



## **APPOINTMENTS AND REMUNERATIONS COMMITTEE REPORT ON THE PROPOSED RESOLUTION RELATING TO THE RATIFICATION OF MR JOHANNES BERNARDUS DIJSSELHOF AS DIRECTOR OF BME**

---

The Appointments and Remunerations Committee issues this report at its meeting dated 22 June 2020, in relation to the proposal of the Board of Directors to ratify Mr Johannes Bernardus Dijsselhof as a member of the Board of Directors of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A (hereinafter “BME” or “the Company”), classified as a proprietary Director, pursuant to articles 529.decies, section 6 of the Corporate Enterprises Act and articles 20.2.d) and 22.1 of the Board of Directors Regulations, which commission the task of reporting on proposed appointments of proprietary Directors to this Committee.

In the event that Mr Dijsselhof is ratified as a Director of the Company, the Appointments and Remunerations Committee will prepare this report in relation to the proposal for his appointment as Chairman of the Board of Directors, in order to comply with that established in articles 13.1, and 20.2.f), of the Board of Directors Regulations, which requires this Committee to report on compliance with the Articles of Association and the Regulations regarding the appointment of the Chairman of the Board of Directors.

Mr Dijsselhof has not participated in the preparation, deliberation and approval of this report by the Appointments and Remunerations Committee.

### **I. Background**

The Board of Directors, at its meeting held on 18 June 2020, following a favourable report by the Appointments and Remunerations Committee, agreed to appoint Mr Johannes Bernardus Dijsselhof and Mr Daniel Schmucki as Directors by co-optation under the vacancy provision system, in order to fill two (2) of the vacancies presented on that date by the Board of Directors.

Messrs Dijsselhof and Schmucki were classified as proprietary external Directors, having been appointed at the proposal of SIX GROUP AG, majority shareholder of BME.

### **II. Medium and long-term planning of the structure and composition of the Board of Directors.**

As a consequence of the new shareholding structure of the Company, with a shareholder owning 93.16% of the share capital, the Appointments and Remunerations Committee has analysed the size, composition and structure that would be appropriate for the Board of Directors to effectively perform the functions attributed to it, in accordance with the medium- and long-term planning of the structure and composition of the Board of Directors.

Specifically, among the criteria to be taken into account to determine the number of members considered appropriate by the Board of Directors and its composition, the aforementioned

Planning makes special reference to the shareholding structure that the Company presents at all times and, in particular, the existence of owners of significant shares, as well as the composition requirements of the Board Committees and the possible modification of the activity carried out by the Company.

In this regard, to determine the number of members that the Board of Directors should have, the Appointments and Remunerations Committee has considered that the existence of a majority shareholder advises a reduction in the number of Directors.

It has also assessed the number of Board Committees on which the Directors will sit and the number and classification of the Directors that must be included on these Committees to comply with the legal requirements regarding their respective composition, to guarantee that the Directors have sufficient availability to correctly perform their functions.

Thus, the Appointments and Remunerations Committee has taken into account the existence of three (3) Board Committees, two of which, the Audit Committee and Appointments and Remunerations Committee must be made up entirely of non-executive Directors, of which, in the case of the Audit Committee, the majority must have the status of independent Directors, while on the Appointments and Remunerations Committee, at least two (2) have to be classified as independent Directors. The Markets and Systems Operating Procedure Committee does not have any qualitative criteria regarding its composition.

The Appointments and Remunerations Committee has evaluated the Recommendations of the Good Governance Code of listed companies, which refer to the size of the Board of Directors and those that refer to the functional structure of the Board of Directors, the degree of independence of this body and the proportion of proprietary and independent Directors.

In this regard, the Appointments and Remunerations Committee has concluded that six (6) Directors consider themselves to form the adequate number of members of the Board of Directors, to guarantee its effective, participatory and functional operations, of which one (1) would be classified as executive, two (2) as external independent and the remaining three (3) would be classified as external proprietary Directors, representing the majority shareholder SIX GROUP AG.

With this composition of the Board of Directors, the proportion between proprietary and independent Directors is considered to be in line with the shareholder composition, and there is a minimum presence of executive Directors.

In view of the above, together with the proposed ratification as Director of Mr Johannes Bernardus Dijsselhof, in compliance with the medium and long-term Planning of the structure and composition of the Board of Directors, and in line with the best governance practices, the Appointments and Remunerations Committee has assessed a proposal to reorganise the governance body, which sets the number of Directors at six (6) and the number of members of each of the Board Committee at three (3).

