultural diversity of this body would also be increased by incorporating Directors of European origin and residence, who represent 50% of the total number of Directors.

#### **VIII.- Assessment of services provided by Mr Hernani Burzako during his last term of office.**

The quality of Mr Hernani Burzako's work and competencies as a member of the Board of Directors is assessed annually as per article 10.3 of the Board of Directors Regulations, by way of the Board of Directors' approval of the Report on its performance. In addition, the Board of Directors annually assesses the performance of the duties of the Chief Executive Officer.

Based on these reports, the Appointments and Remunerations Committee holds a positive view of the services rendered by Mr Hernani Burzako as a member of the Board of Directors since his appointment as Director, as well as the services he renders as Chief Executive Officer of the Company.

With regard to the temporary dedication of Mr Hernani Burzako during his term, the Appointments and Remunerations Committee has highlighted his attendance at all the meetings holds of the Board of Directors and his degree of preparation for the meetings, which shows his temporary availability to fulfil the dedication required for the performance of the position. The Appointments and Remunerations Committee considers that the proposed re-election of Mr Javier Hernani Burzako as a member of the Board of Directors will be beneficial for BME given that, his professional experience, the quality of the professional services provided and his dedication shown since his appointment have been in the Company's best interest.

#### **IX.- Analysis of Javier Hernani Burzako's compliance with the requirements laid down by law and under the Articles of Association for appointment as Chief Executive Officer.**

The Appointments and Remunerations Committee, in accordance with the powers conferred on it by articles 16.bis, section 1, of the Board of Directors Regulations and based on medium and long-term Planning of the structure and composition of the Board of Directors, has examined the personal and professional responsibilities that the candidate who will occupy the

position of Chief Executive Officer must fulfil and has concluded that Mr Javier Hernani Burzako has the appropriate profile to be appointed Chief Executive Officer, in the event that the extraordinary General Shareholders Meeting resolves to re-elect him as Director.

**X.- Conclusion of the Appointments and Remunerations Committee.**

In light of the foregoing, the Appointments and Remunerations Committee, after due deliberation, has resolved to issue a favourable report on the proposal that, where appropriate, the Board of Directors would submit to the General Shareholders Meeting to re-elect Mr Javier Hernani Burzako as a member of the Board of Directors.

The Appointments and Remunerations Committee reports favourably on the appointment of Javier Hernani Burzako as Chief Executive Officer of the Company, should his re-election as member of the Board of Directors be approved at the extraordinary General Shareholders Meeting.



## **APPOINTMENTS AND REMUNERATIONS COMMITTEE REPORT ON PROPOSED RESOLUTION FOR APPOINTMENT OF MS MARION LESLIE AS DIRECTOR OF BME**

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The Appointments and Remunerations Committee, at its meeting of 22 June 2020, issues the present report on the proposal of the Board of Directors for the appointment as a member of the Board of Directors of Bolsas y Mercados Españoles, Holding Company of Mercados y Sistemas Financieros, SA (hereinafter "BME" or "the Company") of Ms Marion Leslie, classified as an external proprietary Director, in accordance with the provisions of the articles 529 decies, section 6, of the Corporate Enterprises Act and 20, section 2.d), and 22, section 1, of the Board of Directors Regulations, which charge this Committee with the task of reporting on proposals for appointment of proprietary Directors.

Mr Dijsselhof has not participated in the preparation, deliberation and approval of this report by the Appointments and Remunerations Committee.

### **I. Background**

As a consequence of the success of the Voluntary Public Offering for the Acquisition of Shares presented by SIX GROUP AG over the 100% of the share capital of BME, and the new shareholding structure of the Company, with a shareholder owning 93.16% of the share capital, the Appointments and Remunerations Committee has reviewed and evaluated the structure of the Board of Directors for the purposes of analysing the size and composition that would be appropriate to submit by this body.

The Appointments and Remunerations Committee concluded that it was advisable to proceed to the appointment as Director of Ms Marion Leslie, classified as an external proprietary Director, who will form part of the new composition of the Board of Directors.

### **II. Medium and long-term planning of the structure and composition of the Board of Directors.**

The Appointments and Remunerations Committee has analysed the size, composition and structure that would be appropriate for the Board of Directors to effectively perform the functions attributed to it in view of the new shareholding structure of the Company, and in accordance with the medium- and long-term planning of the structure and composition of the Board of Directors.

Specifically, among the criteria to be taken into account to determine the number of members considered appropriate by the Board of Directors and its composition, the aforementioned Planning makes special reference to the shareholding structure that the Company presents at all times and, in particular, the existence of owners of significant shares, as well as the

composition requirements of the Board Committees and the possible modification of the activity carried out by the Company.

