



**PROPOSED RESOLUTION SUBMITTED TO THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING BY THE BOARD OF DIRECTORS AS ITEM THREE OF THE AGENDA**

**THREE.-** Approving, as the case may be, the amendments made to the Directors' Remuneration Policy pursuant to Article 529 novodecies of the Corporate Enterprises Act.

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Under this item of the agenda, the amendments made to the Directors' Remuneration Policy for 2019, 2020 and 2020 approved at BME's ordinary General Shareholders' Meeting of 25 April 2019 and amended by the ordinary General Shareholders' Meeting of 29 April 2020 (hereinafter, the "Remuneration Policy in force") shall be put to the vote at the extraordinary General Shareholders' Meeting.

Following the changes in BME's shareholding structure after the completion of the takeover Bid Offer submitted by SIX GROUP, A.G., affecting the Company's total share capital, the Board of Directors has called an extraordinary General Shareholders' Meeting in order to adapt the Articles of Association and the size and composition of the Board of Directors to the new structure. Such matters are set out in items one and two of the agenda of the General Shareholders' Meeting.

Moreover, Mr Johannes Bernardus Dijsselhof and Mr David Jiménez-Blanco Carrillo de Albornoz are expected to be appointed by the Board of Directors as Chairman and Deputy Chairman of the Board of Directors respectively after the extraordinary General Shareholders' Meeting.

Appointing a Lead Independent Director shall not be necessary to the extent a Director classified as proprietary Director is appointed Chairman of the Board of Directors. Following the aforementioned proposed amendment of the Articles of Association, a Leading Independent Director shall only be appointed in the event the role of Chairman of the Board of Directors fell on an executive Director.

These changes to the share capital and to the Board of Director's structure, size, and composition justify the changes proposed to the Board of Directors by the Appointments and Remuneration Committee pursuant to the powers attributed to it by articles 529 quidecies, paragraph 3.g) of the Corporate Enterprises Act and 20, paragraph 2.i) of the Board of Directors Regulations. Such changes affect the remuneration systems applicable to Directors in their capacity as such, and to the main terms and conditions of their contracts.

The remaining amendments proposed are only changes introduced to the "Introduction" of the Remuneration Policy and revisions of the remuneration amounts, as approved by the competent bodies and included therein for the sake of the highest transparency standards.

After thorough consideration, the Board of Directors, in compliance with Article 529 novodecies of the Corporate Enterprises Act, hereby submits this proposal to amend the Remuneration Policy to the extraordinary General Shareholders' Meeting.

The specific mandatory report issued by the Appointments and Remuneration Committee and a restated text of the Directors' Remuneration Policy for years 2019, 2020 and 2021 has been submitted with this proposal for approval of the amendments made to the Remuneration Policy. Any changes thereto have been highlighted for better identification.

Below is a detailed list of the proposed amendments to the Remuneration Policy in force:

**I.- Amendments to the remuneration system applicable to Directors in their capacity as such**

The proposed amendments to be included in the new remuneration system applicable to Directors in their capacity as such aims at adapting this system to the new structure of the Board of Directors and, particularly, to the new distribution of functions and responsibilities to be implemented within the Board of Directors.

Thus, the Remuneration Policy in force provided for a fixed remuneration to the Chairman of the Board of Directors according to the institutional non-executive functions attributed to the current Chairman, Mr. Antonio J. Zoido Martínez, and an additional fixed remuneration to the Lead Independent Director according to the additional powers attributed to this role.

The current wording of paragraph 4.3 "Additional fixed remuneration of the Lead Independent Director" shall be amended, given that in the proposal submitted to the extraordinary General Shareholders' Meeting to amend the Articles of Association the obligation to appoint a Lead Independent Director regardless of the classification of the Chairman is removed, and considering that the Chairman will not be an executive Director in the new composition of the Board of Directors.

Moreover, the removal of Mr. Antonio J. Zoido Martínez from his role as Chairman of the Board of Directors requires that the Directors' Remuneration Policy be amended to remove any specific remuneration conditions, particularly, the breakdown of any components of remuneration outstanding due to the executive functions assumed by the Chairman prior to the ordinary General Shareholders' Meeting of 2019.

