



REPORT ON THE AMENDMENTS MADE TO THE BOARD OF DIRECTORS REGULATIONS, PURSUANT TO ARTICLE 115 OF THE LEY DEL MERCADO DE VALORES (SPANISH SECURITIES MARKET ACT).

TENTH.- Report to the General Shareholders' Meeting on the amendments made to the Board of Directors Regulations, pursuant to article 115 of the *Ley del Mercado de Valores* (Spanish Securities Market Act).

Pursuant to article 115 of the *Ley del Mercado de Valores* (Spanish Securities Market Act), this report hereby notifies the General Shareholders' Meeting of the amendments made to the Board of Directors Regulations, approved by the Board of Directors at its meeting on 17 December 2009 and submitted for notification to the Spanish securities market regulator on 29 January 2010.

The Board of Directors Regulations were approved by the Board of Directors at its meeting on 25 May 2006 during the process of obtaining a listing for BME shares, and came into force on 14 July 2006, the date the shares began trading. From that date until 17 December 2009, no amendments were made to the Board of Directors Regulations.

The amendments to the Board of Directors Regulations approved in 2009, which affect articles 14, section 1, and 18, section 2, are intended to enhance the Company's degree of compliance with the recommendations of the Unified Code of Good Governance for listed companies, which was approved by the Spanish securities market regulator in May 2006.

Specifically, the approved amendments involve the following matters:

1. Procedure for appointment and removal of the Secretary of the Board.

The amendment introduced to articles 14, section 1, and 18, section 2, of the Board of Directors Regulations is intended to stipulate that the appointment and the removal of the Secretary to the Board and of any Deputy Secretary must be given effect with the benefit of a prior report issued by the Appointments and Remuneration Committee; and to give the Committee a duty to produce a report on the appointment and removal of the Secretary and any Deputy Secretary.

2. Responsibilities of the Appointments and Remuneration Committee.

In addition to the aforementioned amendment regarding the responsibilities of the Appointments and Remuneration Committee concerning the appointment and removal of the Secretary, and, if applicable, the Deputy Secretary, article 18 of the Board of Directors Regulations is amended to add to the Committee's duties the examination and organisation of the succession of the Chairman and Chief Executive.

This report includes appendices with both versions of articles 14 and 18 of the Board of Directors Regulations, before and after the amendments approved by the Board of Directors.

The revised version of the Regulations is available to shareholders along with the notice for the General Shareholders Meeting on the corporate website, www.bolsasymercados.es, under the heading "Information for Shareholders and Investors."

**BOARD OF DIRECTORS REGULATIONS
APPROVED ON 25 MAY 2006**

Article 14^o.- The Secretary and Deputy Secretaries to the Board of Directors.

1. Having regard to appropriate standards of professional competence and independence, the Board of Directors shall appoint a Secretary and, optionally, one or more Deputy Secretaries, none of whom need be Directors, in which case they may speak at meetings but they may not vote. The Deputy Secretaries shall stand in for the Secretary in the event of absence, inability to attend, incapacity or if the office falls vacant. If there is more than one Deputy Secretary, the one to stand in shall be the one who has been in office the longest, and if they have been in office the same length of time, then it shall be the eldest.

2. In addition to the functions assigned by law or under the Articles of Association, the Secretary of the Board of Directors, or, in his place, the Deputy Secretary, shall also be responsible for:

- a) Safeguarding corporate documents, recording the proceedings of meetings in the minutes books and certifying the resolutions adopted by Company bodies for which he is the Secretary.
- b) Ensuring that the actions taken by the Board of Directors and the Committees he forms part of, are in compliance with the law, the Articles of Association and the rules of corporate governance that are applicable to them.
- c) Serving as a general conduit for the Company's relations with the Directors in all aspects relating to the operation of the Board of Directors and the Committees on which he sits in accordance with the Chairman's instructions.
- d) Giving effect to and facilitating the Directors' right to information in the terms envisaged herein.
- e) Acting as Secretary to the Executive Committee.
- f) Acting as Secretary at the Company's General Shareholders' Meetings.