In this regard, to determine the number of members that the Board of Directors should have, the Appointments and Remunerations Committee has considered that the existence of a majority shareholder advises a reduction in the number of Directors.

It has also assessed the number of Board Committees on which the Directors will sit and the number and classification of the Directors that must be included on these Committees to comply with the legal requirements regarding their respective composition, to guarantee that the Directors have sufficient availability to correctly perform their functions.

Thus, the Appointments and Remunerations Committee has taken into account the existence of three (3) Board Committees, two of which, the Audit Committee and Appointments and Remunerations Committee must be made up entirely of non-executive Directors, of which, in the case of the Audit Committee, the majority must have the status of independent Directors, while on the Appointments and Remunerations Committee, at least two (2) have to be classified as independent Directors. The Markets and Systems Operating Procedure Committee does not have any qualitative criteria regarding its composition.

The Appointments and Remunerations Committee has evaluated the Recommendations of the Good Governance Code of listed companies, which refer to the size of the Board of Directors and those that refer to the functional structure of the Board of Directors, the degree of independence of this body and the proportion of proprietary and independent Directors.

In this regard, the Appointments and Remunerations Committee has concluded that six (6) Directors consider themselves to form the adequate number of members of the Board of Directors, to guarantee its effective, participatory and functional operations, of which one (1) would be classified as executive, two (2) as external independent and the remaining three (3) would be classified as external proprietary Directors, representing the majority shareholder SIX GROUP AG.

With this composition of the Board of Directors, the proportion between proprietary and independent Directors is considered to be in line with the shareholder composition, and there is a minimum presence of executive Directors.

In view of the above, together with the proposal for appointment as Director of Ms Marion Leslie, in compliance with the medium and long-term Planning of the structure and composition of the Board of Directors, and in line with the best governance practices, the Appointments and Remunerations Committee has assessed a proposal to reorganise the governance body, which sets the number of Directors at six (6) and the number of members of each of the Board Committee at three (3).

After this analysis, and simultaneously with the proposal to appoint as Director of Ms Marion Leslie, classified as proprietary Director, will be submitted for approval by the by the extraordinary General Shareholders' Meeting, the proposal for the appointment of Ms Belén Romana García and the re-election of Mr David Jiménez-Blanco Carrillo de Albornoz, classified as independent Directors, the ratify of Mr Johannes Bernardus Dijsselhof and Mr Daniel Schmucki, classified as proprietary Directors, and the re-election of Mr Javier Hernani Burzako, classified as executive Director.

### **III.- Ms Leslie's professional background.**

Ms Marion Leslie has a degree in the administration of companies specialised in French and German translation and interpreting from the University of Salford (1992) and holds a Postgraduate Certificate in Education in French and German from the University of Cambridge (1994).

Until her appointment in 2016 as Executive Director of Corporate Business at Refinitiv (formerly Thomson Reuters), she has held various executive positions within Thomson Reuters, which he joined in 1994.

Thus, among other positions at Thomson Reuters, she has held various roles in the Reuters Data Operations segment from 1994 to 2000, has been responsible for EMEA Operations from 2000 to 2003, Executive Director at the Board of *Reuters Indicates Private Lts* and *Senior Site Manager* at Reuters Bangalore from 2004 to 2007, Global Head of Fixed Income and Contributions from 2007 to 2009, Global Head of Sales and Content Marketing from 2009 to 2010, Global Head of Instruments and Pricing from 2011 and 2013 and Executive Director of Regulation, Pricing and Reference Services from 2013 to 2016.

Likewise, from 2008 to 2017 she was President of *London Women's Forum*, which is a network of women with professional experience in financial services and a business promoter of *Thomson Reuters Global Business Leaders Programme*.

Since January 2020, Ms Marion Leslie has held the post of Head of Financial Information at SIX GROUP AG.

Additionally, she has been an external Director of *UK Hydrographic, Ministry of Defence Trading Fund* since 2015 and a *Trustee at Postrate Cancer UK* since 2016

### **IV. Procedure for the appointment of Director.**

Pursuant section 6 of article 529 decies of the Corporate Enterprises Act, and articles 22.1 and 20.2.d) of the Board of Directors Regulations state that it is the Appointments and Remunerations Committee's duty to inform on the proposed appointment of directors classified as executive and proprietary Directors by the Board of Directors, to be submitted for approval by the General Shareholders Meeting.

Pursuant to article 6.2 of the Board of Directors Regulations, the category of each Director shall be explained at the ordinary General Shareholders Meeting who must, when applicable, ratify the appointments of Directors approved by the Board of Directors by co-optation under the vacancy provision system.

