



EXPLANATORY REPORT BY THE BOARD OF DIRECTORS ON THE PROPOSED RESOLUTION TO RE-ELECT MR JAVIER HERNANI BURZAKO AS A DIRECTOR OF BME

I.- Purpose of the explanatory report.

This report is issued by the Board of Directors 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 or re-elections 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.

For these purposes, this explanatory report accompanies and evaluates the proposal by the Board of Directors to re-elect Mr Javier Hernani Burzako as a director classified as executive, which has been previously reported by the Appointments and Remunerations Committee at its meeting of 22 June 2020, pursuant to article 529.6.decies of the Corporate Enterprises Act and articles 20.2.d) and 22.1 of the Board of Directors Regulations.

II.- Explanatory report on the proposal to re-elect Mr Javier Hernani Burzak as a Director.

In view of the foregoing, in order 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.

The Board of Directors has also assessed the competence, experience and merits of Mr Javier Hernani Burzak, based on the information provided by the prospective Director regarding his professional background, which is transcribed below:

He has a degree in Economics and Business Studies from Universidad Comercial de Deusto; a Master's Degree in European Studies, specialising in Economics, from the College of Europe in Bruges (Belgium); and a Master's Degree in Advanced Management (MEGA) from Universidad Comercial de Deusto, where he completed his PhD.

He has been the Chief Executive Officer of Bolsas y Mercados Españoles Sociedad Holding de Mercados y Sistemas Financieros, S.A. (BME) since April 2017.

Since 2019, he has sat on the Board of Directors of Operador del Mercado Ibérico de Energía-Polo Español, S.A. (OMIE), and is a natural person representative of the Director BME as member of the Board of Directors of Operador do Mercado Ibérico (Portugal) SGPS, S.A. (OMIP).

He is joint director of several companies of the Group, Bolsas y Mercados Españoles Inntech, S.A.U., and Bolsas y Mercados Españoles, Servicios Corporativos, S.A., and up until 2019 he held the post of Director at Sociedad Rectora de la Bolsa de Valores de Bilbao, S.A.U. and at Bolsas y Mercados Españoles Market Data, S.A.

Between December 2012 and April 2017, he was Managing Director of BME, having served since March 2003 as Chief Financial Officer and member of the Coordination Committee.

Previously, he was the Deputy Managing Director of Sociedad Rectora de la Bolsa de Valores de Bilbao, S.A.U. (December 1998-March 2003), which he represented as a member of the Board of Directors of Servicio de Compensación y Liquidación de Valores (SCLV) until it merged with Iberclear, a member of the Contracts and Supervisory Committee of MEFF until it merged with BME, and he has participated in various international forums, such as the Federation of Ibero-American Stock Exchanges (FIABV) and the World Federation of Exchanges (WFE). He also served as Financial Director at Norbolsa, S.V.B. between September 1989 and December 1998, and as a European financial sector consultant at Coopers & Lybrand in Brussels between June 1988 and August 1989.

Based on his professional experience, the Board of Directors believes that Mr Hernani Burzako has the appropriate professional knowledge and experience and business and professional integrity to be re-elected as a member of the Company's Board of Directors.

In this regard, the Board of Directors values the extensive knowledge that Mr Herani Burzako has of the activities carried out by the Company and its strategy, as well as of the Spanish and European financial markets.

The Board of Directors also confirmed that Mr Hernani Burzako has not been and is not involved in any of the prohibitions regarding the holding of this position, set out in article 213 of the Corporate Enterprises Act, nor in any of the situations in which the Director must tender his resignation to the Board of Directors.

Furthermore, it is clear from his professional profile that, as of the date of issuance of this report, Mr Hernani Burzako complies with the provisions of article 23 of the Board of Directors Regulations, which state that executive Directors cannot hold the post of director at any listed company.

By virtue of that set forth and taking into account the previous report issued by the Appointments and Remunerations Committee, the Board of Directors considers that Mr Hernani Burzako has the competence, experience and merits necessary to be re-elected as a Company director.

For these purposes, the Board of Directors approves, without the intervention of Mr Javier Hernani Burzako, this explanatory report accompanying the proposed resolution regarding the

re-election of Mr Javier Hernani Burzako as Director of the Company, to be submitted to the extraordinary General Shareholders Meeting.