

## **REPORT ON TRANSACTIONS WITH RELATED PARTIES TRANSACTIONS CORRESPONDING TO THE YEAR 2016.**

The Audit Committee of *Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.* (hereinafter BME or the Company), at its meeting held on 27 February 2017, in accordance with the that set forth in section 4.g) of article 529 *quaterdecies* of the Companies Act and letters j), k) and l) of section 2 of article 19 of the Board of Directors Regulations, issues the following report on the transactions with related parties corresponding to the year 2016.

### **I.- Applicable legislation.**

Section 4.g) of article 529 *quaterdecies* of the Companies Act establishes that the Audit Committee must "*previously inform the Board of Directors regarding all matters provided for by Law, in the Articles of Association and the Board of Directors Regulations and in particular, regarding: (...) and 3, transactions with related parties.*"

This obligation is set forth in article 19, letter j) of section 2 of the Board of Directors Regulations, which charges the Audit Committee with the responsibility to "*issue a prior report to the Board of Directors on the financial information that the Company must periodically make public; the creation or acquisition of ownership interests in special-purpose entities or companies domiciled in countries or territories considered to be tax havens; and transactions with related parties*". In addition, letters k) and l) of section 2 of article 19 of the Board of Directors Regulations assign the Audit Committee the following responsibilities:

*"k) Report on transactions carried out by a Director or parties related thereto with the Company or its Group, provided that the transaction does not involve a value of more than 10% of Company assets, the use of Company assets or the use of a specific business opportunity.*

*l) Report on transactions that the Company or companies of the Group carry out with shareholders holding significant ownership interest, including shareholders represented on the Board of Directors of the Company or other companies that form part of the same group or with persons related thereto.*

### **II.- Delimitation of transactions with related parties**

Pursuant to letters c) and d) of section 4 of article 7 of the Board of Directors Regulations, it is the responsibility of the Board of Directors to approve transactions carried out by a Director or parties related thereto with the Company or its Group, provided that the transaction does not involve a value of more than 10% of Company assets, the use of Company assets or the use of a specific business opportunity, as well as transactions that the Company or companies of the Group carry out with shareholders holding significant ownership interests, including shareholders represented on the Board of Directors of the Company or other companies that form part of the same group or with persons related thereto. The transactions that simultaneously have the following three characteristics are excluded from the aforementioned considerations:

- they are governed by standard form agreements applied on an across-the-board basis to a large number of clients;

- they are performed at prices or rates established on a general basis by the person supplying the goods or services; and
- the amount does not exceed 1% of the Company's annual revenue.

Moreover, given the market and systems-related activities carried on by the Group companies, article 29 of Board of Directors Regulations establishes that transactions, operations or actions undertaken by Directors and significant shareholders and/or their related parties in their activities on the markets and systems managed by Group companies shall not require prior authorisation, nor shall they be subject to disclosure obligations, provided that they are within the ordinary course of business of the parties involved and on an arm's length basis, without prejudice to compliance with any regulations applicable to transactions with related parties.

### **III.- Report on transactions with related parties corresponding to the period 2016.**

During year 2016, due to non-enforceability, the Audit Committee was not informed of the performance of transactions related parties.

Without prejudice to the foregoing, the consolidated financial statements for the year ending the 31 December 2016 shall detail all transactions with related parties corresponding to balances and transactions performed in relation to the remuneration of the members of the Board of Directors and the members of the Senior Management of the Group.

### **IV.- Publishing of the report.**

This report on transactions with related parties for 2016 will be published on the Company's website, [www.bolsasymercados.es](http://www.bolsasymercados.es), together with the inclusion of the separate and consolidated financial statements of the Company.

Madrid, 27 February 2017