### **V.- Analysis of compliance by Ms Marion Leslie with the requirements laid down by law and under the Articles of Association for appointment as director.**

This analysis by the Appointments and Remunerations Committee will focus in the first place on Marion Leslie's compliance with the requirements necessary to be appointed Director of the Company.

The Appointments and Remunerations Committee has evaluated Ms Leslie's professional track-record and confirmed that she fulfils the requirements of article 184 bis, section 1 of the Spanish Securities Markets Law, which substitutes article 152, section 1.f) of the same Law, referred to in point 3 of the additional provision six, stipulating that members of BME's Board

of Directors have the recognised honourability, honesty and integrity and sufficient knowledge, competence and experience, and are able to act independently, and have the time available to exercise the good governance of the Company.

Furthermore, the Appointments and Remunerations Committee has verified that Marion Leslie is not involved in any of the causes of incompatibility or legal limitations that, for the performance of the position, are established by current regulations and articles 213 of the Corporate Enterprises Act and 6, section 2, and 23 of the Board of Directors Regulations.

In this regard, the Appointments and Remunerations Committee has taken into consideration Ms Leslie's knowledge in matters of data and information dissemination related to financial markets and their technology and in the direct management of large global teams, as well as her experience in companies in the sector of data supply and infrastructures of the financial market.

Based on the analysis of the above data, the Appointments and Remunerations Committee has concluded that the positions held by Ms Leslie in other companies do not constitute an obstacle to her appointment as Director and that she is available to fulfil the dedication required for the exercise of said position.

#### **VI. Category that would be assigned to the Director.**

Ms Marion Leslie has been classified as an external proprietary Director of the Company, in accordance with the provisions of article 529 duodecies, section 3, of the Corporate Enterprises Act, to which article 6, section 2, of the Board of Directors Regulations refers, and he was proposed for appointment by SIX GROUP AG, the majority shareholder of BME.

#### **VII. Effects of the appointment on the composition of the Board of Directors**

Simultaneously with the proposal for appointment as Director of Ms Marion Leslie, classified as an external proprietary Director, the Board of Directors expects to submit to the extraordinary General Shareholders Meeting proposals to modify the Articles of Association, with a reduction of the minimum number of members of the Board of Directors from nine (9) to six (6), and the maximum number of members from fifteen (15) to nine (9), the removal of Directors in office at the date of the aforementioned extraordinary General Shareholders Meeting, which does not affect Messrs. Dijsselhof and Schmucki, and the setting of the number of members of the Board of Directors at six (6).

In line with the foregoing, the proposal for the appointment of six (6) Directors has been submitted to the extraordinary General Shareholders Meeting, of which two (2) would meet the status of external independent Directors, three (3) would be classified as external proprietary Directors and one (1) would be classified as an executive Director.

The Appointments and Remunerations Committee considers that this composition by category of the Board of Directors is appropriate for the Company's shareholding structure, in which SIX GROUP AG holds 93.16% of the share capital.

Thus, the Board of Directors would be composed of a vast majority of external Directors, 83.33% of the total number of Directors, of which 50% would be classified as external proprietary Directors and 33.33% external independent Directors, in accordance with Recommendation 17 of the Good Governance Code of Listed Companies for companies that have a shareholder that controls more than 30 percent of the share capital.

The presence of a third of external independent Directors guarantees, to the understanding of the Appointments and Remunerations Committee, an adequate and relevant representation of the interests of non-controlling shareholders, which represent 6.84% of the share capital, without any of them holding a significant stake.

With the proposed composition of the Board of Directors, the presence of female Directors on this body would account for 33.33% of the total number of Directors. This percentage would meet the target number of female directors set by the Appointments and Remunerations Committee of 30% of total Directors for 2020, in line with Recommendation 14 of the Good Governance Code of listed companies.

The geographic and cultural diversity of this body would also be increased by incorporating Directors of European origin and residence, who represent 50% of the total number of Directors.

### **VIII.- Conclusion of the Appointments and Remunerations Committee.**

In light of the foregoing, the Appointments and Remunerations Committee, after due deliberation, has resolved to issue a favourable report on the proposal that, where appropriate, the Board of Directors would submit to the General Shareholders Meeting to appoint Ms Marion Leslie as a member of the Board of Directors.



## **PROPOSAL BY THE APPOINTMENTS AND REMUNERATIONS COMMITTEE FOR THE APPOINTMENT OF MS BELEN ROMANA GARCIA AS DIRECTOR OF BME**

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The Appointments and Remunerations Committee, at its meeting of 22 June 2020, issues the present proposal of the Board of Directors for the appointment as a member of the Board of Directors of Bolsas y Mercados Españoles, Holding Company of Mercados y Sistemas Financieros, SA (hereinafter "BME" or "the Company") of Ms Belen Romana García, classified as an external independent Director, in accordance with the provisions of articles 529 decies, section 4, and 529 quidecies, section 3.c), of the Corporate Enterprises Act, and 22, section 1, and 20, section 2.c) of the Board of Directors Regulations.

