

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

INTERNAL CODE OF CONDUCT

INTERNAL CODE OF CONDUCT OF BOLSAS Y MERCADOS ESPAÑÓLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A.

At its meeting of 29 November 2017, the Board of Directors of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. ("Bolsas y Mercados Españoles", "BME" or "the Company") approved this Internal Code of Conduct of the Company, the purpose of which is to specify the principles and framework of action to be followed by employees of the Company and its Group companies in the domain of the securities market.

TITLE I. SCOPE

1. PERSONS CONCERNED

A. This Code applies to all employees of BME and of its Group companies and to the rest of persons who provide services or engage in a professional relationship with BME or its Group companies (all such employees and persons, "the persons concerned").

For these purposes, Group companies will be those in which BME holds a controlling interest that creates a Group relationship within the meaning given by the *Ley del Mercado de Valores* [Securities Market Act] from time to time.

B. Having regard to the different degree of involvement of persons concerned in activities carried out in the securities markets, multilateral trading facilities and other multilateral systems governed or managed by Group companies, persons concerned are classified as follows:

1. Affected persons, encompassing:

- i) Persons discharging managerial responsibilities, including people having the status of:
 - Member of the administrative, management or supervisory bodies of BME or its Group companies, including persons who hold the positions of Secretary, Deputy Secretary or Advisor to the Board of Directors.
 - A senior executive of BME who, though not a member of the management body, who has regular access to inside information relating directly or indirectly to BME or Group companies and powers to take managerial decisions that affecting the future developments and business prospects of BME.
- ii) Employees of BME or Group companies.

In both cases, persons qualifying as "subject persons" are excepted.

2. Subject persons, including persons performing their functions in areas and services of BME or Group companies that generally have access to relevant information on issuers other than BME that may affect the price of the securities of companies admitted to or listed on regulated markets, multilateral trading facilities and other multilateral systems governed or managed by Group companies, or of securities and instruments the admission or listing of which has been requested.

C. The Code also applies to external advisors who, though not employees, provide financial, legal, advisory or any other kind of services to any Group company, for themselves or on behalf of others, and who, by reason of that service provision, have access to inside information, on terms determined by the Compliance Department.

D. For persons concerned who are subject to special rules of conduct under the Rules and Regulations of the Board of Directors of BME or such special rules of conduct as may be adopted by BME Group companies, the rules of this Code apply in matters in respect of which those special rules are silent.

2. AFFECTED SECURITIES

A. The following securities are affected by this Code:

1.- Fixed-income and equity securities issued by BME and Group companies and admitted to or listed on regulated markets, multilateral trading facilities or other multilateral systems, or in respect of which an application has been submitted for admission to trading or listing on any such market or system; and,

2. - Financial instruments and contracts of any kind that confer a right to acquire, or whose underlying consists of, securities of the kind referred to in the foregoing subsection.

B. For subject persons, the obligations and limitations set out in Title V of this Code also apply to transactions involving the following securities and instruments admitted to or listed on any of the markets, multilateral trading facilities or other multilateral systems governed or managed by Group companies:

1. Shares and equivalent securities and any other kind of marketable securities that entitle the holder to acquire shares by virtue of conversion or of exercise of the rights they confer;

2. Bonds or any other securities that acknowledge or create debt;

3. Contracts or instruments of any kind, even if they have a non-financial underlying; and

4. Warrants.

The following instruments are excluded from these obligations and limitations:

a) Government debt securities, whether national, regional or local;

b) Holdings in ExchangeTraded Funds (ETFs);

c) Holdings in Investment Funds listed on the Funds segment of BME (BME Funds); and

d) SICAV shares admitted to or listed on markets managed by BME Group companies.

TITLE II. INTERPRETATIVE AND SUPERVISORY BODIES.

3. DEFINITION OF INTERPRETATIVE AND SUPERVISORY BODIES

A. The Markets and Systems Operating Procedures Committee is the Board committee having the power to construe and interpret this Code, and to adopt any implementing instructions or rules.

