



## **EXPLANATORY REPORT BY THE BOARD OF DIRECTORS ON THE PROPOSED RESOLUTION TO APPOINT MS BELÉN ROMANA GARCÍA AS DIRECTOR OF BME**

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### **I.- Purpose of the explanatory report.**

This report is issued on 23 June 2020 pursuant to article 529.decies.5 of the Corporate Enterprises Act, and article 22.1 of the Board of Directors Regulations, which require that all proposed appointments of members of the Board of Directors be accompanied by an explanatory report from the Board of Directors evaluating the competence, experience and merits of the proposed candidate.

To this end, this Board of Directors' report accompanies and assesses the proposed appointment of Ms Belén Romana García as external independent Director, submitted by the Appointments and Remunerations Committee at its meeting of 22 June 2020, in compliance with article 529.decies.4 and article 529.quindecies.3.c) of the Corporate Enterprises Act and articles 22.1 and 20.2.c) of the Board of Directors Regulations.

### **II.- Explanatory report on the proposed appointment of Ms Belén Romana García as Director.**

In view of the foregoing, to issue the required explanatory report, the Board of Directors has taken into account the size and composition that this body will have after the holding of the extraordinary General Shareholders Meeting.

In particular, in view of the new shareholding structure of the Company, the proposed reduction in the number of members of the Board of Directors has been taken into account, which will be set at six (6), a number that it considers appropriate to guarantee its effective participatory and functional operation, and which will be made up of a majority of external proprietary Directors, specifically three (3), along with two (2) independent Directors and one (1) Director classified as an executive Director.

The Board of Directors has also evaluated the conditions that Directors must meet to discharge their duties and the dedication required to exercise their functions.

In addition, the Board of Directors has assessed the ability, experience and merits of Ms Belén Romana García, through the data on her professional history, which are transcribed below:

*Ms Belén Romana García has a Degree in Economics from Universidad Autónoma de Madrid -UAM- (1988). She studied postgraduate studies at Skidmore College - Tufts University- in the United States (1988) and has been a Commercial Technician and State Economist since 1994.*

*She has also completed several training programmes in International Economics at Harvard University (2009), Senior Management in Digital Business at The Valley Digital School (2017) and Disruptive Technologies at Singularity University -Mountain View-in California (2017).*

*Until 1994, she worked at Fraser Consulting AG located in Essen –Germany- (1988-1989) and at Bestinver as a Fixed Income, Options and Futures Trader (1989-1991).*

*Between 1994 and 2000, she worked as a Commercial Technician and State Economist at the Directorate-General of Economic Policy of the Ministry of Economy.*

*Subsequently, she was the Director-General of Economic Policy of the Ministry of Economy between 2000 and 2003, holding, in that period and on behalf of the Ministry of Economy, the status of Director at various companies and public agencies (ICO, Mercasa, SEIASA, Sidenor, CERSA) and the position of Head of the Spanish Delegation on the Economic Policy Committee of the European Union and on the OECD Economic Policy Committee.*

*She also served as the Director General of the Treasury and Financial Policy of the Ministry of Economy between 2003 and 2005, holding, during this period and on behalf of this Directorate-General, the position of member of the Governing Board of the Bank of Spain and of the Board of the National Securities Markets Commission, as well as Head of the Spanish Delegation on the European Union's Financial Services Committee.*

*She has also been Director of Economics for the Círculo de Empresarios between 2005 and 2008; Director of Strategy and Corporate Development of ONO between 2008 to 2010, an entity at which she has also been responsible for Internal Audit, Risk Management and Investor Relations; General Secretary of the Círculo de Empresarios between 2010 and 2012; and Chair of Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB) from December 2012 to January 2015.*

*Since 2008, she has held various positions in various listed and supervised companies, such as Banesto, in which she served between 2008 and 2012 as independent Director, Chair of the Audit Committee and of the Appointments and Remunerations Committee and member of the Executive Risks Committee; Acerinox SA, in which between 2009 and 2013 she was an independent Director and Chair of the Audit Committee; and in the company listed in Belgium and the Netherlands Ageas SA (former FORTIS), in which she was an independent Director and member of the Appointments and Remunerations Committee from 2010 to 2012.*

*Between 2013 and 2014, she was a member of the Group of Experts on Euro Letters and the European Debt Fund, which is a group created by President Barroso and by Vice-President Olli Rehn of the European Commission.*

*Currently, since December 2015, Mr Romana García has been a Member of the Board of Directors of Banco Santander, SA and a member of its Audit Committee, Innovation and Technology Committee, Executive Committee and Responsible Banking Committee, as well as the Risk Supervision, Regulation and Compliance Committee.*

*Additionally, since June 2015 she has been a member of the Board of Directors of the British insurer AVIVA plc and Chair of its Risk Committee and a member of its Audit, Appointments and Client Committees. She has also been Chair of the Global Board of the Digital Future Society since February 2019 and Advisor to Tribalddata, a start-up dedicated to data since July 2019.*

Based on her professional experience, the Board of Directors believes that Ms Romana García has the appropriate professional knowledge and experience and business and professional integrity required to be appointed as a member of the Company's Board of Directors.

Her professional profile reflects that Ms Romana García has extensive experience in multiple public administration positions, having belonged to the Board of Supervisors of the Bank of Spain and the National Securities Market Commission, and she also has a lengthy track record as a Director and a member of their Board Committees at credit entities and other listed companies.

Likewise, the Appointments and Remunerations Committee has stated that Ms Romana García is not subject to any of the prohibitions and limitations established in article 213 of the Corporate Enterprises Act or in article 6.2 of the Board of Directors Regulations.

Furthermore, it can be ascertained from her professional profile that, at the date of issue of this report, Ms Romana García complies with the provisions of article 23 of the Board of Directors Regulations, which establishes that external Directors may not hold directorships at more than four companies whose shares are listed on Spanish or foreign stock markets.

By virtue of that set forth and taking into account the proposed appointment submitted by the Appointments and Remunerations Committee, the Board of Directors considers that Ms Romana García has the competence, experience and merits necessary for her appointment as Director of the Company.

For these purposes, the Board of Directors approves this explanatory report accompanying the proposed appointment of Ms Belén Romana García as Director, to be submitted to the extraordinary General Shareholders Meeting.