### **I. Background**

As a result of the success of the takeover bid for BME launched by SIX GROUP AG on 100% of BME's share capital and the new shareholding structure of the Company, which currently owns 93.16% of share capital, the Appointments and Remunerations Committee has reviewed and evaluated the Board of Directors structure in order to analyze the size and composition that this body would be appropriate to present.

The Appointments and Remunerations Committee concluded that it was advisable to submit to the Board of Director the proposal of the appointment as Director of Ms Belen Romana García, classified as an independent external director.

### **II. Medium and long-term planning of the structure and composition of the Board of Directors.**

As a consequence of the new shareholding structure of the Company, with a shareholder owning 93.16% of the share capital, the Appointments and Remunerations Committee has analysed the size, composition and structure that would be appropriate for the Board of Directors to effectively perform the functions attributed to it, in accordance with the Medium- and long-term Planning of the structure and composition of the Board of Directors.

Specifically, among the criteria to be taken into account to determine the number of members considered appropriate by the Board of Directors and its composition, the aforementioned Planning makes special reference to the shareholding structure that the Company presents at all times and, in particular, the existence of owners of significant shares, as well as the composition requirements of the Board Committees and the possible modification of the activity carried out by the Company.

In this regard, to determine the number of members that the Board of Directors should have, the Appointments and Remunerations Committee has considered that the existence of a majority shareholder advises a reduction in the number of Directors.



It has also assessed the number of Board Committees on which the Directors will sit and the number and classification of the Directors that must be included on these Committees to comply with the legal requirements regarding their respective composition, to guarantee that the Directors have sufficient availability to correctly perform of their functions.

Thus, the Appointments and Remunerations Committee has taken into account the existence of three (3) Board Committees, two of which, the Audit Committee and Appointments and Remunerations Committee must be made up entirely of non-executive Directors, of which, in the case of the Audit Committee, the majority must have the status of independent Directors, while on the Appointments and Remunerations Committee, at least two (2) have to be classified as independent Directors. The Markets and Systems Operating Procedure Committee does not have any qualitative criteria regarding its composition.

The Appointments and Remunerations Committee has evaluated the Recommendations of the Good Governance Code of listed companies, which refer to the size of the Board of Directors and those that refer to the functional structure of the Board of Directors, the degree of independence of this body and the proportion of proprietary and independent Directors.

In this regard, the Appointments and Remunerations Committee has concluded that six (6) Directors consider themselves to form the adequate number of members of the Board of Directors, to guarantee its effective, participatory and functional operations, of which one (1) would be classified as executive, two (2) as external independent and the remaining three (3) would be classified as external proprietary Directors, representing the majority shareholder SIX GROUP AG.

With this composition of the Board of Directors, the proportion between proprietary and independent Directors is considered to be in line with the shareholder composition, and there is a minimum presence of executive Directors.

In view of the above, together with the proposal for appointment as Director of Ms Belén Romana García, in compliance with the Medium and long-term Planning of the structure and composition of the Board of Directors, and in line with the best governance practices, the Appointments and Remunerations Committee has assessed a proposal to reorganise the governance body, which sets the number of Directors at six (6) and the number of members of each of the Board Committee at three (3).

After this analysis and simultaneously with the proposal for appointment as Director of Ms Belen Romana Garcia, classified as independent Director, will be submitted for approval by the extraordinary General Shareholders Meeting the proposals for ratification of Mr. Johannes Bernardus Dijsselhof and Mr. Daniel Schmucki and appointment of Ms. Marion Leslie, classified as proprietary Directors, and the re-election by Mr Javier Hernani Burzako, classified as an executive director, and by Mr David Jiménez-Blanco Carrillo de Albornoz, classified as an independent external director.

### **III. Professional background.**

Ms Belen Romana García is a Graduate in Economics. Universidad Autónoma de Madrid - UAM- (1988), she studied postgraduate studies at *Skidmore College - Tufts University-* in the United States (1988) and has been a Commercial Technician and State Economist since 1994.

She has also completed several training programmes in International Economics at Harvard University (2009), Senior Management in *Digital Business* at *The Valley Digital School* (2017) and Disruptive Technologies at *Singularity University -Mountain View-* in California (2017).

Until 1994, she worked at Fraser Consulting AG located in Essen –Germany- (1988-1989) and at Bestinver as a Fixed Income, Options and Futures *trader* (1989-1991).

Between 1994 and 2000, he worked as a Commercial Technician and State Economist in the General Directorate of Economic Policy of the Ministry of Economy.

