



APPOINTMENTS AND REMUNERATIONS COMMITTEE PROPOSAL RELATING TO THE RE-ELECTION OF MR DAVID JIMÉNEZ BLANCO CARRILLO DE ALBORNOZ AS DIRECTOR OF BME

The Appointments and Remunerations Committee, at its meeting of 22 June 2020, issues the present proposal of the Board of Directors for re-election as a member of the Board of Directors of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, SA (hereinafter "BME" or "the Company") of Mr David Jiménez -Blanco Carrillo de Albornoz, classified as an independent external director, in accordance with the provisions of articles 529 decies, section 4, and 529 fifteen, section 3.c), of the Corporate Enterprises Act, and 20, section 2.c) and 22, section 1, of the Board of Directors Regulations.

The re-election of Mr Jiménez-Blanco Carrillo de Albornoz as Lead Independent Director is not proposed, as it is planned to submit to the extraordinary General Shareholders Meeting, simultaneously with the present proposal for re-election as Director, a proposal to amend the Articles of Association to the effects of eliminating the obligation to appoint a Lead Independent Director, regardless of the classification of the Chairman of the Board of Directors.

Mr Jiménez-Blanco Carrillo de Albornoz has not participated in the preparation, deliberation and approval of this report by the Appointments and Remunerations Committee.

I. Background

Mr Jiménez-Blanco Carrillo de Albornoz, who as of this date has a current term of office, was appointed Director by resolution of the ordinary General Shareholders Meeting, at its meeting held on 26 April 2018, on the proposal of the Appointments and Remunerations Committee, and appointed Lead Independent Director at the meeting of the Board of Directors held on 28 May 2018.

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 re-election as Director of Mr David Jiménez-Blanco Carrillo de Albornoz, 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 re-elect as Director of Mr David Jiménez-Blanco Carrillo de Albornoz, classified as independent Director, will be submitted for approval by the by the extraordinary General Shareholders' Meeting, the proposal for the appointment of Ms Belén Romana García, classified as independent Director, the ratify of Mr Johannes Bernardus Dijsselhof and 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. Professional background.

Mr David Jiménez-Blanco Carrillo de Albornoz has a Bachelor's Degree in Economics and Business from the University College of Financial Studies -CUNEF- (1986).

Since 2016, he has served as Chief Strategy and Restructuring Officer of Abengoa, S.A.

In 2018, he was appointed independent Director, Lead Independent Director and Chairman of the Appointments and Remunerations Committee of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.

Likewise, in 2018, he was appointed Director, classified as an independent external Director, of Árima Real Estate Socimi, SA, and is Chairman of its Audit Committee.

Since 2010 he has acted as a shareholder, Director and member of the Investment Committee of Gawa Capital Partners, SGEIC S.A., an investment management firm. In 2019, he was appointed non-executive Chairman.

Between 2014 and 2018 he was classified as an external independent Director at Axiare Patrimonio Socimi, S.A., serving between 2014 and 2017 as Chairman of its Audit Committee and between 2017 and 2018 as Chairman of its Remunerations Committee.

In 2011 and 2012, he was an independent Director and member of the Audit Committee at Atento Inversiones y Teleservicios, S.A. Likewise, between 2006 and 2009 he was a member of the Governing Board of the American Chamber of Commerce in Spain.

Between 2013 and 2016 he was Chief Financial Officer (CFO) at World Duty Free Group, and between 2010 and 2013 he was Co-Founder and Partner at BK Partners, an investment management firm.

Between 2006 and 2009, he was Chairman and Chief Executive Officer at Merrill Lynch Capital Markets España, S.A., S.V., serving as Head of Global Markets and Investment Banking for Spain and Portugal. Furthermore, he was a member of the Investment Banking Operating Committee for Europe, the Middle East and Africa at Merrill Lynch.

Between 1995 and 2006 he worked at Goldman Sachs International, in different positions at the London and Madrid offices. Between 1995 and 2000, he held the post of Executive Investment Banking Director in London, between 2000 and 2004, he served as Managing Director as Co-Head of the Spanish *Investment Banking* Team in Madrid and between 2004 and 2006 as Head of the *European Industrials Group* in London.

Lastly, he held the post of Associate, Vice-Chairman and Director of Salomon Brothers International between 1989 and 1995, that of fund manager at DREXEL BURNHAM LAMBERT between 1988 and 1989 and of Banif between 1986 and 1988.

IV. Appointment procedure.

Section 4 of article 529.decies and section 3.c) and article 529.quindecies of the Corporate Enterprises Act, and articles 22.1 and 20.2.c) of the Board of Directors Regulations state that it is up to the Appointments and Remunerations Committee to present to the Board of Directors the proposals for the appointment of external independent Directors to be submitted for approval by the extraordinary General Shareholders Meeting.

