



EXPLANATORY REPORT BY THE BOARD OF DIRECTORS ON THE PROPOSED RESOLUTION TO RE-ELECT MR DAVID JIMÉNEZ-BLANCO CARRILLO DE ALBORNOZ AS A DIRECTOR OF BME

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 proposals for the appointment or re-election 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.

Therefore, this Board of Directors report accompanies and evaluates the proposed re-election of Mr David Jiménez-Blanco Carrillo de Albornoz as an external independent Director, which was previously reported by the Appointments and Remunerations Committee at its meeting held on 22 June 2020, in compliance with article 529.decies.4, and article 529.quincecies.3c), of the Corporate Enterprises Act, and articles 20.2.c) and 22.1 of the Board of Directors Regulations.

II.- Explanatory report on the proposed re-election of Mr David Jiménez-Blanco Carrillo de Albornoz 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 assessed the conditions that the Directors must meet to discharge their duties and the dedication required to exercise their functions.

Furthermore, the Board of Directors assessed the competence, experience and merits of Mr David Jiménez-Blanco Carrillo de Albornoz, based on the information provided by the prospective Director regarding his professional background, which is transcribed below:

Graduate in Economics and Business Studies from Colegio Universitario de Estudios Financieros -CUNEF- (1986).

Since 2016, he has served as Chief Strategy and Restructuring Officer (CRO) 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 external independent Director, of Árima Real Estate Socimi, S.A., and is Chairman of its Audit Committee.

Since 2010 he has been 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 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 a member of the Audit Committee of 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 served as the Chief Financial Officer (CFO) of World Duty Free Group, and between 2010 and 2013 he held the post of Co-Founder and Partner at BK Partners, an investment management firm.

Between 2006 and 2009, he acted as Chairman and Chief Executive Officer of 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, occupying different posts 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.

Based on the professional experience of Mr Jiménez-Blanco Carrillo de Albornoz, the Board of Directors states that he has the appropriate professional knowledge and experience and business and professional integrity to be re-elected as member of the Company's Board of Directors.

In this regard, the Board of Directors has taken into consideration the extensive experience of Mr Jiménez-Blanco Carrillo de Albornoz in the investment banking and investment management sector after having held various positions of extensive responsibility in the financial sector and his experience as a Director in various listed companies.

Likewise, the Appointments and Remunerations Committee has stated that Mr Jiménez-Blanco Carrillo de Albornoz is not subject to any of the prohibitions and limitations established in article 213 of the Corporate Enterprises Act or those established in article 6.2 of the Board of Directors Regulations.

Furthermore, it can be ascertained from his professional profile that, at the date of issue of this report, Mr Jiménez-Blanco Carrillo de Albornoz 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 admitted for trading on Spanish or foreign stock markets.

By virtue of that set forth and taking into account the proposal made by the Appointments and Remunerations Committee, the Board of Directors considers that Mr Jiménez-Blanco Carrillo de Albornoz 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 David María Jiménez-Blanco Carrillo de Albornoz, this explanatory report accompanying the proposed resolution for the re-election of Mr David Jiménez-Blanco Carrillo de Albornoz as Director, to be submitted to the extraordinary General Shareholders Meeting.