B. The following departments of the Company must apply and monitor this Code as follows:

1. The General Secretary and the Secretary of the Board of Directors for members of management bodies/persons discharging managerial responsibilities at BME and Group companies.
2. The Compliance Department for other persons concerned.

4. GENERAL SECRETARY AND THE SECRETARY OF THE BOARD OF DIRECTORS

The General Secretary and the Secretary of the Board of Directors shall:

- a) Put in place the procedures to be followed for this Code to be brought to the attention of members of management bodies/persons discharging managerial at BME and Group companies.
- b) Maintain an updated list of persons discharging managerial responsibilities and their persons closely associated and notify the former in writing of duties and obligations arising from applicable laws and regulations and this Code.
- c) Manage the files for notifications concerning transactions with affected securities concluded by members of management bodies / persons discharging managerial responsibilities at BME and Group companies, acknowledging receipt immediately. Such files are confidential. Rules will be made on disclosure of their content to such persons and entities as must have access to them by law.

5. COMPLIANCE DEPARTMENT

The Compliance Department shall:

- a) Put in place the procedures to be followed for this Code to be brought to the attention of persons concerned within its scope of oversight.
- b) Maintain an updated list of subject persons and notify such persons of their status as subject to the Code and of the duties, obligations and restrictions arising from such status.
- c) Set the terms and manner in which external advisors are required to provide legal, advisory, financial or any other services to BME or Group companies in compliance with the duties and obligations under this Code as to use of Inside Information.
- d) Receive communications via the designated mailbox on the Human Resources intranet and process requests for authorisation of transactions.

- e) Manage the files for notifications of transactions with affected securities, acknowledging receipt immediately. Such files are confidential. Rules will be made on disclosure of their content to such persons and entities as must have access to them by law.

6. GENERAL PROVISIONS

Information and data sent to the General Secretary and the Secretary of the Board of Directors or the Compliance Department is confidential and persons in charge of processing such information and data are under a duty to preserve secrecy.

To ensure the proper discharge of their duties, the General Secretary and the Secretary of the Board of Directors and the Compliance Department may demand from persons concerned as much additional information as they think fit.

TITLE III. RULES OF CONDUCT

7. GENERAL PRINCIPLES OF CONDUCT

In the course of their activities persons concerned must act always in accordance with the principles of impartiality and good faith, and must abide by the following requirements:

1. Carry on an orderly, diligent, prudent and transparent management that preserves the integrity of markets and systems.
2. Be conversant with and act in full compliance with the rules, provisions and decisions adopted by the authorities and competent bodies.
3. Properly cooperate with supervisory bodies.
4. Not use the name of BME or of the Group entity where they work, or invoke their status, position or function, to conclude transactions on their own behalf or on behalf of their persons closely associated, and avoid carrying out any activity that might undermine the interests and reputation of the BME Group.
5. Keep confidential, even after the termination of their status, position or function, any such data and information as they receive in that capacity; they may not use such information for their own benefit, or provide it to third parties except in cases where such disclosure is legally mandatory.
6. Not provide special benefits to clients, investors or suppliers or request or accept gifts or invitations that, due to their nature, value and frequency, might influence the conduct of the recipient. Persons concerned who conclude transactions involving affected securities may not accept that members of the markets and systems in question apply terms or fees that are more favourable than what they would have received if they were not directors, executives or employees of the Company or of a Group company.
7. Immediately notify the relevant supervisory body of any request for information or sanctioning action that the supervisory authorities of the securities or financial markets address

to him/her in relation to the duties that he/she performs at the BME Group. Persons concerned must also immediately inform the relevant supervisory body of any possibility of their becoming a defendant in criminal proceedings in connection with such duties.

8. Warn that their opinions expressed at seminars or conferences, in the performance of teaching activities, or in publications and articles related to the securities markets, are their own personal views, and, therefore, should not be confused with statements or views expressed by BME, unless they are acting expressly on behalf of the Company or a Group company.

8. USE OF INFORMATION

Persons within the scope of this Code must not use for their own benefit any information they may obtain from the Company or from Group companies or their suppliers, clients or shareholders. Such information most notably includes information obtained, used or applied by persons concerned as a result of their assigned duties at BME or a Group company, whether or not the information refers to BME or to other entities or individuals.

