

## 2. BME shareholders

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## South America

-  Argentina
-  Bolivia
-  Brazil
-  Chile
-  Colombia
-  Ecuador
-  Guyana
-  Paraguay
-  Peru
-  Suriname
-  Trinidad and Tobago
-  Uruguay
-  Venezuela

## BME shareholders

BME's shareholders are one of the company's main stakeholders. Thanks to their capital contributions, its financial structure, and hence, the company's activity is sustained. Therefore, BME encourages its shareholders to play an active role in the company and makes available to them all of the tools they need to exercise their rights.

To win the trust of its shareholders, BME guarantees the utmost transparency of information and ensures that they can exercise their rights under equal conditions. To do this, it has strengthened its various communication channels to allow shareholders to submit their ideas and interests to the company.

Also, despite the ongoing crisis affecting the financial markets this year, the company is one of the soundest on the IBEX35® and one of the leading companies in terms of dividend payouts with some 86% of its profit going towards shareholder remuneration, rewarding the confidence shown in the BME Group.

## BME shareholders

## 2.1. Shareholder profile

The Information in the tables refers to 31 December of each year

## General information

|  | 2009       | 2010       | 2011       |
|--|------------|------------|------------|
| Total number of shares                     | 83,615,558 | 83,615,558 | 83,615,558 |
| Avg. number of shares held per shareholder | 1,834      | 1,601      | 1,624      |

## Breakdown by type of Shareholder

|                            | 2009                   |                         | 2010                   |                         | 2011                   |                         |
|----------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|
|                            | Number of shareholders | % of total shareholders | Number of shareholders | % of total shareholders | Number of shareholders | % of total shareholders |
| Institutional shareholders | 3,741                  | 8.20%                   | 3,290                  | 6.30%                   | 3,116                  | 6.05%                   |
| Minority shareholders      | 41,854                 | 91.80%                  | 48,950                 | 93.70%                  | 48,361                 | 93.95%                  |

|                            | 2009             |                    | 2010             |                    | 2011             |                    |
|----------------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|
|                            | Number of shares | % of share capital | Number of shares | % of share capital | Number of shares | % of share capital |
| Institutional shareholders | 66,082,912       | 79.03%             | 56,240,648       | 67.26%             | 57,307,689       | 68.54%             |
| Minority shareholders      | 17,532,646       | 20.97%             | 27,374,910       | 32.74%             | 26,307,869       | 31.46%             |

## Breakdown by nationality

|                      | 2009                   |                         | 2010                   |                         | 2011                   |                         |
|----------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|
|                      | Number of shareholders | % of total shareholders | Number of shareholders | % of total shareholders | Number of shareholders | % of total shareholders |
| Spanish shareholders | 45,129                 | 98.98%                  | 51,773                 | 99.11%                  | 51,017                 | 99.11%                  |
| Foreign shareholders | 466                    | 1.02%                   | 467                    | 0.89%                   | 460                    | 0.89%                   |

|                      | 2009             |                    | 2010             |                    | 2011             |                    |
|----------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|
|                      | Number of shares | % of share capital | Number of shares | % of share capital | Number of shares | % of share capital |
| Spanish shareholders | 64,381,552       | 77.00%             | 69,299,916       | 82.88%             | 65,947,623       | 78.87%             |
| Foreign shareholders | 19,234,006       | 23.00%             | 14,315,642       | 17.12%             | 17,667,935       | 21.13%             |

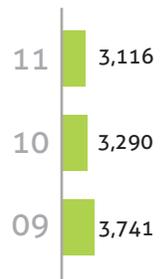
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## BME shareholders

