



**REPORT ON THE AMENDMENTS MADE TO THE BOARD OF DIRECTORS'  
REGULATIONS, PURSUANT TO ARTICLE 528 OF THE CORPORATE  
ENTERPRISES ACT**

- 12- Report to the General Shareholders' Meeting on the amendments made to the Board of Directors Regulations, pursuant to article 528 of the Companies Act.
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Pursuant to the provisions of article 528 of the Companies Act, the Ordinary General Shareholders' Meeting is hereby informed of the amendments to the Board of Directors' Regulations approved by the Board at its meeting on 20 March 2012.

The Board of Directors' Regulations were approved by the Company's Board of Directors at its meeting on 25 May 2006. Since then, they have been amended following resolutions of the Board of Directors dated 17 December 2009 and 24 February 2011, which was reported to the Ordinary General Shareholders' Meeting on 29 April 2010 and 28 April 2011, respectively.

The Board of Directors' Regulations, as one of the Company's corporate governance standards, are open to such amendments as may be advisable in the light of the evolution both of the Company and of the rules and recommendations that may be drawn up on the matters with which the Regulations are concerned.

Since the last amendment of these Regulations, adopted on 24 February 2011, various regulations have been published which affect the operation and duties of the Board of Directors and its Committees and made it advisable that a review of the Board of Directors' Regulations be conducted.

The aforementioned review also analysed the content of the Regulations with the aim of enhancing the Company's degree of compliance with the recommendations of the Unified Code of Good Governance, in particular with Recommendation 17, applicable when the Chairman of the Board of Directors is also the first Chief Executive Officer of the Company.

In 2011, Law 2/2011, of 4 March, was published, which changed, among other rules, the Securities Market Act 24/1988, of 28 July. Among other things, it stipulated that the Board of Directors should submit an annual report on the Directors' remuneration to a consultative vote, as a separate point on the Agenda of the General Shareholders' Meeting. Furthermore, Law 25/2011, of 1 August, on partial reform of the Companies Act incorporated some new features about the calling of Board Meetings.

In 2011, the project on *the Ministerial Order to determine the content and structure of corporate governance report, the annual report on remuneration, and other information tools for listed joint-stock companies, savings banks and other entities that issue securities admitted to trading on official securities markets* which is in approval process. The project

proposed making the Appointments and Remuneration Committee responsible for reporting to the Board of Directors every year, when preparing the annual Corporate Governance Report, if the independent Board members continuous compliance with the conditions regarding their independence required by legislation.

Specifically, the amendments to the Board of Directors' Regulations which were approved in 2012, and are now being presented to the General Shareholders' Meeting, affect the preamble, articles 10 (sections 1 and 2), 13 (section 3), 18 (section 2), 29 (section 3) and 30 (section 1 and 3), as well as the final provisions, and are as follows:

Preamble. The preamble has been eliminated given the time elapsed and the amendments to the Board of Directors' Regulations that have been incorporated since they were approved on 25 May 2006.

Article 10<sup>o</sup> Board meetings and assessment of the Board and its Committees, section 1, has incorporated the provisions of the redrafting of article 246 of the Companies Act, as set out in Law 25/2011, of 1 August, empowering Directors representing at least one third of all Board members to call a meeting if the Chairman has failed to call the meeting, without just cause, within one month from the date this was requested..

In addition, with the aim of increasing the degree to which the Recommendations of the Unified Code of Good Governance are followed, in particular, Recommendation 17, sections 1 and 2 of article 10 have been amended to empower a Deputy Chairman who is an independent director to request the calling of a Board meeting and to include new items on the Agenda of Board meetings, respectively.

This amendments of the Board of Directors' Regulations is in accordance with the proposed amendments to paragraphs second and third of article 27.1 of the Articles of Association which is presented for approval under item 4.5 on the Agenda of the General Shareholders' Meeting.

Article 13<sup>o</sup>.- Deputy Chairmen of the Board of Directors, which includes a new article 3 which makes a Deputy Chairman who is an independent Director responsible for coordinating and giving voice to the concerns of external Directors, in order to increase the degree to which Recommendation 17 of the Unified Code of Good Governance is followed.