The foregoing prohibition includes provision or delivery of information to third parties without the prior authorisation of the relevant supervisory body.

Persons concerned must refrain from transmitting to the media, whether on their own initiative or at the media's request, any information or news about BME or Group companies. Communications with the media are the remit of the Corporate Communications Department of the Company.

The provisions of the preceding paragraphs are without prejudice to obligations and prohibitions binding members of management body of BME and Group companies under applicable laws and regulations from time to time.

TITLE IV. CONFLICTS OF INTEREST

9. CONFLICTS OF INTEREST: PRINCIPLES OF ACTION

A conflict of interest is any situation in which the personal interests of a person concerned or his or her persons closely associated by reason of activities outside the Company, family relationships, personal assets or any other matter does or might directly or indirectly collide with the interests of the Company.

Persons concerned must act with due impartiality and may in no event put their own interests before those of the Company or any Group company or of shareholders. The decisions of persons concerned must look to best service to the interests and duties entrusted by law to BME and its Group companies.

In particular, persons concerned must endeavour to avoid conflicts of interest with BME shareholders, market members or participants or participants of systems governed or managed by Group companies, or issuers of securities admitted to or listed on such markets or systems or the admission or listing of which has been requested.

10. PROCEDURES TO PREVENT AND MANAGE POTENTIAL CONFLICTS OF INTEREST

A. Persons concerned must inform the relevant supervisory body of any conflict of interest that may affect them or their persons closely associated as provided in Rule 11 below.

B. Persons concerned must update any information on their potential conflicts of interest, for which purpose they must notify any cessation or alteration of any situation of conflict or the emergence of any new situation. Such notices must be given within five days of the person concerned becoming aware that a conflict of interest has arisen and at all events before the adoption of any decision or action impinged upon by the conflict.

C. In the event of doubt as to the existence of a conflict of interest, the person concerned must consult the relevant supervisory body before adopting any decision or course of action that might be affected by the potential conflict.

D. If affected by a conflict of interest, the person concerned must refrain from intervening in or influencing discussions and decisions concerning the persons or entities to which the direct interest in conflict refers, and must notify whoever is responsible for decision-making accordingly. However, the person concerned may participate in the discussion and approval of any rules, instructions or decisions that are to apply generally to all investors, market members or companies with securities admitted to trading.

11. PERSONS CLOSELY ASSOCIATED FOR THE PURPOSES OF CONFLICT OF INTEREST

A. The following are deemed to be persons closely associated of natural persons concerned:

1. The spouse of the person concerned, or any person with an analogous relationship.
2. The parents, children and siblings of the person concerned or of his or her spouse.
3. Any other family members who live with the person concerned or are his or her dependants since at least one year before the date of the transaction.
4. The spouses of the parents, children and siblings of the person concerned.
5. Any company in which the person concerned, whether for him or herself or through a nominee:
 - a) Engages, in a general sense, any of the circumstances set out in article 5 of the Securities Markets Act.
 - b) Holds an interest of 5% or above in the share capital of a company that is a member or participant of the BME Group's markets or systems.
 - c) Holds an interest of 5% or above in the share capital of a company that is a client of services relating to the BME Group's markets or systems.
 - d) Holds an interest of 10% or above in the share capital of a company that is an issuer of securities admitted to or listed on the BME Group's markets or systems.

A nominee is a person who in his or her own name concludes securities transactions for the benefit of the person concerned. A person whom the person concerned wholly

or partly protects from the risks inherent in the transactions is presumed to be a nominee.

B. The following are deemed to be persons closely associated of legal persons concerned:

1. Any member or shareholder who with respect to the legal person concerned engages any of the circumstances set out in article 5 of the Securities Market Act.
2. De jure or de facto directors or liquidators of, and agents with general powers of attorney given by, the legal person concerned.
3. The following companies:
 - a) Companies that engage, in a general sense, any of the circumstances set out in article 5 of the Securities Markets Act.
 - b) A company that is a member or participant of the BME Group's markets or systems and in the share capital of which the legal person concerned holds an interest of 5% or above.
 - c) A company that is a client of services relating to the BME Group's markets or systems and in the share capital of which the legal person concerned holds an interest of 5% or above.
 - d) A company that is an issuer of securities admitted to or listed on the BME Group's markets or systems and in the share capital of which the legal person concerned holds an interest of 10% or above.
4. Any person who, with respect to the representative of the legal person concerned and on the basis set out in the foregoing section of this Rule, qualifies as a person closely associated.