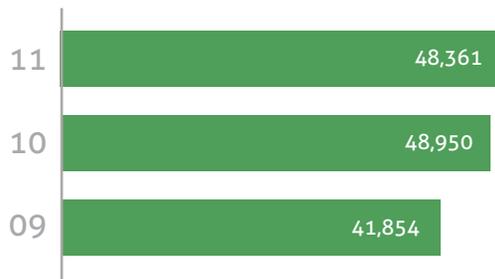
### Number of BME Shareholders

#### Breakdown by Share Tranche

##### Institutional Shareholders

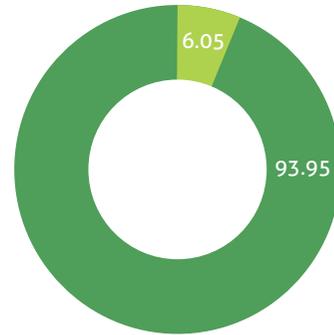


##### Minority Shareholders



#### Shareholders

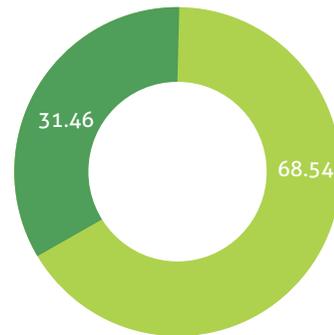
%



- Institutional
- Minority

#### Shares

%



- Institutional
- Minority

# 2

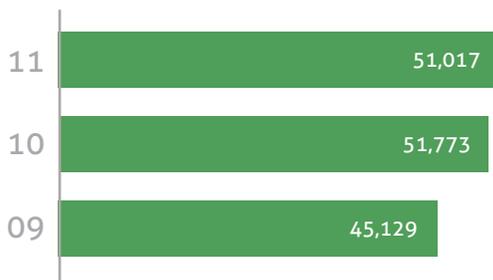
## BME shareholders

### Number of BME Shareholders (2)

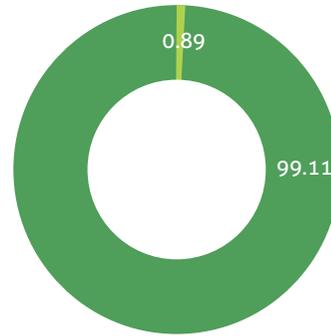
#### Foreign Shareholders



#### Spanish Shareholders

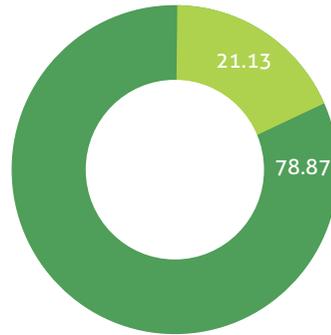


#### Shareholders %



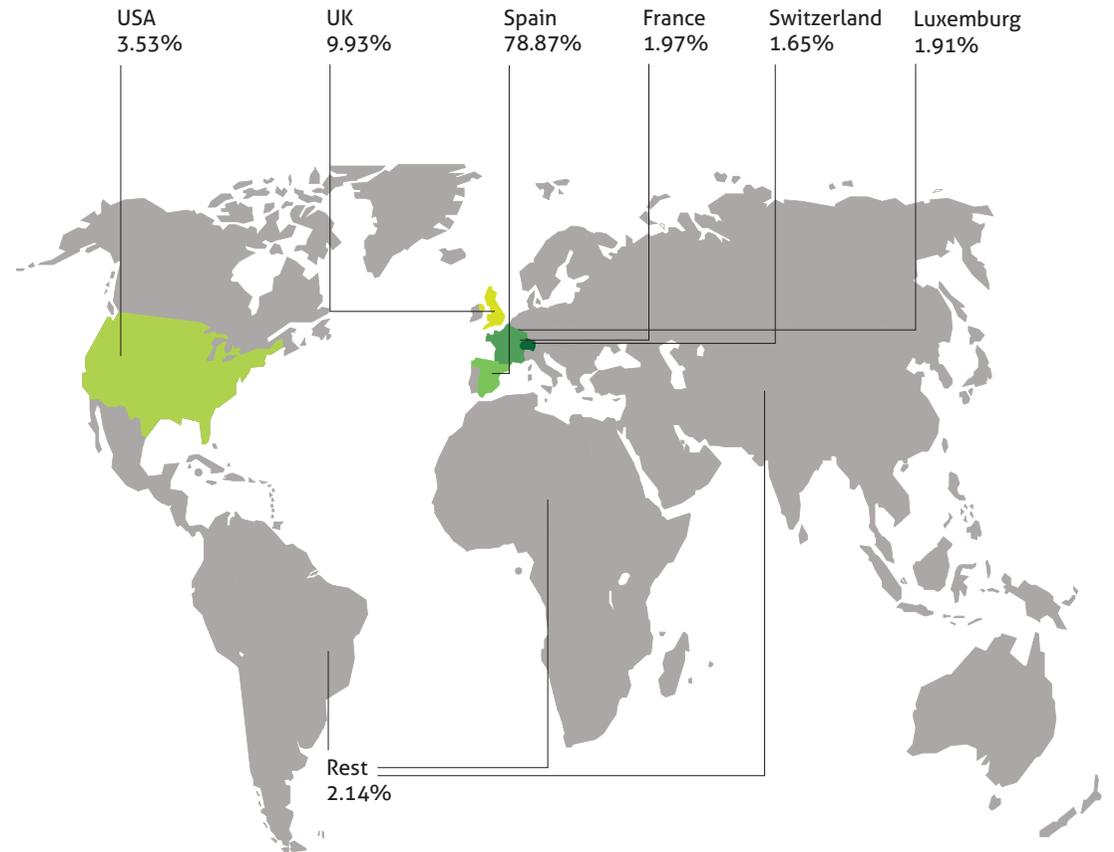
● Foreign  
● Spanish

#### Shares %



● Foreign  
● Spanish

#### Shares Distribution by Country



## BME shareholders



General Shareholder Meeting of BME, main communication channel with its shareholders

## 2.2. Communication channels

The dissemination of all relevant information is a crucial aspect of shareholder participation in the company's affairs. Therefore, BME uses its various communication channels to enhance communication and fluid dialogue. This allows the company to maintain an ongoing direct and personal relationship with shareholders and at the same time maintain an optimal flow of information and communication which are the necessary bases on which to instill and maintain the trust shareholders have placed in the company.

These information channels are bi-directional. They allow BME to relay information in a precise and timely manner, facilitating shareholders' awareness of the company's situation via data which have been meticulously compiled by BME and made available to them. At the same time, these services allow shareholders to request information, submit suggestions and concerns, etc.