**BOARD OF DIRECTORS REGULATIONS
APPROVED ON 17 DECEMBER 2009**

Article 14^o.- The Secretary and Deputy Secretaries to the Board of Directors.

1. Having regard to appropriate standards of professional competence and independence, the Board of Directors shall appoint, [subsequent to a report from the Appointments and Remuneration Committee](#), a Secretary and, optionally, one or more Deputy Secretaries, none of whom need be Directors, in which case they may speak at meetings but they may not vote. The Deputy Secretaries shall stand in for the Secretary in the event of absence, inability to attend, incapacity or if the office falls vacant. If there is more than one Deputy Secretary, the one to stand in shall be the one who has been in office the longest, and if they have been in office the same length of time, then it shall be the eldest.

2. In addition to the functions assigned by law or under the Articles of Association, the Secretary of the Board of Directors, or, in his place, the Deputy Secretary, shall also be responsible for:

- a) Safeguarding corporate documents, recording the proceedings of meetings in the minutes books and certifying the resolutions adopted by Company bodies for which he is the Secretary.
- b) Ensuring that the actions taken by the Board of Directors and the Committees he forms part of, are in compliance with the law, the Articles of Association and the rules of corporate governance that are applicable to them.
- c) Serving as a general conduit for the Company's relations with the Directors in all aspects relating to the operation of the Board of Directors and the Committees on which he sits in accordance with the Chairman's instructions.
- d) Giving effect to and facilitating the Directors' right to information in the terms envisaged herein.
- e) Acting as Secretary to the Executive Committee.
- f) Acting as Secretary at the Company's General Shareholders' Meetings.

Article 18^o.- Appointments and Remuneration Committee.

1. The Board of Directors shall set up an Appointments and Remuneration Committee as a non-executive body, empowered to report, advise and submit proposals to the Board on matters within its remit. The Committee shall comprise at least three and at most five Directors, appointed by the Board of Directors from among its non-executive members. The Board shall also appoint the Chairman of the Appointments and Remuneration Committee from among the independent Directors, and the Committee Secretary. This latter office need not be held by a member of the Committee and may be filled by the Board Secretary or any of the Deputy Secretaries, as well as by a member of the Company's Legal Advisory Services, in which cases the Secretary may speak at meetings but not vote.

The members of the Appointments and Remuneration Committee shall remain in office for as long as they continue to be Company Directors, unless the Board of Directors resolves to remove them. It shall be the responsibility of the Board of Directors to reappoint and remove the members of the Committee.

2. The Appointments and Remuneration Committee is responsible for reporting to the Board of Directors on the following matters:

a) Compliance with the requirements laid down by law and under the Articles of Association and herein, regarding any proposed appointment of a Director by co-option and in relation to any proposals to be made by the Board to the General Shareholders' Meeting regarding the appointment, ratification or removal of Directors. Such proposals must be preceded by the relevant report by the Committee which must assign the new Director to one of the categories envisaged herein and also assess his impact on the structure and composition of the Board, also ensuring that the process for the selection of Directors does not discriminate on the basis of gender. In any event, the Appointments and Remuneration Committee shall be responsible for submitting to the Board all proposals for the appointment or re-election of independent Directors for submission to the General Shareholders' Meeting, and for their provisional appointment by co-option, and must prepare a prior report on the other Directors.

Article 18^o.- Appointments and Remuneration Committee.

1. The Board of Directors shall set up an Appointments and Remuneration Committee as a non-executive body, empowered to report, advise and submit proposals to the Board on matters within its remit. The Committee shall comprise at least three and at most five Directors, appointed by the Board of Directors from among its non-executive members. The Board shall also appoint the Chairman of the Appointments and Remuneration Committee from among the independent Directors, and the Committee Secretary. This latter office need not be held by a member of the Committee and may be filled by the Board Secretary or any of the Deputy Secretaries, as well as by a member of the Company's Legal Advisory Services, in which cases the Secretary may speak at meetings but not vote.