TITLE V. CONCLUSION OF TRANSACTIONS

12. AFFECTED TRANSACTIONS

The rules of this Title apply to steps taken on their own behalf by persons concerned or by their persons closely associated as to purchase or sale of affected securities, loans, pledges, gratuitous acquisitions, transactions concluded by anyone who prepares or executes transactions or by someone acting on behalf of a person concerned or his or her persons closely associated, transactions concluded within the framework of a life insurance policy in the form of investment in affected securities, and any other transactions provided for in applicable laws and regulations.

13. DUTIES AND OBLIGATIONS

A. Upon joining BME or a Group company a person concerned must inform the relevant supervisory body of any affected securities held by him or her or by his or her persons closely associated. Furthermore, when a person concerned ceases in his or her relationship with the

BME Group he or she must report all transactions concluded with affected securities not reported earlier.

B. A person concerned must report any transaction concluded by him or herself or by his or her persons closely associated involving affected securities within three (3) business days of the transaction date. Such notice must state the name of the person concerned, the reason for the notice, the name of the issuer, the description and identifier of the financial instrument, the nature of the transaction, and the date, venue, price and volume of the transaction.

Such notices must be addressed to the General Secretary and the Secretary of the Board of Directors for persons discharging managerial responsibilities at BME or a Group company or, for other persons concerned, to the Compliance Department.

For transactions that are unique by reason of their amount, class of security, applicable subscription or trading procedure or analogous reasons, where there exists a considerable delay between the giving of the order and the confirmation of its final execution, persons concerned must initially notify such orders to the relevant supervisory body and later report their execution, within the respective time limits prescribed in the second paragraph of this section.

D. The foregoing paragraphs are without prejudice to any duty to report to the CNMV [Spain's securities market regulator] transactions involving affected securities concluded by directors, senior executives or other persons concerned in compliance with prevailing laws and regulations.

14. LIMITATIONS ON TRANSACTIONS INVOLVING AFFECTED SECURITIES

A. Within 60 days following a purchase or sale of affected securities persons concerned may not conclude transactions involving such securities and carrying the opposite sign, except with the prior authorisation of the relevant supervisory body.

B. Persons concerned may not conclude transactions involving affected securities in the following periods:

1. The month before the estimated date of publication of quarterly, half-year or annual results of the Company.
2. Any other time that the relevant supervisory body may determine.

C. The relevant supervisory body may authorise persons concerned to conclude affected securities transactions during a specific period within the restricted periods above in the following events:

- a) Exceptional circumstances arise, such as serious financial difficulty, calling for immediate sale of affected securities.
- b) The affected securities transactions are in the context of or in relation to an employee share option or savings plan or in relation to the qualification of or subscription for shares.
- c) Personal transactions involving affected securities where no change in ownership of the final securities takes place.

If a specific transaction cannot be concluded at any time other than within a restricted period, the person concerned must seek authorisation from the relevant supervisory body in a written request describing and stating reasons for the intended transaction.

15. SPECIAL DUTIES AND OBLIGATIONS OF PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES

A. Members of management bodies of BME or Group companies must give at least 24 hours' notice to the Markets and Systems Operating Procedures Committee, via the General Secretary and the Secretary of the Board of Directors, of their intention to conclude any affected securities transaction. Later they may also give the notice prescribed by Rule 13 (B).

B. Persons discharging managerial responsibilities must disclose to the General Secretary and the Secretary of the Board of Directors a list of their persons closely associated and report any change arising in that respect.

C. Persons discharging managerial responsibilities must inform their persons closely associated in writing about the duties and obligations arising from this Code, in particular, in connection with affected securities transactions.