# 2

## BME shareholders

### Communication channels



## 2

## BME shareholders

### 2.3. The general shareholders' meeting as the main channel for participation

The primary vehicle for shareholders to participate in the life of the company is the General Shareholders' Meeting. BME considers that shareholder participation at General Shareholders' Meetings is key to its development. Through the General Shareholders' Meeting, the company's highest decision-making body, the wishes of shareholders are reflected and they are able to exercise their right to take part in the decision-taking process in matters within their remit.

Therefore, to allow shareholders to perform the tasks and exercise the rights corresponding to them, the company actively encourages their participation in general meetings, adopting the appropriate measures to achieve this objective. Measures designed to encourage shareholder participation include:

- **No limits on shareholder participation.** This means that any shareholder may attend Shareholders' Meetings and exercise their right to vote, regardless of the number of shares held. BME adheres to the "one share, one vote" principle, a concept it regards as a basic element for equality in its relationship with all shareholders.
- **Shareholders are provided with an attendance card,** referenced to the shareholder register, so that recipients may actively participate in the event.
- In 2011, the company introduced the **Electronic Forum**, on its website exclusively to facilitate com-

munication among BME shareholders on the occasion of notices of General Shareholders' Meetings and until they are held.

- **Shareholders unable to attend meetings in person are offered the possibility of taking part in the general meeting and exercising their right to vote,** be represented and receive information via remote means of communication.

