

**«BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS
FINANCIEROS, S.A.»**

"GENERAL POLICY ON TREASURY STOCK"

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Introduction

Within the general functions for defining the general strategy and management guidelines corresponding to the Board of Directors, section 2 of article 7 of the Regulations of the Board of Directors of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A., (hereinafter, BME or the Company) establishes that:

"2. when defining the Company's general strategy, the functions of the Board in full and through its Committees shall include the following:

- a) Approving the Company's annual budget estimates, setting the financial targets and basic lines of action along with the specific plans and policies for achieving these targets.*
- b) Establishing the general policy for information and communication with shareholders, the markets and public opinion.*
- c) Approving the general policy to be followed by the Company with regard to treasury stock.*

(...)"

In exercise of the above-mentioned functions, the Board of Directors approved in its session of 23 December 2015 this "*General policy on treasury stock*", in which it has taken into consideration the related best practices and recommendations.

Insofar as it is not inconsistent with this Policy, the provisions of Rule 25 of the Internal Regulations of Conduct of BME shall be taken into account in the execution of treasury stock transactions.

I.- Scope of application.

The transactions performed by BME or its Group companies affecting BME shares shall be governed by the scope of application of this "*General policy on treasury stock*".

II.- Purpose.

Trades involving Company shares must fulfil one or more of the following purposes:

- provide investors with adequate liquidity and depth in the trading of securities,
- minimise potential temporary imbalances between the supply and demand on the market,
- execute share repurchase agreements of the Company,
- allow all the shareholders to benefit from strike prices in such a manner that this improves the resulting dividend yield thanks to the removal from circulation of treasury stock (and therefore with no dividend rights),
- reduce the Company's share capital,

- carry out corporate transactions, such as the surrender of treasury stock as payment for the acquisition of another company or their surrender in an exchange within the framework of a merger operation),
- comply with the obligations inherent in debt instruments convertible into shares, and/or
- comply with the obligations deriving from the share option plans or other allocations of shares for employees or members of the governing bodies of the Company and its subsidiaries.

III.- System for executing the Treasury stock policy.

1. Treasury stock transactions shall be performed in accordance with the following general principles:

- a) They must not be driven by the purpose to interfere with the free and open process of price formation.
- b) Treasury stock management must be transparent and compliant with statutory requirements and, especially, requirements of disclosure or reporting to supervisory bodies.

Transactions involving own shares must never be influenced by inside information.

- c) Treasury stock transactions must not be concluded with Group companies or their directors, significant shareholders or their nominees except with express authorisation from the Board of Directors.
- d) The Company shall not simultaneously place buy and sell orders targeting treasury stock.
- e) The Company's actions on the market in respect of its treasury stock must not represent a dominant position in the trade.

2. In particular, the following criteria shall apply in the execution of buy and sell orders of treasury stock:

A) The total daily volume traded in treasury stock on all systems or markets in which treasury stock transactions are performed, including buy and sell orders, must not exceed 15% of the average daily buy orders of the previous 30 sessions of the orders market of the regulated secondary market in which the shares are admitted for trading.

Exceptionally, the daily traded volume may reach 25% where the treasury stock acquired are to be used as payment for the purchase of another company or for their surrender in an exchange within the framework of a merger process.

Notwithstanding the foregoing, these limits may be exceeded in isolated sessions on an exceptional basis when justified and with the prior authorisation of the Executive Director, and with notification to the Board of Directors and the National Securities Market Commission (CNMV).

B) Buy orders shall be made at a price no greater than the highest of the following: (i) the price of the last trade carried out on the market by independent subjects and (ii) the highest price contained in a buy order in the order book.

Similarly, sale orders shall be made at a price no less than the lower of the following: (i) the price of the last trade carried out on the market by independent subjects and (ii) the lowest price contained in a sell order in the order book.

C) Treasury stock transactions shall be performed during the ordinary trading period on the electronic trading platform, and may be performed on the order market and the block market. They may also be performed after the close of the session in accordance with the special stock market trade regulations.

Without prejudice to the foregoing, treasury stock transactions must be subject to the following time limits:

- a) Trades may not be performed during opening and closing auctions, unless this trade is performed on an exceptional basis on justifiable grounds and ensuring that all the necessary measures are taken to prevent this trade influencing decisively in the evolution of the auction price. In any case, the accumulated volume of the orders entered, including buy and sell orders, must not exceed 10% of the theoretical volume resulting from the auction at the moment these orders are entered. In addition, and unless due to exceptional and justifiable circumstances, market orders must not be entered during these periods.
- b) Treasury stock buy or sell orders cannot be entered during the last five minutes of trading. However, the previously entered orders may be maintained, provided that these do not represent a significant percentage of the order book. These orders may be removed at any time. Exceptionally, treasury stock orders may be entered during this period, provided that the CNMV is informed quickly and confidentially of this circumstance and of the reasons.
- c) Trades may not be performed involving BME shares during the month prior to the expected publication date of the quarterly, half yearly or annual results, unless the management of the treasury stock has been entrusted to another entity under the terms provided for in section V below.

IV. Department responsible for the management of the Treasury stock policy.

1. The management of treasury stock is overseen by the BME Chief Financial Officer who may, if required by the volume of treasury stock, incorporate a treasury stock management Department which will be responsible for this management, as well as appoint the persons that will form the department and one of them as a representative.

In the case of incorporating a treasury stock management Department, this must be duly separate to the other activities of the Company and its incorporation and the appointment of its representative shall be communicated to the CNMV.

2. The Chief Financial Officer or, where applicable, the Treasury Stock Management Department, will have the following functions:

- a) Manage the treasury stock in accordance with guidelines laid down by the competent bodies of the Company and this General Policy on Treasury Stock.
- b) Monitor share performance, duly informing of any significant change in the quoted price that is not explained by normal market forces.

- c) Keep a record of all treasury stock transactions ordered and completed.
- d) Regularly report to the Audit Committee regarding the trades carried out concerning treasury stock.

V.- External management

The Board of Directors of BME will be able to authorise the handing over the management of the treasury stock transactions to an investment company or credit institution, both to favour the liquidity of the trades, in accordance with the terms and conditions established in Circular 1/2017, of 26 April, of the CNMV, on Liquidity Contracts, as well as for any other purpose that the Board of Directors of BME deems appropriate.

VI.- Information obligations and conservation.

1. The Company shall notify the CNMV of the proportion of voting rights that remain in its power when acquiring, directly or indirectly, in a single act or successive acts, treasury stock that grant it voting rights and should said acquisition reach or exceed 1% thereof.

The notification shall be made within a period of four trading days from the date of said acquisition according to the CNMV model and shall identify all the trades carried out.

2. The Company shall conserve the documentation relating to all treasury stock transactions that have been performed during the period stipulated by the legislation in force.