16. SPECIAL DUTIES AND OBLIGATIONS OF SUBJECT PERSONS

Subject persons are bound by the duties and obligations set out in Rules 13 and 14 on initial and final disclosure of ownership of securities, disclosure of transactions, and prohibition on transactions carrying an opposite sign in respect of any securities admitted to or listed on markets, multilateral trading facilities or other multilateral systems as specified in Rule 2 (B) of this Code.

17. PERSONS CLOSELY ASSOCIATED FOR THE PURPOSES OF TRANSACTION DISCLOSURE

The following are persons closely associated for the purposes of transaction disclosure:

1. the spouse, or a partner considered to be equivalent to a spouse in accordance with Spanish law;
2. dependent children;
3. a relative who has shared the same household for at least one year on the date of the transaction concerned; and
4. A legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to in point (1), (2) or (3), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

18 PORTFOLIO MANAGEMENT CONTRACT

If persons concerned have on a continuing basis entrusted the management of all or some of the affected securities to a financial institution that is legally qualified to undertake such management, subject only to the general profitability and risk guidelines specified in the contract and without the management entity being able to seek or receive investment instructions from the persons concerned, then transactions under that contract do not attract the obligations and limitations under Rules 13 (B) and 14 (A), except as provided in section C below.

B. In such events, the persons concerned must submit to the Compliance Department or to the General Secretary and the Secretary of the Board of Directors, as appropriate, a written statement by the financial institution to which they have entrusted the management of their securities and financial instruments stating that the engagement is consistent with the terms of this section and confirming that the persons concerned have instructed the financial institution to honour any information requests addressed to it by the relevant supervisory body in connection with transactions arising from the asset management engagement.

C. Persons discharging managerial responsibilities must at all events either exclude BME affected securities from the portfolio management contract or create mechanisms as required to ensure that transactions involving BME affected securities are disclosed on a timely basis to the relevant supervisory body for the purposes of compliance with the obligations, prohibitions and restrictions under Rules 13 and 14 above.

TITLE VI. INSIDE INFORMATION

19. INSIDE INFORMATION

A. Inside Information means any information of a precise nature, which has not been made public, relating, directly or indirectly to BME or any Group company and which, if it were made public, would be likely to have a significant effect on the prices of the affected securities.

Information is specific if it relates to circumstances that are or might reasonably be expected to be present or to an event that has occurred or might reasonably be expected to occur, provided that the information is specific enough to support some conclusion on the effects that those circumstances or that event might have on the prices of the affected securities.

Where there is a process that extends over time with an intention to bring about or lead to certain circumstances or to a specific event, the status of "specific information" attaches both to the future circumstances or event and to the intermediate stages of that process in connection with the bringing about of the future circumstances or event.

An intermediate stage of a process that extends over time qualifies as inside information if in itself it satisfies the test for Inside Information set out in this Code.

Information is deemed capable of "appreciably" influencing the prices of affected securities if a reasonable investor would be likely to use it as an element of the basic reasoning behind his or her investment decisions.

B. Any doubt as to whether or not information is inside information must be raised with the General Secretary and the Secretary of the Board of Directors. The person concerned must

await an answer in the negative before he or she may conclude any transaction in reliance on that information.

20. GENERAL PRINCIPLES OF ACTION WITH INSIDE INFORMATION

A. Any person who is subject to this Code and has access to Inside Information is under a duty to safeguard it and take appropriate steps to prevent it from being used abusively or unfairly, and, as the case may be, he or she must take the necessary steps immediately to correct the consequences of any such abusive or unfair use, independently of his or her duty of assistance or disclosure to the courts and government authorities in accordance with the Securities Market Act and the rest of applicable laws and regulations.