Subsequently, she was General Director of Economic Policy of the Ministry of Economy between 2000 and 2003, holding, in that period and on behalf of the Ministry of Economy, the status of Director at various companies and public agencies (ICO, Mercasa, SEIASA, Sidenor, CERSA) and the position of Head of the Spanish Delegation on the Economic Policy Committee of the European Union and the OECD Economic Policy Committee.

She also served as the Director General of the Treasury and Financial Policy of the Ministry of Economy between 2003 and 2005, holding, during this period and on behalf of this Directorate-General, the position of member of the Governing Council of the Bank of Spain and of the Council of the National Securities Markets Commission, as well as Head of the Spanish Delegation on the European Union's Financial Services Committee.

She has also been Director of Economics for the *Círculo de Empresarios* between 2005 and 2008; Director of Strategy and Corporate Development of ONO between 2008 to 2010, an entity in which she has also been responsible for Internal Audit, Risk Management and Investor Relations; General Secretary of the *Círculo de Empresarios* between 2010 and 2012; and Chairman of the *Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB)* from December 2012 to January 2015.

Since 2008, she has held various positions in various listed and supervised companies such as Banesto, where she acted as independent Director, Chairperson of the Audit Committee and of the Appointments and Remunerations Committee and member of the Executive Risks Committee; Acerinox SA, in which between 2009 and 2013 she was an independent Director and Chair of the Audit Committee; and in the company listed in Belgium and the Netherlands Ageas SA (former FORTIS), in which she was an independent Director and member of the Appointments and Remunerations Committee from 2010 to 2012.

Between 2013 and 2014, she was a member of the Group of Experts on Euro Letters and the European Debt Fund, which is a group created by President Barroso and by Vice-President Olli Rehn, European Commission.

Currently, since December 2015, Mr Romana García has been a Member of the Board of Directors of Banco Santander, SA and a member of its Audit Committee, Innovation and Technology Committee, Executive Committee and Responsible Banking Committee, as well as the Risk Supervision, Regulation and Compliance Committee.

Additionally, since June 2015 she has been a member of the Board of Directors of the British insurer AVIVA plc and Chairman of its Risk Committee and a member of its Audit, Appointments and Client Committees. She has also been President of the Global Board of the Digital Future Society since February 2019 and Advisor to Tribaldata, a *start-up* dedicated to data since July 2019.

#### **IV. Appointment procedure.**

Section 4 of article 529.decies and section 3.c) and article 529.quindecies of the Corporate Enterprises Act, and articles 20.2.c) and 22.1 of the Board of Directors Regulations state that it is up to the Appointments and Remunerations Committee to present to the Board of Directors

the proposals for the appointment of external independent Directors to be submitted for approval by the General Shareholders Meeting.

In addition, in accordance with article 6.3 of the Board of Directors Regulations this proposal includes an explanation of the category into which the Director whose appointment is proposed to the extraordinary General Shareholders Meeting would be classified within the categories of Directors set out in article 529 duodecies of the Corporate Enterprises Act.

#### **V. Analysis of compliance by Ms Belen Romana García of the requirements laid down by law and under the Articles of Association for appointment as Director.**

This analysis by the Appointments and Remunerations Committee will focus in the first place on Ms Belen Romana García compliance with the requirements necessary to be appointed a director of the Company.

With respect to this proposal, the Appointments and Remunerations Committee has evaluated Ms Romana Garcia professional track-record and confirmed that she fulfils the requirements of article 184 bis, section 1 of the Spanish Securities Market Law, which substitutes article 152, section 1.f) of the same Law, referred to in point 3 of the additional provision six, stipulating that members of BME's Board of Directors have the acknowledged honourability, honesty and integrity and sufficient knowledge, competence and experience, and are able to act independently, and are in a position to exercise good governance at the Company.

Furthermore, the Appointments and Remunerations Committee has verified that Ms Belen Romana García is not involved in any of the causes of incompatibility or legal limitations that, for the performance of the position, are established by current regulations and articles 213 of the Corporate Enterprises Act and 6, section 2, and 23 of the Board of Directors Regulations.

The Appointments and Remunerations Committee has taken into consideration Mrs Romana García extensive experience in multiple public administration positions, her membership in the Board of Supervisors Banco de España and the National Securities Market Commission and her experience as a Director and member of the Committees of Boards in credit institutions and other listed companies.

Based on the analysis of the above data, the Appointments and Remunerations Committee has concluded that the positions held by Ms Romana García in other companies do not constitute an obstacle to her appointment as Director and that she is available to fulfil the dedication required for the exercise of the position.