After this analysis, and simultaneously with the proposal to ratify as Director of Mr Johannes Bernardus Dijsselhof, classified as proprietary Director, will be submitted for approval by the by the extraordinary General Shareholders' Meeting, the proposal for the appointment of Ms Belén Romana García and the re-election of Mr David Jiménez-Blanco Carrillo de Albornoz, classified as independent Directors, the ratify of Mr Daniel Schmucki and the appointment of Ms Marion Leslie, classified as proprietary Directors, and the re-election of Mr Javier Hernani Burzako, classified as executive Director.

### **III.- Mr Dijsselhof's professional background.**

Mr Johannes Bernardus Dijsselhof holds a Bachelor's degree in Computer Science from the Drenthe University of Vocational Education (1991), a Master's Degree in Business Administration from the Amsterdam University of Vocational Education (1992) and a Master's Degree in the Advanced Management Programme of the INSEAD Business School (2005), and he had taken multiple technical and senior management courses between 1994 and 2016.

Between March 1993 and July 2008, he worked at ABN AMRO BANK N.V., occupying positions such as Derivatives Project Manager, Director of FX Options Transactions, Director of Wholesale Operations in the Netherlands, Regional Director of EMEA Market Operations, Global Director of Market Operations and Regional Director of Asia-Pacific Operations.

From July 2008 to March 2010 he was employed at the ROYAL BANK OF SCOTLAND NV as Director of Group Operations in Asia-Pacific and Head of the Technology and Operations Team, and from April 2010 to June 2014 he worked at AUSTRALIA AND NEW ZEALAND BANK LIMITED (ANZ), where he held the position of Director General of Operations in Asia-Pacific, Europe and the Americas and Director General of the Hubs Group, which was part of ANZ.

Between July 2014 and July 2017, he acted as COO at EURONEXT N.V., also serving as its Chief Executive Officer (CEO) from August 2014 to February 2015 and from May 2015 to November 2015.

Since December 2017, Mr Dijsselhof has been the Chief Executive Officer (CEO) of SIX GROUP AG and a member of its Executive Board.

### **IV. Procedure for the appointments of Directors.**

Pursuant section 6 of article 529.decies of the Corporate Enterprises Act, and articles 20.2.d) and 22.1 of the Board of Directors Regulations state that it is the Appointments and Remunerations Committee's duty to inform on the proposed ratification of directors classified as executive and proprietary Directors by the Board of Directors, to be submitted for approval by the General Shareholders Meeting.

Likewise, in accordance with article 6, section 2, of the Board of Directors Regulations, the category of each Director will be explained to the General Shareholders Meeting who must, when applicable, ratify the appointments of Directors approved by the Board of Directors by co-optation under the vacancy provision system.

### **V. Analysis of Mr Johannes Bernardus Dijsselhof's compliance with the legal and statutory requirements for his appointment as Director.**

Mr Johannes Bernardus Dijsselhof is currently a Director at the Company and, therefore, he is considered to have already accredited his compliance with the requirements of experience, expertise and integrity demanded to perform his duties.

Regardless of the foregoing, the Appointments and Remunerations Committee has evaluated Mr Dijsselhof's professional track-record and confirmed that he fulfils the requirements of article 184 bis, section 1 of the Spanish Securities Market Law, which substitutes article 152, section 1.f) of the same Law, referred to in point 3 of the additional provision six, stipulating that members of BME's Board have the acknowledged honourability, honesty and integrity and

sufficient knowledge, competence and experience, and are able to act independently, and are in a position to exercise good governance at the Company.

The Appointments and Remunerations Committee has also verified that Mr Johannes Bernardus Dijsselhof is not subject to any of the incompatibility causes and legal limitations which, to exercise his position, are established by the prevailing regulations and in article 213 of the Corporate Enterprises Act and articles 6.2 and 6.23 of the Board of Directors Regulations.

In this regard, the Appointments and Remunerations Committee has taken into account Mr Dijsselhof's extensive professional experience in the European financial markets, in which, in addition to the current position of Chief Executive Officer of SIX GROUP AG, he has held the position of Chief Executive Officer at EURONEXT and, previously, he has provided his services to different financial entities in the fields related to the securities markets and professional experience of Mr Dijsselhof, which accredits his extensive knowledge of the activity carried out by the Company, and in particular, of the European financial markets.

Based on the analysis of the above-mentioned data, the Appointments and Remunerations Committee has concluded that the positions held by Mr Dijsselhof at other companies should not impede his ratification as Director, and he has sufficient availability to provide the dedication required for the exercise of said position.