BME offers the option of voting and proxy voting via remote means of communication and requesting information via electronic means.

| Year                  | Quorum / Total participants |       |       |
|-----------------------|-----------------------------|-------|-------|
|                       | 2009                        | 2010  | 2011  |
| Shareholders (number) | 4,056                       | 5,330 | 4,667 |

| Year                   | Total participants via remote communication |       |       | Participants via means of remote communication (%) |        |        |
|------------------------|---|-------|-------|--|--------|--------|
|                        | 2009  | 2010  | 2011  | 2009   | 2010   | 2011   |
| Number of Shareholders | 3,617                                       | 4,687 | 4,017 | 89.18%   | 87.94% | 86.07% |

| Year                   | Remote voting (total) |       |       |                  |    |    | Proxies (total) |       |       |                     |    |    |
|------------------------|-----------------------|-------|-------|------------------|----|----|-----------------|-------|-------|---------------------|----|----|
|                        | By post               |       |       | Electronic means |    |    | By post         |       |       | By electronic means |    |    |
|                        | 09                    | 10    | 11    | 09               | 10 | 11 | 09              | 10    | 11    | 09                  | 10 | 11 |
| Number of Shareholders | 1,079                 | 1,632 | 1,368 | 14               | 22 | 14 | 2,513           | 3,025 | 2,620 | 11                  | 8  | 15 |

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## BME shareholders

- Additionally, the General Shareholders' Meeting is **broadcast live on internet via a webcast accessible** on the "Information for Shareholders and Investors" section of the corporate website.
- **Participants in the General Meeting may speak during the proceedings.** The company is open to receiving instructions and opinions during the Meeting and any shareholder may request information or express an opinion relating to the items on the agenda.
- **Those shareholders who are also BME Group employees** are provided with an attendance card as well as notification of the forthcoming General Shareholders' Meeting.



General Shareholders Meeting of BME

## 2

## BME shareholders

**2.4. The shareholders' office**

The Shareholders' Office is run by the BME General Secretary and Secretary to the Board of Directors in coordination with the Finance Department. The office is an efficient, permanent and two-directional communication service which allows shareholders and all other interested parties to submit any sort of query, concern or suggestion about the company in a transparent and effective manner. Shareholders typically submit their questions and comments through the shareholder post box ([accionista@grupobme.es](mailto:accionista@grupobme.es)).

The enquiries received in 2011 mostly addressed the following issues:

- The General Shareholders' Meeting;
- Requests for information about the company and its activities;
- Dividend policy;
- Information about publications released by BME, and,
- Requests for corporate documents

**2.5. Corporate website**

The corporate website, ([www.bolsasymercados.es](http://www.bolsasymercados.es)) is another channel of communication between the company and its shareholders. Shareholders and any other interested parties enjoy easy and direct access and the page is available in both Spanish and English. It contains detailed information about the company's range of business areas and the services offered by BME and its subsidiaries, with direct links to the web pages of all of these.

The new "Investor's Corner" section offers direct access to key information relating to the company. It also offers direct access to BME study tools such as interactive charts and the total return calculator, providing shareholders, analysts and investors with research on the BME share price; comparisons with other stocks, indices or companies for different periods as well as research on a range of headings on the balance sheet and income statement and calculation of ratios.

The site has an "Information for Shareholders and Investors" section dedicated mainly to shareholders and investors but accessible to all parties interested in the company. This section contains permanently updated legal and financial information about BME as required by law and access to the interactive tool mentioned above. In addition, prior to General Shareholders' Meetings the company puts all information and documentation about the meetings in this section of the website. It includes links to voting mechanisms and e-proxy voting, electronic information requests and web cast links that are activated when the company broadcasts its General Shareholders' Meetings, although this information is also available on the home page.

**Information for shareholders and investors available on the website**

|                  |   |
|------------------|---|
| Content          | <ul style="list-style-type: none"> <li>• Legal and economic/financial information on BME.</li> <li>• Information and documents relating to the General Shareholders' Meeting (with links to voting mechanisms and e-proxy voting).</li> </ul>                             |
| Site             | <a href="http://www.bolsasymercados.es">www.bolsasymercados.es</a>  |
| Languages        | Spanish/English   |
| Webcast          | To broadcast: <ul style="list-style-type: none"> <li>• General Shareholders' Meeting</li> <li>• Earnings presentations.</li> </ul>  |
| Interactive tool | <ul style="list-style-type: none"> <li>• Tracks BME's share price performance;</li> <li>• Comparisons with other stocks, indices or companies.</li> <li>• Research on a range of headings on the balance sheet and income statement and calculation of ratios.</li> </ul> |

In 2011, the "Information for Shareholders and Investors" section of the BME website was visited by 27,518 users.