#### **VI. Category into which the proposed candidate would be classified.**

Ms Belen Romana Garcia has been classified as an external independent Director of the Company in accordance with section 4 of article 529 duodecies of the Corporate Enterprises Act, which is referred to be article 6.2 of the Board of Directors Regulation, as her appointment has been made for her personal and professional qualities and as she would be in position to perform her duties without being influenced by relationships with the Company, its majority shareholders or its management, and as none of the situations set forth therein precluding this classification exist, as verified by the Appointments and Remunerations Committee based on her professional background.

## **VII. Effects of the appointment of the Director on the composition of the Board of Directors**

Simultaneously with the proposal for appointment as Director of Ms Belen Romana Garcia, classified as an external independent Director, the Board of Directors expects to submit to the extraordinary General Shareholders Meeting proposals to modify the Articles of Association, with a reduction of the minimum number of members of the Board of Directors from nine (9) to six (6), and the maximum number of members from fifteen (15) to nine (9), the removal of Directors in office at the date of the aforementioned extraordinary General Shareholders Meeting, which does not affect Messrs. Dijsselhof and Schmuckiand, and the setting of the number of members of the Board of Directors at six (6).

In line with the foregoing, the proposal for the appointment of six (6) Directors has been submitted to the extraordinary General Shareholders Meeting, of which two (2) would meet the status of external independent Directors, three (3) would be classified as external proprietary Directors and one (1) would be classified as an executive Director.

The Appointments and Remunerations Committee considers that this composition by category of the Board of Directors is appropriate for the Company's shareholding structure, in which SIX GROUP AG holds 93.16% of the share capital.

Thus, the Board of Directors would be composed of a vast majority of external Directors, 83.33% of the total number of Directors, of which 50% would be external proprietary Directors and 33.33% external independent Directors, in accordance with Recommendation 17 of the Good Governance Code of listed companies for companies that have a shareholder that controls more than 30% of the share capital.

The presence of a third of external independent Directors guarantees, to the understanding of the Appointments and Remunerations Committee, an adequate and relevant representation of the interests of non-controlling shareholders, which represent 6.84%, without any of them holding a significant stake in BME's share capital.

With the proposed composition of the Board of Directors, the presence of female Directors on this body would account for 33.33% of the total number of Directors. This percentage would meet the target number of female directors set by the Appointments and Remunerations Committee of 30% of total Directors for 2020, in line with Recommendation 14 of the Good Governance Code of listed companies.

The geographic and cultural diversity of this body would also be increased by incorporating Directors of European origin and residence, who represent 50% of the total number of Directors.

## **VIII.- Conclusion of the Appointments and Remunerations Committee**

The Appointments and Remunerations Committee believes that the proposed appointment of Ms Belen Romana Garcia as a Director benefits BME on account of her profile, professional experience and knowledge of the securities market sector in the best interests of the Company.

Based on the foregoing, the Appointments and Remunerations Committee, after due deliberation, has agreed to propose the appointment of Ms Belen Romana Garcia as Director of BME and submit to the Board of Directors the proposal of her appointment.



## **APPOINTMENTS AND REMUNERATIONS COMMITTEE REPORT ON THE PROPOSED RESOLUTION RELATING TO THE RATIFICATION OF MR DANIEL SCHMUCKI AS DIRECTOR OF BME**

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The Appointments and Remunerations Committee issues this report at its meeting dated 22 June 2020, in relation to the proposal of the Board of Directors to ratify Mr Daniel Schmucki as a member of the Board of Directors of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A (hereinafter “BME” or “the Company”), classified as an external proprietary Director, pursuant to articles 529.decies, section 6 of the Corporate Enterprises Act and articles 20.2.d) and 22.1 of the Board of Directors Regulations, which commission the task of reporting on proposed appointments of proprietary Directors to this Committee.

Mr Dijsselhof has not participated in the preparation, deliberation and approval of this report by the Appointments and Remunerations Committee.

### **I. Background**

The Board of Directors, at its meeting held on 18 June 2020, following a favourable report by the Appointments and Remunerations Committee, agreed to appoint Mr Johannes Bernardus Dijsselhof and Mr Daniel Schmucki as Directors by co-optation under the vacancy provision system, in order to fill two (2) of the vacancies presented on that date by the Board of Directors.

Messrs Dijsselhof and Schmucki were classified as proprietary external Directors, having been appointed at the proposal of SIX GROUP AG, majority shareholder of BME.

### **II. Medium and long-term planning of the structure and composition of the Board of Directors.**

As a consequence of the new shareholding structure of the Company, with a shareholder owning 93.16% of the share capital, the Appointments and Remunerations Committee has analysed the size, composition and structure that would be appropriate for the Board of Directors to effectively perform the functions attributed to it, in accordance with the medium- and long-term planning of the structure and composition of the Board of Directors.

