



EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSED RESOLUTION TO APPOINT MRS. MARIA HELENA DOS SANTOS FERNANDES SANTANA AS A DIRECTOR OF BME

I.- Purpose of the explanatory report

This report is issued on 16 March 2016 pursuant to section 5 of article 529.decies of the Companies Act (*Ley de Sociedades de Capital*), as set forth in Law 31/2014, of 3 December, and article 22.1 of the Regulations of the Board of Directors, which require that all proposals for appointment of members of the Board of Directors be accompanied by an explanatory report from the Board of Directors evaluating the competence, experience and merit of the proposed candidate.

Therefore, the present Board of Directors report accompanies and evaluates the proposed appointment of Mrs. Maria Helena dos Santos Fernandes de Santana qualified as external independent Director submitted by the Appointments and Remuneration Committee at its meeting held on 16 March 2016 in compliance with section 4 of article 529.decies, and section 3.c) of article 529.quindecies of the Companies Act, and articles 22.1 and 20.2.c) of the Regulations of the Board of Directors.

II.- Explanatory report on the proposed appointment of Mrs. Maria Helena dos Santos Fernandes Santana as Director.

In view of the foregoing and for the purpose of issuing the required explanatory report, the Board of Directors, after assessing its current composition, has evaluated the conditions that must be met by the Directors to perform their duties and the dedication required to discharge their responsibilities.

The Board of Directors also assessed Mrs. dos Santos Fernandes de Santana's competence, experience and merit, based on the information provided by the prospective Director regarding her professional background:

"Mrs. Maria Helena dos Santos Fernandes Santana has a degree in economics from the Faculty of Economics and Administration of the University of Sao Paulo (FEA-USP).

She is a member of the Board of Directors and Chair of the Corporate Governance Committee of Companhia Brasileira de Distribuição, S.A.; a member of the Audit Committee of Itau Unibanco Holding, S.A.; a member of the Board of Directors and Coordinator of the Audit Committee of TOTVS, S.A.; a member of the Management Committee of IFRS Foundation, which is part of the International Accounting Standards Board (IASB); a member of the Market Advisory Council of Governance of State-owned Corporations (Mercado de Governança de Estatais, on behalf of BM&FBOVESPA), and member of the Board of Mergers and Acquisitions (CAF) and the Council of the City of Sao Paulo.

She was previously a member of the Board of Directors of CPFL ENERGÍA, S.A. from 2013 to April 2015; Executive Chair of the Brazilian Securities And Exchange Commission (Comisión de Valores Mobiliarios or CVM) between 2007 and 2012; Director of this Commission between 2006 and 2007; and representative of this Commission on the Financial Stability Board (FSB) between 2009 and 2012.

She was previously Chair of the Executive Committee of the International Organization of Securities Commissions (IOSCO) between 2011 and 2012, while also a member of the International Integrated Reporting Committee (IIRC); and Vice Chair of the Brazilian Institute Of Corporate Governance between 2004 and 2006 and member of its Board of Directors since 2001.

Lastly, she worked at the Sao Paulo Stock Exchange (BOVESPA, now BM&FBOVESPA) between 1994 and 2006, in the area of Special Projects, and between 2000 and 2006 she was Executive Superintendent of Corporate Relations. In this post, she was responsible for the oversight of companies for the development of the New Market segment, which required high standards of corporate governance”.

Mrs. dos Santos Fernandes de Santana's professional experience shows a strong track record in the management and administration of listed companies, such as Companhia Brasileira de Distribuição, S.A., Itau Unibanco Holding, S.A. and TOTVS, S.A., and of other non-listed companies such as CPFL Energía, S.A.

She has also held a number of positions at the Sao Paulo Stock Exchange and the Brazil Securities and Exchange Commission, and has been member of the Executive Committees of, among other international institutions, the International Organization of Securities Commissions (IOSCO) and the Financial Stability Board (FSB), which are a testament to her knowledge and experience in Latin America financial markets.

Especially noteworthy is the experience of Mrs. dos Santos Fernandes de Santana as Executive Superintendent of Corporate Relations of the Sao Paulo Stock Exchange, which operates in the same sector as Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. (BME).

By virtue of that set forth and taking into account the proposed appointment raised by the Appointments and Remuneration Committee with majority, the Board of Directors considers that Mrs. dos Santos Fernandes de Santana has the competence, experience and merit necessary for her appointment as Director of the Company.

For these purposes, the Board of Directors approves the following explanatory report accompanying the proposed appointment of Mrs. Maria Helena dos Santos Fernandes Santana as Director approved with majority by the Appointments and Remuneration Committee to be submitted to the ordinary General Shareholders' Meeting of BME.