## 2

## BME shareholders

## 2.6. Investor Relations department

BME has an investor relations department, reporting to the Finance Unit. The main objective of this department is to provide a communications channel between the company and the financial markets, unlock its value and contribute efficiently to the formation of its share price. Two types of function are employed to achieve these targets: control and collation functions (input) and dissemination functions (output).

The department's activities require in-depth knowledge of how the business operates, its strengths and weaknesses, risks, comparative research, and, of course, BME's key figures. This demands that top management and other company staff work closely together.

## Control and collation functions (input)

|  |
|--|
| Monitor company and sector news  |
| Business units follow-up   |
| Interaction with financial, legal, communications and research departments, corporate governance |
| Drawing up activity and financial metrics for the company and sector                             |
| Monitoring shareholder and share price trends  |
| Control standard corporate data (Web, publications)  |
| Research reports and liaison with analysts covering the company                                  |
| Analyst consensus estimate   |
| Receive direction from shareholders and investors  |

## Dissemination functions (output)

|   |
|---|
| Results presentation  |
| Represent company at events   |
| Control filter for research reports   |
| Target shareholders and investors   |
| Disseminate company's equity story  |
| Transmit to management concerns, doubts and suggestions from shareholders and investors |

## Investors and analysts contacted by reason

| Type             | 2009       | 2010       | 2011       |
|------------------|------------|------------|------------|
| Conference calls | 19         | 8          | 9          |
| Event            | 107        | 54         | 62         |
| Road shows       | 222        | 125        | 145        |
| Visits           | 38         | 29         | 67         |
|                  | <b>386</b> | <b>216</b> | <b>283</b> |

The Investor Relations department is therefore tasked with providing information for institutional investors and stock market analysts through quarterly and annual earnings reports, results presentations, group and one-on-one meetings and conference calls. This department has a separate email address ([Investor-Relations@grupobme.es](mailto:Investor-Relations@grupobme.es)) which it uses to respond to enquiries submitted by investors.

In 2011, the Investor Relations Department has actively taken part in 6 group meetings, 211 one-on-one meetings, 8 forums and seminars and has held 18 road shows in 14 different cities (Madrid, Barcelona, Lisbon, Cascais, London, Paris, Frankfurt, Milan, Vienna, Zurich, Lugano, New York, Boston, Chicago and Toronto).

## Investor relations

|                               | 2009  | 2010  | 2011  |
|-------------------------------|-------|-------|-------|
| Number of investors           | 386   | 216   | 283   |
| Assets under management (€bn) | 3,054 | 2,416 | 1,715 |
| Less than €1bn                | 43%   | 42%   | 55%   |
| Between €1 and €5bn           | 29%   | 24%   | 21%   |
| Between €5 and €50bn          | 24%   | 29%   | 21%   |
| Over €50bn                    | 4%    | 5%    | 3%    |

## Investors and analysts contacted frequency and average of contacts

| Frequency      | 2009        | 2010        | 2011        |
|----------------|-------------|-------------|-------------|
| 1 contact      | 179         | 137         | 162         |
| 2 contacts     | 60          | 26          | 29          |
| 3 contacts     | 14          | 9           | 17          |
| 4 contacts     | 6           | -           | 3           |
| 5 contacts     | 3           | -           | -           |
| 6 contacts     | 1           | -           | -           |
| <b>Average</b> | <b>1.47</b> | <b>1.26</b> | <b>1.34</b> |