Specifically, among the criteria to be taken into account to determine the number of members considered appropriate by the Board of Directors and its composition, the aforementioned Planning makes special reference to the shareholding structure that the Company presents at all times and, in particular, the existence of owners of significant shares, as well as the composition requirements of the Board Committees and the possible modification of the activity carried out by the Company.

In this regard, to determine the number of members that the Board of Directors should have, the Appointments and Remunerations Committee has considered that the existence of a majority shareholder advises a reduction in the number of Directors.

It has also assessed the number of Board Committees on which the Directors will sit and the number and classification of the Directors that must be included on these Committees to comply with the legal requirements regarding their respective composition, to guarantee that the Directors have sufficient availability to correctly perform their functions.

Thus, the Appointments and Remunerations Committee has taken into account the existence of three (3) Board Committees, two of which, the Audit Committee and Appointments and Remunerations Committee must be made up entirely of non-executive Directors, of which, in the case of the Audit Committee, the majority must have the status of independent Directors, while on the Appointments and Remunerations Committee, at least two (2) have to be classified as independent Directors. The Markets and Systems Operating Procedure Committee does not have any qualitative criteria regarding its composition.

The Appointments and Remunerations Committee has evaluated the Recommendations of the Good Governance Code of listed companies, which refer to the size of the Board of Directors and to the functional structure of the Board of Directors, the degree of independence of this body and the proportion of proprietary and independent Directors.

In this regard, the Appointments and Remunerations Committee has concluded that six (6) Directors consider themselves to form the adequate number of members of the Board of Directors, to guarantee its effective, participatory and functional operations, of which one (1) would be classified as executive, two (2) as external independent and the remaining three (3) would be classified as external proprietary Directors, representing the majority shareholder SIX GROUP AG.

With this composition of the Board of Directors, the proportion between proprietary and independent Directors is considered to be in line with the shareholder composition, and there is a minimum presence of executive Directors.

In view of the above, together with the proposed ratification as Director of Mr Daniel Schmucki, in compliance with the medium and long-term Planning of the structure and composition of the Board of Directors, and in line with the best governance practices, the Appointments and Remunerations Committee has assessed a proposal to reorganise the governance body, which sets the number of Directors at six (6) and the number of members of each of the Board Committee at three (3).

After this analysis, and simultaneously with the proposal to ratify as Director of Mr Daniel Schmucki, classified as proprietary Director, will be submitted for approval by the by the extraordinary General Shareholders' Meeting, the proposal for the appointment of Ms Belén Romana García and the re-election of Mr David Jiménez-Blanco Carrillo de Albornoz, classified as independent Directors, the ratify of Mr Johannes Bernardus Dijsselhof and the appointment of Ms Marion Leslie, classified as proprietary Directors, and the re-election of Mr Javier Hernani Burzako, classified as executive Director.

### **III. Mr Schmucki's professional background**

Daniel Schmucki has a Bachelor's degree in Accounting and Management Control from the University of Zurich (1994) and a Professional Master's Degree in Certified Accounting from the University of Zurich (1998).

Between 1990 and 1994, he worked as a Financial Controller at the WICOR Group, Weidmann AG, and from 1994 to 2008 he worked for the Bosch Group as CFO, head of the Control Division for Electronic Tools Accessories, Director of Ccontrol, Treasury and Relations with Investors and Operations Directors in Latin America.

From 2008 to 2017 he was CFO and managing director of global airport operations at Flughafen Zürich AG.

Since March 2017, Mr Schmucki has been the Chief Financial Officer (CFO) of SIX GROUP AG and a member of its Executive Council.

He has been a Board member of Flaschenpost Services AG and Swiss Euro Clearing Bank (SECB), as well as International Advisory Director of Universidad Fundação Dom Cabral and a member of the Economic Council of the German and European Airport Associations.

He is currently a Board member of Worldline, S.A. and Zoo Zurich, and Chairman of the Association of Swiss Chief Financial Officers (VSF).

#### **IV. Procedure for the appointments of Directors.**

Pursuant section 6 of article 529.decies of the Corporate Enterprises Act, and articles 22.1 and 20.2.d) of the Board of Directors Regulations state that it is the Appointments and Remunerations Committee's duty to inform on the proposed ratification of directors classified as executive and proprietary Directors by the Board of Directors, to be submitted for approval by the General Shareholders Meeting.

Likewise, in accordance with article 6, section 2, of the Board of Directors Regulations, the category of each Director will be explained to the General Shareholders Meeting who must, when applicable, ratify the appointments of Directors approved by the Board of Directors by co-optation under the vacancy provision system.

