

BME's Corporate Outlook: management model and relationships with main market participants

BME's management, like that of any other company or business, aims to obtain, in a responsible and sustainable manner, optimal performance from all the large assets at its disposal that make it a company with strong growth potential.

This type of management seeks maximum efficiency and fosters the Company's commitment to listed companies, market participants, investors, and by extension, society at large, which BME aims to provide with the most advanced financial market in the world. To this end, BME focuses on ensuring that the Spanish financial markets offer speed, reliability, transparency, efficiency and security, and that through these markets participants are able to access a broad range of high quality financial products.

BME views its role as a nexus between companies and Spanish and foreign investors as key to the economy. Savings, both of individuals and institutional investors, are channelled through

BME to become a vehicle for financing the companies which are the foundation and source of wealth creation in all advanced societies.

The confidence shown in the company by society guides its corporate outlook, with a management model based on reinforcing BME's standing as the main reference for liquidity, reliability and transparency in a global market.

BME is therefore a benchmark for the Spanish economy and companies, and, similarly, for significant sectors of the Latin American economy, in its role as the managing body of Latibex, Latin America's second ranking market by capitalisation.

The privileged position BME enjoys entails a series of responsibilities toward the society which has entrusted it with this role. BME believes that it must provide society with safe and reliable markets, featuring the most advanced technology and the best-trained human resources, markets which allow Spanish

and Latin American companies to access financing, expand and create jobs.

In order to reach this goal of achieving excellence in the provision of services, BME is in close and permanent contact with all market participants - companies, investors, shareholders, employees and, more generally, society as a whole.

This contact is regarded as key for generating the highest trust among clients and society in general, and therefore, the needs and satisfaction of market participants are BME's priority.





This trust is achieved by establishing in a transparent manner the Core Company Principles of Conduct, which consistently guide its corporate outlook and which are as follows:

- **Efficiency in service provision.** This is essential to permit Spain's financial market to perform its key role in fostering sustainable growth in the Spanish economy.
- **Market integrity.** Compliance with this principle allows trading activity to be undertaken from different market centres simultaneously and under identical conditions.
- **An impartial trading environment.** This is achieved through strict compliance with laws and regulations governing the financial markets and systems managed by BME.
- **Transparency and fairness in the market.** BME provides complete information on market performance and information received from entities approved for trading on the market, allowing all investors, without privileges of any sort based on trading volume, to operate under the same conditions.
- **Innovation and cutting-edge technology.** BME provides markets with the means necessary to help companies grow at a global level, and in this regard is an active participant in the creation of new financial products and the ongoing development of the systems infrastructure

which are essential to the development of the financial market.

- **Training.** A cornerstone of any financial market's sustainable development is the education of all market players, both professionals and individuals, on how the market operates. BME supports many educational programmes, both in-house and at other institutions, geared to both individual and professional investors.
- **Investor protection.** BME believes that assisting, defending and providing guidance to investors in financial markets, especially investors whose knowledge and experience are limited, is essential for forging a bond of trust between investors and the market.

In establishing these core principles of action, BME has taken into account the needs and priorities of the different agents participating in the market. Such needs and priorities largely coincide with those of society at large. After all, society is the ultimate beneficiary of the rewards generated when financial markets and, by extension, the Spanish economy, operate properly.

Therefore, the main market players are considered to be those who use BME's services, company employees, shareholders, service providers and society in general.

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Based on this definition, the company's guidelines for conduct with these agents, who are the foundation for BME's work in the areas of its participation in and contribution and commitment to society, may be outlined as follows:

- Compliance with Spanish and international laws and regulations applicable to BME. The Company's business activities must strictly meet social ethics and best practice standards.
- Making the necessary effort to ensure that relations with users and investors be profitable for all concerned.
- Maintaining solid and fluid relationships, through official channels, with government and oversight bodies.
- Implementing clear procedures for selecting partners and for marketing services and technology.
- Establishing permanent contact with shareholders and potential investors.
- Building fluid relationships between the Company, its employees and trade union organisations.

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Awards conferred on BME

In 2009, Instituto BME, the company's educational centre, was awarded a commemorative plaque by the Spanish national police force. This plaque was awarded by the Catalonia police force (Jefatura Superior de Policía de Cataluña) during the celebration of the Santo Ángel de la Guarda festivities (patron saint of the national police force) in recognition of the collaboration and help lent to this organisation (see Chapter 6 of this report for further information).