Article 18<sup>o</sup> The Appointments and Remuneration Committee, in which paragraph a) of section 2 has been amended. This paragraph details the competences of the Appointments and Remuneration Committee, and now includes a second paragraph which, in accordance with article 8.5 of the Ministerial Order project which stipulates the content and structure of the annual Corporate Governance report, makes the Appointments and Remuneration Committee responsible for reporting to the Board of Directors every year, when preparing the annual Corporate Governance Report, wether the independent Board members' continuous compliance with the conditions regarding their independence required by the legislation.

Article 29<sup>o</sup> Directors' remuneration, of which article 3 *in fine* has been amended to replace the Board's obligation to make a report available to shareholders on its Directors' remuneration policy for the General Shareholders' Meeting with the duty established by new article 61 ter of the Securities Market Act, introduced by Law 2/2011 of 4 March, that the Board of Directors prepare a report on Directors' remuneration, make it available to

shareholders and submit it to an consultative vote at the General Shareholders' Meeting as a separate point on the Agenda.

Article 30° Relations with shareholders and the securities markets in general, in which the last paragraph of section 1 has been amended to include the exception of the obligation to respond to specific questions from shareholders as stated in section 2 of the new article 520 of the Companies Act, introduced by Law 25/2011, of 1 August, by virtue of which Directors are not obliged to respond when, before the previously mentioned questions were asked, the information requested has been clearly and directly made available to all the shareholders on the Company's website under the question-answer section.

In addition, in section 3 of article 30, the reference to the Audit Committee's responsibility to be informed about the process of preparing financial information and risk control systems, which did not correspond to the Committee's duties listed in section 2 of article 17 of the same Board of Directors' Regulations, has been removed.

Final Provisions. The final provisions relating to the preparation of a written declaration of acceptance of the Board of Directors' Regulations and a periodic evaluation of its effectiveness and compliance has been deleted, in order to align the text of the Board of Directors' Regulations to the Company's standard practices.

To help the shareholders compare the new version of the Board of Directors' Regulations and the version currently in force, for information purposes a literal transcription of both texts has been included as an Annexe to this report, in two columns, side by side, with the text in force prior to 29 February 2012 transcribed in the left-hand column and highlighting in the right-hand column the changes made to that text.

**COMPLETE TEXT OF THE MODIFICATIONS TO THE BOARD OF DIRECTORS' REGULATIONS**

<b>OLD VERSION</b>	<b>NEW VERSION</b>
<b>PREAMBLE</b>	<b>PREAMBLE</b>
<p><i>The Board of Directors' Regulations of Bolsas y Mercados Españoles S.A., Sociedad Holding de Mercados Financieros, S.A. (hereinafter Bolsas y Mercados Españoles, S.A., or the "Company") approved by the Board of Directors at its meeting held on May 25 2006, as a consequence of the Company's new position after its shares were admitted for trading, while bearing in mind the particular nature of its corporate purpose and the activities and functions carried out by Group companies.</i></p> <p><i>In these Regulations, the Company has taken into account the most widely recognised good governance recommendations, including those made by the EU, also analysing the Codes of Good Conduct and Good Governance reflected in recent legislative reforms in Spain and their regulatory implementation, and taking advantage of the experience acquired over the last few years relating to the application of the Regulations that Spain's major listed companies have progressively adopted.</i></p>	<p><del><i>The Board of Directors' Regulations of Bolsas y Mercados Españoles S.A., Sociedad Holding de Mercados Financieros, S.A. (hereinafter Bolsas y Mercados Españoles, S.A., or the "Company") approved by the Board of Directors at its meeting held on May 25 2006, as a consequence of the Company's new position after its shares were admitted for trading, while bearing in mind the particular nature of its corporate purpose and the activities and functions carried out by Group companies..</i></del></p> <p><del><i>In these Regulations, the Company has taken into account the most widely recognised good governance recommendations, including those made by the EU, also analysing the Codes of Good Conduct and Good Governance reflected in recent legislative reforms in Spain and their regulatory implementation, and taking advantage of the experience acquired over the last few years relating to the application of the Regulations that Spain's major listed companies have progressively adopted.</i></del></p>
<p><b>Article 10.- Board meetings and assessment of the Board and its Committees</b></p> <p><i>1. The Board of Directors shall ordinarily meet every month and in any event shall hold at least nine meetings per year, without prejudice to the Chairman's power to call a meeting whenever he deems it necessary or convenient.</i></p> <p><i>The schedule for ordinary meetings shall be established by the Board of Directors itself at the commencement of each financial year, and may</i></p>	<p><b>Article 10<sup>o</sup>.- Board meetings and assessment of the Board and its Committees</b></p> <p><i>1. The Board of Directors shall ordinarily meet every month and in any event shall hold at least nine meetings per year, without prejudice to the Chairman's power to call a meeting <u>when a Deputy Chairman who is an independent director requests a meeting be called, whenever he deems it necessary or convenient sees fit, and when Directors representing at least one third of all Board members call a meeting if the Chairman has failed to call the meeting, without just cause, one month from the date he was requested to do so.</u></i></p> <p><i>The schedule for ordinary meetings shall be established by the Board of Directors itself at the commencement of each financial year, and may</i></p>