## Investors and analysts contacted by country of origin

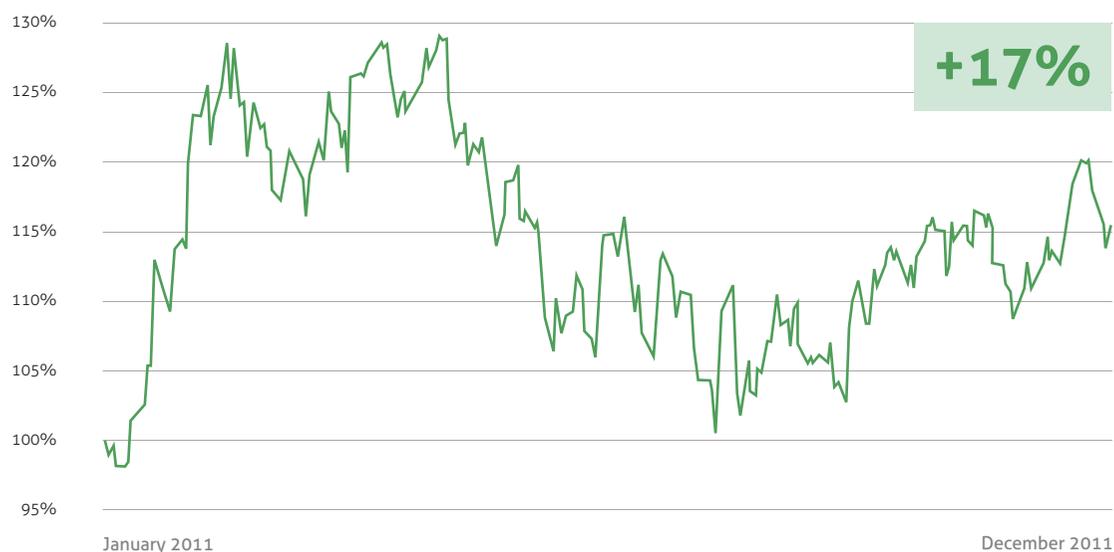
| Country | 2009       | 2010       | 2011       |
|---------|------------|------------|------------|
| Spain   | 65         | 43         | 65         |
| France  | 59         | 30         | 37         |
| UK      | 94         | 65         | 84         |
| USA     | 91         | 23         | 39         |
| Other   | 77         | 55         | 58         |
|         | <b>386</b> | <b>216</b> | <b>283</b> |

## BME shareholders

**2.7. Share performance and shareholder remuneration****Share performance**

Against a backdrop of uncertainty in the financial markets, to avoid disappointing the shareholders who place their trust in the company by investing in its shares, BME remains true to its objective of maximising value in order to return a profit to shareholders.

BME makes available to its shareholders and investors all the means at its disposal to maintain the highest level of dissemination of information and the greatest returns and efficiency ratios, which are the indicators shareholders look to when considering the value of their investments. If both the information provided and the financial ratios are positive, the share price increases.

**Share Price in 2011**

| Main share price indicators                    | 2009       | 2010       | 2011       |
|--|------------|------------|------------|
| Total number of shares                         | 83,615,558 | 83,615,558 | 83,615,558 |
| Nominal value (€)                              | 3.23       | 3.23       | 3.23       |
| At the start of the year                       | €18.58     | €22.50     | €17.83     |
| High   | €27.59     | €23.96     | €23.19     |
| Low  | €12.89     | €17.31     | €17.68     |
| At the close of the year                       | €22.50     | €17.83     | 20,80 €    |
| Stock market gain at the close of the year (%) | 22.3%      | -20.7%     | 17%        |
| Pay-Out  | 89%        | 86%        | 86%        |