In addition, BME was selected to chair the Regulation Committee of the World Federation of Exchanges (WFE). This is the federation's largest technical committee, responsible for fostering the relationship between the world's stock exchanges and international regulatory agencies such as the International Organisation of Securities Commissions (IOSCO) and the Securities and Exchange Commission (SEC).

BME also heads up the FESE's MiFID task force, responsible for coordinating communication between the European bourses and the EU authorities, analysing the directive from the standpoint of the regulated markets and closely monitoring its operations.

Relations with Public Administrations

Given the importance of the work carried out by BME to ensure the smooth running of the financial markets, and by extension the Spanish

economy, the Company must maintain fluid relationships with all public bodies.

BME views these relationships, developed through official channels and built on respect and strict compliance with legislation in force at any given time, as essential for strengthening the bond of trust that the company has forged with investors and society in general.

Furthermore, BME's role as manager of the regulated markets and trading systems is played out within the framework of Spanish sector legislation, particularly, the Securities' Market Act and enabling provisions. Therefore, both BME and most of its subsidiaries are supervised by the Spanish stock market regulator (Comisión Nacional del Mercado de Valores, or CNMV).

This body, along with the regional governments with the power to regulate stock market issues, is required to supervise and inspect the stock markets and the activities of the individuals and legal entities operating on those markets. Therefore, BME, as the management body, must maintain a fluid relationship with these regulatory bodies and take an active part in any forums required under the provisions of said legislation.

Under current legislation, the secondary markets in Spain are represented on the CNMV's Consultative Committee by six of its fourteen members. The remaining members represent securities issuers and investors.

This Consultative Committee is the CNMV Board of Directors' advisory body, responsible, among other tasks, for reporting on issues relating directly to the organisation and activities of the stock market. Meanwhile, BME does not make contributions to political parties or organisations of any stripe, allowing the management to remain independent in its relationships with government bodies at a local, regional and national level.

In 2009, BME received no financial aid from the government but availed itself of grants and subsidies offered by the Tripartite Foundation to provide in-company training initiatives for its employees. The Tripartite Foundation for In-Company Training (La Fundación Tripartita para la Formación en el Empleo) is one of the public bodies making up the organisational and institutional framework of the in-company training subsystem. Its duties include fomenting and disseminating the practice of in-company training among companies and employees.



Relations with the Media

The responsibility assumed by BME as the preferred vehicle for channelling savings towards the financing of companies requires dealing with the Spanish and international media with particular attention. This role falls to the Corporate Communication department.

In order to meet this day-to-day demand for information, many of the web pages that make up the integrated website of BME and its subsidiaries offer a specific format that allows users to access and understand the information provided. Similarly, press releases and other documents are regularly distributed in response to the information demands of the media and other information providers.

BME regularly distributes press releases among the media and has set up an email account, newsbme@bolsasymercados.es, which can be used to address queries to the company and request email updates.

Furthermore, on its corporate website, www.bolsasymercados.es, BME has set up a "PRESS" section specifically for the media, offering access to all significant information relating to the company, including all press releases issued since 1 June 2002 (the date that the incorporation of Bolsas y Mercados Españoles was announced), the Chairman's speeches and other documents of interest, as well as a photo file and images of the Company's visual identity.

In parallel, the rapidly changing panorama of the financial world make it necessary to take steps to help journalists keep up to speed on new developments. To this end, Instituto BME periodically offers courses geared towards these professionals.

In addition, the stock exchange's trading floor continues to attract the attention of the media. This has prompted BME to address certain types of infrastructure needs of TV and radio stations and other media and to this end it has set up a Press Room, located in the stock exchange building and fully equipped with computer systems, subscriptions to financial information services, etc. A dozen journalists from various TV, radio and newspaper media work daily in the press room, although during institutional events or international visits this number increases.

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	2007	2008	2009
News items about BME published in the media	525	630	900
News articles published by BME employees	8	15	20
Press releases issued by BME	100	104	110
Chairman's speeches made available to the press	5	7	11
Press conferences	90	111	150

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Communication Channels

Press releases

Press conferences

Corporate Communication Department
newsbme@bolsasymercados.es

Press room

Dedicated section on the corporate website

eMail alerts

Training courses for journalists

Webcast of General Shareholders' Meeting and
earnings presentations

Forums and events organised by BME

Collaboration with professional associations (APIE)



Media