<p>be modified by agreement of the Board itself or by decision of the Chairman, in which case the Chairman must give Directors due prior notice of the change.</p> <p>2. The Chairman shall decide the Agenda for the meeting. Directors may request the Chairman to include items on the Agenda and the Chairman is obliged to do so when they are requested by at least four Directors at least 10 days in advance of the scheduled date of the meeting.</p> <p>[...]</p>	<p>be modified by agreement of the Board itself or by decision of the Chairman, in which case the Chairman must give Directors due prior notice of the change.</p> <p>2. The Chairman shall decide the Agenda for the meeting. Directors may request the Chairman to include items on the Agenda and the Chairman is obliged to do so when <b><u>this is requested by a Deputy Chairman who is an independent director or</u></b> by at least four Directors at least 10 days in advance of the scheduled date of the meeting.</p> <p>[...]</p>
<p><b>Article 13<sup>o</sup>.- The Deputy Chairmen of the Board of Directors</b></p> <p>[...]</p>	<p><b>Article 13<sup>o</sup>.- The Deputy Chairmen of the Board of Directors</b></p> <p>[...]</p> <p><b><u>3. A Deputy Chairman who is an independent director will be responsible for coordinating and giving voice to the concerns of the external Directors of the Company.</u></b></p>
<p><b>Article 18<sup>o</sup>.- Appointments and Remuneration Committee</b></p> <p>[...]</p> <p>2.The Appointments and Remunerations Committee is responsible for reporting to the Board of Directors on the following matters:</p> <p>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</p>	<p><b>Article 18<sup>o</sup>.- Appointments and Remuneration Committee</b></p> <p>[...]</p> <p>2. The Appointments and Remunerations Committee is responsible for reporting to the Board of Directors on the following matters:</p> <p>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</p>