#### **V. Analysis of Daniel Schmucki's compliance with the requirements laid down by law and under the Articles of Association for director appointments**

Given that Mr Daniel Schmucki is currently a Director of the Company, it is therefore considered that compliance with the requirements of experience, expertise and integrity required to perform his duties is considered to have been already proven.

Regardless of the foregoing, the Appointments and Remunerations Committee has evaluated Mr Schmucki's professional track-record and confirmed that he fulfils the requirements of article 184 bis, section 1 of the Spanish Securities Markets Law, which substitutes article 152, section 1.f) of the same Law, referred to in point 3 of the additional provision six, stipulating that members of BME's Board of Directors have the acknowledged honourability, honesty and integrity and sufficient knowledge, competence and experience, and are able to act independently, and are in a position to exercise good governance at the Company.

The Appointments and Remunerations Committee has also verified that Mr Daniel Schmucki is not subject to any of the incompatibility causes and legal limitations which, to exercise his position, are established by the prevailing regulations and in article 213 of the Corporate Enterprises Act and articles 6.2 and 6.23 of the Board of Directors Regulations.

In particular, the Appointments and Remunerations Committee has taken account of Mr Schmucki's knowledge of financial, accounting and control matters, as well as his experience in the financial markets sector and as a director of a listed company.

Based on the analysis of the aforementioned data, the Appointments and Remunerations Committee has concluded that the positions held by Mr Schmucki in other companies do not constitute an obstacle to his ratification as Director and that he is available to provide the dedication required for the exercise of said position.

#### **VI. Category that would be assigned to the Director.**

Mr Daniel Schmucki has been classified as an external proprietary Director of the Company, in accordance with the provisions of article 529 duodecies, section 3, of the Corporate Enterprises Act, to which article 6, section 2, of the Board of Directors Regulations refers, and he was proposed for appointment by SIX GROUP AG, the majority shareholder of BME.

#### **VII. Effects of the Director's ratification on the composition of the Board of Directors.**

Simultaneously with the proposed ratification as Director of Mr Daniel Schmucki, classified as an external proprietary Director, the Board of Directors will expect to submit the proposals to modify the Articles of Association to the extraordinary General Shareholders Meeting, in order to reduce the minimum number, from nine (9) to six (6), and the maximum number, from fifteen (15) to nine (9), members of the Board of Directors, the removal of Directors with a valid position at the date of the aforementioned extraordinary General Shareholders Meeting, which does not affect Messrs. Dijsselhof and Schmucki, and the setting of the number of members of the Board of Directors at six (6).

In line with the foregoing, the proposal for the appointment of six (6) Directors has been submitted to the extraordinary General Shareholders Meeting, of which two (2) would meet the status of external independent Directors, three (3) would be classified as external proprietary Directors and one (1) would be classified as an executive Director.

The Appointments and Remunerations Committee considers that this composition by category of the Board of Directors is appropriate for the Company's shareholding structure, in which SIX GROUP AG holds 93.16% of the share capital of BME.

Thus, the Board of Directors would be composed of a vast majority of external Directors, 83.33% of the total number of Directors, of which 50% would be external proprietary Directors and 33.33% external independent Directors, in accordance with Recommendation 17 of the Good Governance Code of Listed Companies for companies that have a shareholder that controls more than 30 percent of the share capital.

The presence of a third of external independent Directors guarantees, to the understanding of the Appointments and Remunerations Committee, an adequate and relevant representation of the interests of non-controlling shareholders, which represent 6.84%, without any of them holding a significant stake in BME's share capital.

With the proposed composition of the Board of Directors, the presence of female Directors on this body would account for 33.33% of the total number of Directors. This percentage would meet the target number of female directors set by the Appointments and Remunerations Committee of 30% of total Directors for 2020, in line with Recommendation 14 of the Good Governance Code of listed companies.



The geographic and cultural diversity of this body would also be increased by incorporating Directors of European origin and residence, who represent 50% of the total number of Directors.

**VIII.- Assessment of services provided by Mr Schmucki during his last term of office.**

Mr Daniel Schmucki was appointed Director by the co-option under the vacancy provision system on 18 June 2020 and since then has attended the sole Board of Directors meeting that has been held.

The Appointments and Remunerations Committee considers that the proposed ratification of Mr Daniel Schmucki as a member of the Board of Directors will be beneficial for BME given that, his professional experience, the quality of the professional services provided and his dedication shown since his appointment have been in the Company's best interest.

**IX.- Conclusion of the Appointments and Remunerations Committee.**

In light of the foregoing, the Appointments and Remunerations Committee, after due deliberation, has resolved to issue a favourable report on the proposal that, where appropriate, the Board of Directors would submit to the General Shareholders Meeting to ratify Mr Daniel Schmucki as a member of the Board of Directors.