#### **VI. Category that would be assigned to the Director.**

Mr Johannes Bernardus Dijsselhof has been classified as an external proprietary Director of the Company, in accordance with the provisions of article 529 duodecies, section 3, of the Corporate Enterprises Act, to which article 6, section 2, of the Board of Directors Regulations refers, and he was proposed for appointment by SIX GROUP AG, the majority shareholder of BME.

#### **VII. Effects of the ratification of the Director on the composition of the Board of Directors and the Committees on which his re-election is proposed.**

Simultaneously with the proposed ratification as Director of Mr Johannes Bernardus Dijsselhof, classified as an external proprietary Director, it is foreseen that the Board of Directors will submit the proposals to modify the Articles of Association to the extraordinary General Shareholders Meeting, in order to reduce the minimum number, from nine (9) to six (6), and the maximum number, from fifteen (15) to nine (9), members of the Board of Directors, the removal of Directors with a valid position at the date of the aforementioned extraordinary General Shareholders Meeting, which does not affect Messrs. Dijsselhof and Schmucki, and the setting of the number of members of the Board of Directors at six (6).

In line with the foregoing, the proposal for the appointment of six (6) Directors has been submitted to the extraordinary General Shareholders Meeting, of which two (2) would meet the status of external independent Directors, three (3) would be classified as external proprietary Directors and one (1) would be classified as an executive Director.

The Appointments and Remunerations Committee considers that this composition by category of the Board of Directors is appropriate for the Company's shareholding structure, in which SIX GROUP AG holds 93.16% of the share capital of BME.

Thus, the Board of Directors would be composed of a vast majority of external Directors, 83.33% of the total number of Directors, of which 50% would be classified as external proprietary Directors and 33.33% external independent Directors, in accordance with Recommendation 17 of the Code of Good Governance of listed companies for companies that have a shareholder that controls more than 30% of the share capital.

The presence of a third of external independent Directors guarantees, to the understanding of the Appointments and Remunerations Committee, an adequate and relevant representation of the interests of non-controlling shareholders, which represent 6.84%, without any of them holding a significant stake in BME's share capital.

With the proposed composition of the Board of Directors, the presence of female Directors on this body would account for 33.33% of the total number of Directors. This percentage would meet the target number of female Directors set by the Appointments and Remunerations Committee of 30% of total Directors for 2020, in line with Recommendation 14 of the Good Governance Code of listed companies.

The geographic and cultural diversity of this body would also be increased by incorporating Directors of European origin and residence, who represent 50% of the total number of Directors.

#### **VIII.- Assessment of services provided by Mr Dijsselhof during his last term of office**

Mr Johannes Bernardus Dijsselhof was appointed Director by the co-option under the vacancy provision system on 18 June 2020, and since then has attended the sole Board of Directors meeting held, including the meeting in which he was appointed Director.

The Appointments and Remunerations Committee considers that the proposed ratification of Mr Johannes Bernardus Dijsselhof as a member of the Board of Directors will be beneficial for BME given that, his professional experience, the quality of the professional services provided and his dedication shown since his appointment have been in the Company's best interests.

#### **IX.- Analysis of Mr Johannes Bernardus Dijsselhof's compliance with the requirements laid down by law for his appointment as Chairman of the Board of Directors.**

After the resignation as Director of Mr Antonio J. Zoido Martínez, the position of Chairman of the Board of Directors has become vacant.

Thus, the Appointments and Remunerations Committee, in accordance with the powers granted thereto by articles 13.1, and 20.2.f), of the Board of Directors Regulations, and based on medium and long-term Planning of the structure and composition of the Board of Directors, it has examined the personal and professional competences that the candidates for Chairman of the Board of Directors must hold and has concluded that Mr Johannes Bernardus Dijsselhof has the appropriate profile to be appointed Chairman of the Board of Directors by this body, once the extraordinary General Shareholders Meeting ratify his appointment as Director of the Company.

#### **X.- Conclusion of the Appointments and Remunerations Committee.**

In light of the foregoing, the Appointments and Remunerations Committee, after deliberation, has resolved to issue a favourable report on the proposal that, where appropriate, the Board

of Directors would submit to the General Shareholders Meeting to ratify Johannes Bernardus Dijsselhof as a member of the Board of Directors.

Likewise, should Mr Johannes Bernardus Dijsselhof be ratified as a member of the Board of Directors by the extraordinary General Shareholders Meeting, the Appointments and Remunerations Committee, in accordance with the powers granted thereto by articles 13.1, and 20. 2.f) of the Board of Directors Regulations, reports favourably on compliance with the statutory requirements necessary for Mr Johannes Bernardus Dijsselhof to be appointed as Chairman of the Board of Directors.