The members of the Appointments and Remuneration Committee shall remain in office for as long as they continue to be Company Directors, unless the Board of Directors resolves to remove them. It shall be the responsibility of the Board of Directors to reappoint and remove the members of the Committee.

2. The Appointments and Remuneration Committee is responsible for reporting to the Board of Directors on the following matters:

a) Compliance with the requirements laid down by law and under the Articles of Association and herein, regarding any proposed appointment of a Director by co-option and in relation to any proposals to be made by the Board to the General Shareholders' Meeting regarding the appointment, ratification or removal of Directors. Such proposals must be preceded by the relevant report by the Committee which must assign the new Director to one of the categories envisaged herein and also assess his impact on the structure and composition of the Board, also ensuring that the process for the selection of Directors does not discriminate on the basis of gender. In any event, the Appointments and Remuneration Committee shall be responsible for submitting to the Board all proposals for the appointment or re-election of independent Directors for submission to the General Shareholders' Meeting, and for their provisional appointment by co-option, and must prepare a prior report on the other Directors.

- b) Compliance with the Articles of Association and the Board of Directors Regulations regarding the appointment, re-election and removal of members of the Board of Directors proposed to sit on any of the Board Committees, as well as, where applicable, to hold any office thereon.
- c) Proposals on the Directors' remuneration to be submitted to the General Shareholders' Meeting or to be approved by the Board in accordance with the relevant shareholders' resolution, considering, among other aspects, the type of Director and the offices, functions and commitment of each of the Directors on the Board and the Board Committees.

The Appointments and Remuneration Committee shall also be cognisant with the structure and policy for the senior management pay and incentives, and monitor the decisions taken and criteria applied on the matter at the Group companies. Additionally, at the request of the Board of Directors, it shall supervise compliance with the rules of corporate governance.

3. The Committee shall meet as often as is necessary in the Chairman's opinion for the performance of its functions, at the request of the Board of Directors and whenever a meeting is requested by at least two Committee members. A copy of the Minutes of Committee meetings shall be delivered to all Board members by the Committee Secretary.

There shall be a quorum at Committee meetings when a majority of Committee members are present or represented, and resolutions shall be adopted by an absolute majority of the members who are present or represented. When there is a tie in voting, the Chairman shall have the casting vote. The Committee shall report to the Board on the performance of its functions and tasks in the course of each year.

- b) Compliance with the Articles of Association and the Board of Directors Regulations regarding the appointment, re-election and removal of members of the Board of Directors proposed to sit on any of the Board Committees, as well as, where applicable, to hold any office thereon.
- c) Compliance with the Articles of Association and the Board of Directors Regulations regarding the appointment and removal of the Secretary and, as appropriate, Deputy Secretaries of the Board.
- d) Proposals on the Directors' remuneration to be submitted to the General Shareholders' Meeting or to be approved by the Board in accordance with the relevant shareholders' resolution, considering, among other aspects, the type of Director and the offices, functions and commitment of each of the Directors on the Board and the Board Committees.

The Appointments and Remuneration Committee shall also examine or organise, in appropriate form, the succession of the Chairman and Chief Executive, making proposals to the Board so the handover proceeds in a planned and arranged manner.

The Appointments and Remuneration Committee shall also be cognisant with the structure and policy for the senior management pay and incentives, and monitor the decisions taken and criteria applied on the matter at the Group companies. Additionally, at the request of the Board of Directors, it shall supervise compliance with the rules of corporate governance.

3. The Committee shall meet as often as is necessary in the Chairman's opinion for the performance of its functions, at the request of the Board of Directors and whenever a meeting is requested by at least two Committee members. A copy of the Minutes of Committee meetings shall be delivered to all Board members by the Committee Secretary.

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