<p>the General Shareholders' Meeting, and for their provisional appointment by co-option, and must prepare a prior report on the other Directors.</p> <p>[...]</p>	<p>the General Shareholders' Meeting, and for their provisional appointment by co-option, and must prepare a prior report on the other Directors.</p> <p><b><u>In addition, every year when the annual Corporate Governance report is prepared, it will inform the Board of Directors of the independent Board members' continuous compliance with the conditions regarding their independence required under the legislation in force, the Articles of Association and these Regulations.</u></b></p> <p>[...]</p>
<p><b>Article 29<sup>o</sup>.- Directors' remuneration</b></p> <p>[...]</p> <p>3. The Company's annual report and annual corporate governance report shall disclose the remuneration paid to Board Members in compliance with the requirements for the transparency of information envisaged in the most widely recognized good corporate governance recommendations. Without prejudice to the foregoing, at the General Shareholders' Meeting the Company shall make available to its shareholders a report on its policy for Directors' remuneration.</p>	<p><b>Article 29<sup>o</sup>.- Directors' remuneration</b></p> <p>[...]</p> <p>3. The Company's annual report and annual corporate governance report shall disclose the remuneration paid to Board Members in compliance with the requirements for the transparency of information envisaged in the most widely recognized good corporate governance recommendations. Without prejudice to the foregoing, <del>the Company shall make available to its shareholders a report on its policy for Directors'</del> <b><u>the Board of Directors shall approve an annual report on Directors' remuneration, which will be put to a consultative vote as a separate item on the agenda at the Ordinary General Shareholders' Meeting.</u></b></p>
<p><b>Article 30<sup>o</sup>.- Relations with shareholders and the securities markets in general</b></p> <p>1. The Board of Directors shall adopt the necessary measures to enable the General Shareholders' Meeting and the Company's shareholders to perform their functions and exercise their rights under the law and the Articles of Association.</p> <p><i>In particular, without prejudice to the information supplied on the Company's website and in the Annual Corporate Governance Report, when the Board of Directors calls a General Shareholders' Meeting, it shall make all the information required by law and under the Articles of Association available to shareholders.</i></p> <p><i>Similarly, it shall respond with the utmost diligence</i></p>	<p><b>Article 30<sup>o</sup>.- Relations with shareholders and the securities markets in general</b></p> <p>1. The Board of Directors shall adopt the necessary measures to enable the General Shareholders' Meeting and the Company's shareholders to perform their functions and exercise their rights under the law and the Articles of Association.</p> <p><i>In particular, without prejudice to the information supplied on the Company's website and in the Annual Corporate Governance Report, when the Board of Directors calls a General Shareholders' Meeting, it shall make all the information required by law and under the Articles of Association available to shareholders.</i></p> <p><i>Similarly, it shall respond with the utmost diligence</i></p>

<p>to all requests for information submitted by shareholders prior to the General Shareholders' Meeting or in questions asked at the Meeting.</p> <p>[...]</p> <p>3. The Board of Directors shall immediately inform the public of any significant event which may materially affect the formation of the Company's share price, and of any substantial changes in the shareholding structure it becomes aware of or any material amendment to the Company's rules of governance.</p> <p>Also, the Board of Directors shall adopt the necessary measures to ensure that the half-yearly, quarterly, and any other financial reporting that is made available to the securities' markets is prepared in accordance with the same principles and practices as those used in the preparation of the Company's annual accounts, and is equally reliable. To this end, the Audit Committee shall be cognisant with the Company's financial information processes and internal control systems.</p>	<p>to all requests for information submitted by shareholders prior to the General Shareholders' Meeting or in questions asked at the Meeting <b><u>as provided in current legislation.</u></b></p> <p>[...]</p> <p>3. The Board of Directors shall immediately inform the public of any significant event which may materially affect the formation of the Company's share price, and of any substantial changes in the shareholding structure it becomes aware of or any material amendment to the Company's rules of governance.</p> <p>Also, the Board of Directors shall adopt the necessary measures to ensure that the half-yearly, quarterly, and any other financial reporting that is made available to the securities' markets is prepared in accordance with the same principles and practices as those used in the preparation of the Company's annual accounts, and is equally reliable. <b><del>To this end, the Audit Committee shall be cognisant with the Company's financial information processes and internal control systems.</del></b></p>
<p><b>FINAL PROVISIONS</b></p> <p>1. Board Members must each sign a written statement acknowledging their acceptance of these Regulations and stating that they are not affected by any of the incompatibilities or disqualifications established by law, the Articles of Association or herein.</p> <p>2. The Board of Directors shall periodically assess the efficiency of and degree of compliance with these Regulations, and request the Board Committees to report thereon. Should it be considered necessary, the Board shall draw up proposals for such amendments as may be appropriate for the better fulfilment of the purpose of the Regulations.</p>	<p><b><del>FINAL PROVISIONS</del></b></p> <p><del>1. Board Members must each sign a written statement acknowledging their acceptance of these Regulations and stating that they are not affected by any of the incompatibilities or disqualifications established by law, the Articles of Association or herein.</del></p> <p><del>2. The Board of Directors shall periodically assess the efficiency of and degree of compliance with these Regulations, and request the Board Committees to report thereon. Should it be considered necessary, the Board shall draw up proposals for such amendments as may be appropriate for the better fulfilment of the purpose of the Regulations.</del></p>