B. Persons having access to Inside Information must:

- i. Limit knowledge of the information strictly to persons inside or outside the organisation whose involvement is indispensable ("the insiders"), and accordingly deny access to the information to any person other than those who must have such access for the performance of their duties.
- ii. For each transaction, keep documentary records as prescribed by prevailing laws and regulations from time to time. The documentary records will be managed by the General Secretary and the Secretary of the Board of Directors and must be updated when (1) there is a change in the reasons why a person is listed, (2) a new person must be listed, or (3) a listed person ceases to have access to inside information. Any update must be dated.
- iii. Give written warning to insiders as to the nature of the information, their duty of confidentiality, the prohibition on use of the information, and the penalties arising from breach.
- iv. Put in place security measures for the custody, archiving, access, copying and distribution of the information such as to prevent abusive or unfair use of the information and, as the case may be, taking the necessary steps to correct any consequences of such abusive or unfair use.
- v. Follow the market performance of affected securities and related coverage by the media and economic news and information professionals.
- vi. If trading volume or prices behave unusually and there is reason to believe that such behaviour is prompted by premature, partial or distorted disclosure of a transaction, appropriate steps must be taken, including, as appropriate, a communication in accordance with applicable laws and regulations that clearly and accurately reports the state of the transaction then in progress or outlines the information to be supplied later.

C. A person concerned must not:

- a) conclude or attempt to conclude transactions based on Inside Information;
- b) prompt or induce another person to conclude transactions based on Inside Information; or

- c) unlawfully disclose Inside Information.

21. PUBLIC DISCLOSURE OF INSIDE INFORMATION

Independently of duties and obligations in respect of Inside Information and of the duty to safeguard it, BME will as soon as practicable publicly disclose any Inside Information directly concerning BME in the form of a report to the Comisión Nacional del Mercado de Valores, [Spain's securities market regulator].

The content of the report must be true, clear and complete and, when so required by the nature of the information, stated in quantified form, so as not to mislead or deceive.

Public disclosure of Inside Information must not be combined with the marketing of business activities.

22. DELAY IN PUBLIC DISCLOSURE OF INSIDE INFORMATION

A. The Company may, at its own liability, delay public disclosure of Inside Information directly concerning it if all the following conditions are satisfied:

1. immediate disclosure might harm the lawful interests of the Company or any Group company;
2. delay in disclosure will not mislead or deceive the public; and
3. the Company is able to assure the confidentiality of the Inside Information.

B. Where there is a process that extends over time with an intention to bring about or lead to certain circumstances or to a specific event, the Company may delay public disclosure of Inside Information about the process, subject to the conditions set out in the foregoing section.

C. If the public disclosure of Inside Information is delayed in accordance with the foregoing sections, the Company must inform the CNMV [Spain's securities market regulator] of that decision to delay disclosure, in accordance with the laws and regulations then prevailing.

D. If disclosure of Inside Information is delayed and its confidentiality is no longer assured, the Company must publicly disclose the information as soon as practicable.

23. MARKET SOUNDINGS

A. Market sounding consists of disclosing information to one or more potential investors before a transaction is announced to test their interest in a prospective deal and its surrounding terms and conditions.

Market sounding may also take the form of disclosure of Inside Information where the intention is to launch a takeover or merger bid, if (a) the information is necessary for holders of securities to form an opinion as to their willingness to offer their securities, and (b) those holders' willingness to offer their securities is reasonably required for a decision to be made to launch the takeover or merger bid.

B. When the Company decides to carry out market sounding, the internal procedures required to implement it will be established.

Before market sounding is conducted, the General Secretary and the Secretary of the Board of Directors must determine whether or not this would entail the disclosure of Inside Information. The conclusion reached and its reasoning must be recorded in writing.

C. Before disclosure of Inside Information in the course of market sounding, the General Secretary and the Secretary of the Board of Directors must:

- i. Obtain the consent of market sounding recipients to receipt of the Inside Information.
- ii. Inform recipients that they are barred from using or attempting to use such information to conclude any transaction involving the affected securities in connection with the Inside Information.
- iii. Inform recipients that they are barred from using or attempting to use such information by cancelling or modifying an order given earlier regarding a financial instrument impinged upon by the information.
- iv. Inform recipients that by accepting receipt of the Inside Information they undertake to preserve its confidentiality.

D. If information disclosed to someone in the course of market sounding ceases, in the Company's view, to be Inside Information, the recipient must be informed of that fact.