## BME shareholders

## Shareholder remuneration

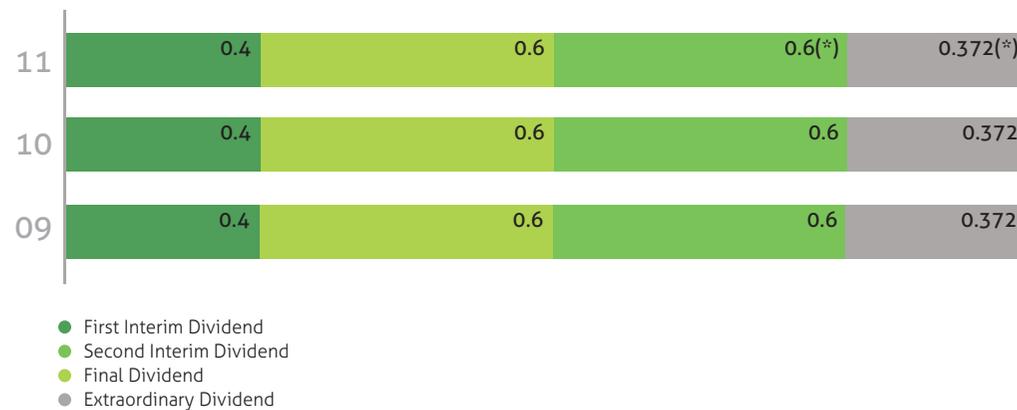
BME is aware of the importance of paying dividends to its shareholders and is trying to pass on to investors any progress it makes on improving management efficiency, in order to offer the maximum value and yields on shareholders' investments.

BME rewards shareholders for investing in the company, and despite the crisis sweeping the financial sector in general, it has one of the highest dividend policies in place.

## Dividends paid in 2011

| Date of payment | Gross amount | Type (ordinary/extraordinary)         | Total (gross) distributed (thousands of €) |
|-----------------|--------------|---------------------------------------|--|
| 6 May 11        | 0.6          | Ordinary (final 2010)                 | 49,967                                     |
| 13 May 11       | 0.372        | Extraordinary (unrestricted reserves) | 30,979                                     |
| 9 Sep 11        | 0.4          | Ordinary (interim 2011)               | 33,311                                     |
| 23 Dec 11       | 0.6          | Ordinary (interim 2011)               | 49,967                                     |

## Ordinary dividends, by fiscal year of origin and extraordinary dividends



(\*) Pending approval by the General Shareholders' Meeting

# 2

## BME shareholders

### **2.8 Internal regulations of conduct. mechanisms to prevent fraud, corruption and money-laundering**

On 15 June 2006, BME's Board of Directors approved the group's Internal Regulations of Conduct which were subsequently amended by the same body at its meetings on 25 January 2007, 29 October 2009, 25 November 2010 and 27 January 2011.

The Internal Regulations of Conduct contain the basic principles to guide all members of the company's Board of Directors, its management and employees. In performing their duties, all Individuals Affected by the Regulations must always act in accordance with the principles of impartiality and good faith.

The Standards of Conduct Committee, reporting to the Markets and Systems Operating Procedures Committee, is in charge of applying, interpreting and monitoring these Regulations as well as approving the instructions or guidelines for their implementation.

These Regulations and the implementation of the procedure for reporting deficiencies in internal control and risk management systems are an effective mechanism for detecting and treating potential cases of corruption and fraud.

The objective of the Internal Regulations of Conduct is to ensure that all persons affected by said regulations exercise an orderly, diligent, prudent and transparent management in accordance with the integrity of the markets and systems. The procedure for reporting deficiencies in internal control and risk management systems referred to in Chapter 3 of this report, publicly specifies the channels which can be

used by BME employees to report any irregularities in the internal control and risk management systems to the Audit Committee.

In addition to the aforementioned mechanisms, the company's internal audit department is responsible for performing regular audits on those procedures that are potentially susceptible to consideration as instances of corruption and fraud.

These rules, bodies and procedures allow the company to effectively fight corruption and fraud allowing BME to comply strictly with applicable legislation on this matter.

In 2011, no cases of corruption or fraud were reported or identified.

As per the Internal Regulations of Conduct, and in line with the guide for the transfer of inside information to third parties, BME's "Policy for the treatment and transfer of inside information", lists the measures and internal control procedures that should be established at BME and its group companies to safeguard inside information, so preventing possible leaks.

Following the application of the latest reform to the Penal Code, the Audit Committee approved the "Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. and group companies crime prevention guidelines", the basis of a prevention system to ensure compliance by BME and group companies with all legal obligations with regard to its directors, executives, legal representatives and employees.