In addition, in accordance with article 6.3 of the Board of Directors Regulations, this proposal includes an explanation of the category into which the Director whose appointment is proposed to the ordinary General Shareholders Meeting would be classified within the categories of Directors set out in article 529 duodecies of the Corporate Enterprises Act.

V. Analysis of Mr David Jimenez-Blanco Carrillo de Albornoz's compliance with the requirements laid down by law and under the Articles of Association for appointment as Director.

Given that Mr David Jiménez-Blanco Carrillo de Albornoz is currently a Director of the Company, compliance with the requirements of good repute, knowledge and experience required for the performance of his duties, which must be proven in relation to the present proposal for re-election as an external independent Director, is considered proven for Mr Jiménez-Blanco Carrillo de Albornoz.

Regardless of the foregoing, in connection with the present proposal, the Appointments and Remunerations Committee has evaluated Mr Jiménez-Blanco Carrillo de Albornoz's professional track-record and confirmed that he fulfils the requirements of article 184 bis, section 1 of the Spanish Securities Markets 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 of Directors 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 Jiménez-Blanco Carrillo de Albornoz 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 consideration the extensive experience of Mr Jiménez-Blanco Carrillo de Albornoz in the investment banking and investment management sector, having held various positions of extensive responsibility in the financial sector, and his experience as a Director in various listed companies.

Based on the analysis of the aforementioned data, the Appointments and Remunerations Committee has concluded that the positions held by Mr Jiménez-Blanco Carrillo de Albornoz in other companies do not constitute an obstacle to his re-election as Director and that he is available to provide the dedication required by the position of Director of BME.

VI. Category to which the director candidate would be assigned.

Mr David Jiménez-Blanco Carrillo de Albornoz has been classified as an external independent Director of the Company in accordance with the provisions of article 529 duodecés, section 4, of the Corporate Enterprises Act, to which article 6, section 2, of the Board of Directors Regulations, given that his appointment has been made for his personal and professional qualities and he would be in a position to carry out his duties without being influenced by relationships with the Company, its majority shareholders or its managers, as none of the situations set forth therein precluding this classification exist, as the Appointments and Remunerations Committee itself has verified based on his professional background and Mr Jiménez-Blanco has shown in the years that he has been part of the Company's Board of Directors.

VII. Effects of the Director's re-election on the composition of the Board of Directors

Simultaneously with the proposed re-election as Director of Mr David Jiménez-Blanco Carrillo de Albornoz, classified as an external independent Director, the Board of Directors is expected to 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.

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 external proprietary Directors and 33.33% external independent Directors, in accordance with Recommendation 17 of the Good Governance Code of Listed Companies for companies that have a shareholder that controls more than 30 percent 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 the services rendered by Mr Jiménez-Blanco Carrillo de Albornoz during his last term of office.

The quality of Mr Jiménez-Blanco Carrillo de Albornoz's work and responsibilities as a member of the Board of Directors is assessed annually as per article 10.3 of the Board of Directors Regulations, by way of the Board of Directors' approval of the Report on its performance.

Based on these reports, the Appointments and Remunerations Committee holds a favourable view of the services rendered by Mr Jiménez-Blanco Carrillo de Albornoz as a member of the Board of Directors since his appointment as Director, as well as the services he renders as Lead Independent Director and Chairman of the Appointments and Remunerations Committee.

With regard to the temporary dedication of Mr Jiménez-Blanco Carrillo de Albornoz during his term, the Appointments and Remunerations Committee has highlighted his attendance at all the meetings of the Board of Directors and the Appointments and Remunerations Committee, his degree of preparation of the meetings of both bodies and the performance of the position of Lead Independent Director, which shows his temporary availability to provide the dedication required by the position.

The Appointments and Remunerations Committee considers that the proposed re-election of Mr David Jiménez-Blanco Carrillo de Albornoz 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 interest.

IX. Conclusion of the Appointments and Remunerations Committee

The Appointments and Remunerations Committee considers that the proposed re-election of Mr David Jiménez-Blanco Carrillo de Albornoz as Director benefits BME on account of his profile, professional experience and knowledge of the securities market and investment banking in the best interests of the Company.

In view of the foregoing, the Appointments and Remunerations Committee, after due deliberation, has resolved to propose to the Board of Directors the appointment of Mr David Jiménez-Blanco Carrillo de Albornoz as Director of BME and to submit to the Board of Directors the proposal for his appointment.