24. MARKET MANIPULATION

Parties concerned and insiders must not take any action, whether personally or otherwise or directly or indirectly or on behalf of the Company or of any Group company, in respect of affected securities, that might constitute actual or attempted market manipulation within the meaning provided by the laws and regulations then prevailing.

TITLE VII. TREASURY SHARES

25. MANAGEMENT OF TREASURY SHARES

A. For the purposes of this Code, a treasury share transaction is a transaction directly or indirectly concluded by the Company or a Group company involving its own shares, or financial instruments or contracts of any kind, whether or not traded on an regulated market, a multilateral trading facility or some other multilateral system, that confer rights to acquire, or the underlying of which consists of, shares of the Company.

B. Transactions involving Company shares must be compliant with the relevant laws and regulations then prevailing and with the General Policy on Treasury Shares.

C. Transactions involving Company shares must fulfil the following conditions:

1. They must not be driven by the purpose to interfere with the free and open process of price formation.
2. Treasury share 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.
3. Treasury share 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.
4. Buy and sell orders targeting own shares may not be placed simultaneously.

D. Treasury share management will rest with the BME Finance Department, which may, if appropriate, appoint persons in charge of the treasury share management area.

E. The treasury share management area will have the following functions:

- Treasury share management in accordance with guidelines laid down by the competent bodies of the Company and the general principles of this Code and of the General Policy on Treasury Shares.
- Monitoring of share performance. The BME Finance Department must be alerted to any significant change in quoted price that is not explained by normal market forces.
- Keeping of an archive recording all treasury share transactions ordered and completed.
- Reporting to the BME Finance Department on any significant incident arising in the course of treasury share management.

SECTION VIII. BREACH

26. BREACH

A. Independently of the sanctioning powers of the CNMV [Spain's securities market regulator] and of the Ministerio de Economía, Industria y Competitividad [Spain's Ministry of Economy, Industry and Competitiveness], a person within the scope of this Code who breaches its rules will attract the sanctions and penalties prescribed by the employment or professional scheme that applies to him or her.

B. The Compliance Department, after examining the information it receives on any suspected breach of this Code or its implementing regulations and if such information supports the conclusion that a breach has been committed, will refer the facts to the Company body where the affected person is employed and which is competent to open disciplinary proceedings.

The relevant Company body must inform the Compliance Department of any decisions adopted or action taken in the course of disciplinary proceedings initiated by that body.

In the course of such proceedings the person concerned must be given a hearing.

Disciplinary proceedings are to be resolved by the management body of the company where the person concerned is employed, in response to a reasoned proposal submitted by the overseer of the proceedings. Special consideration must be given to the circumstances surrounding the act at issue and their significance.

C. If members of the management body/ persons discharging managerial responsibilities are concerned, the General Secretary and the Secretary of the Board of Directors will, in response to any indication of breach, examine the background of the case and refer the proceedings to the Audit Committee, with an attached explanatory report.

Upon receipt of the proceedings file, the Audit Committee will proceed to examine the information.

The Audit Committee may:

- a) declare that no breach has been committed, with notice to the Board of Directors, or
- b) if the facts at issue are found to disclose a breach, submit to the Board of Directors a proposed action, which, having regard to the severity of the breach, might consist of a private written caution to the person concerned, or of a demand that he or she resign from office.

Based on the Audit Committee's proposal, the Board of Directors may:

- a) choose which measure to apply among those proposed by the Audit Committee, or
- b) declare that no breach has been committed, stating grounds for this finding.

If a breach involves a member of the management body/a person discharging managerial responsibilities at a Group company, the Secretary to the Board will communicate the Board of Directors' decision to the chairman of the Group company in question, who will then make such decision known to the director concerned.

D. The Comisión Nacional del Mercado de Valores [Spain's securities market regulator] must be informed:

- a) by the Compliance Department of breaches committed by employees, after being informed in accordance with section B of this Rule of any decisions adopted in the context of disciplinary proceedings; or
- b) by the Board of Directors of any decision adopted on proposed actions submitted by the Audit Committee in the exercise of the functions ascribed to it in section C of this Rule in connection with members of a management body/ persons discharging managerial responsibilities.