After this substantial change to the composition of the Board of Directors it may be advisable to attribute institutional non-executive functions to the Deputy Chairman of the Board of Directors, in addition to those entrusted to the Chairman, focused on the intense collaboration with the Chairman and the Chief Executive Officer, when necessary.

Given the greater responsibility, commitment and availability required from the Deputy Chairman of the Board of Directors to perform these functions, as the case may be, this Remuneration Policy shall provide for the possibility of his/her receiving a greater remuneration than other Directors.

In order to include such amendment to the remuneration system of the Chairman of the Board of Directors and to allow for a fixed remuneration to the Deputy Chairman of the Board of Directors, the wording of paragraph 4.4 "Remuneration of the non-executive Chairman of the Board of Directors" shall be amended, and the heading shall be changed to "Remuneration of the non-executive Chairman and the Deputy Chairman of the Board of Directors".

This paragraph shall set forth the remuneration system applicable to the Chairman and to the Deputy Chairman of the Board of Directors, as the case may be, which shall be solely composed of fixed items, i.e. a fixed remuneration and the per diems for attending the meetings

of the Board of Directors and, where applicable, the Committees of the Board of Directors of which they may form part.

In order for the Directors' Remuneration Policy to be more flexible, it is deemed appropriate to establish an annual maximum amount for the total fixed remuneration to be received by the Chairman and the Deputy Chairman of the Board of Directors. Such amount shall be €732,000.

Approving these remunerations shall not mean an increase in the total remunerations to be received by the Directors acting as such, as the aforementioned maximum amount roughly corresponds to the fixed remuneration previously received by the Chairman of the Board of Directors alone.

If these fixed remunerations to the Chairman and Deputy Chairman of the Board of Directors are considered appropriate, their amount shall be established by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, and reported in the Annual Report on Directors' Remuneration.

Furthermore, the attendance per diems received by the Chairman and Deputy Chairman of the Board of Directors shall be equal to that received by other Directors acting as such.

Following these amendments to the remuneration system of Directors in their capacity as such, specifically as regards the additional fixed remuneration to the Lead Independent Director and the fixed remuneration to the Chairman and to the Deputy Chairman of the Board of Directors, it is deemed appropriate that the following paragraphs of the Remuneration Policy in force be reworded: 3.2 "Characteristics of the remuneration policy of Directors acting as such" and 4.1 "Amount of the maximum annual remuneration of Directors acting as such".

**II.- Removal of section 5 of the Remuneration Policy in force: "Main conditions of the contract of the non-executive Chairman of the Board of Directors".**

Following the extraordinary General Shareholders' Meeting, Mr. Antonio J. Zoido Martínez shall be removed as Director and Chairman of the Board of Directors and the service contract subscribed between the Chairman and the Company shall be terminated, as its duration was bound to his retention of office.

The termination of this contract requires that the current section 5, "Main conditions of the contract of the non-executive chairman of the board of directors" be removed from the Remuneration Policy in force.

**III. Addition of a new section 5 to the Remuneration Policy in force: "Main conditions of the contract of the non-executive Deputy Chairman of the Board of Directors".**

As stated above, the new structure of the Board of Directors has provided the possibility that the Deputy Chairman assume institutional non-executive functions. Therefore, it is convenient for the Company that, when appropriate, such functions be appropriately developed and governed by a service contract.

The main terms of the service contract shall be set out in a new section 5 of the Remuneration Policy in force, entitled "Main conditions of the contract of the non-executive Deputy Chairman of the Board of Directors".

**IV. Adjustments and revisions made to the Remuneration Policy.**

**IV.1. Amendments to the Introduction of the Directors' Remuneration Policy.**

Removing the summary of the proposed changes submitted to BME's ordinary General Shareholders' Meeting on 29 April 2020 and replacing them by a summary of the proposed

changes to the Remuneration Policy submitted to this extraordinary General Shareholders' Meeting.

The purpose of this change is to avoid confusion, given that the paragraphs to be removed no longer suit the new composition and structure of the Board of Directors and the Company's corporate governance.

IV.2. Addition of the revised fixed remuneration amount to be received by the Chief Executive Officer.

Revising the fixed remuneration to be received by the Chief Executive Officer, as approved by the Board of Directors on 27 February 2020 at the proposal of the Appointments and Remunerations Committee, and by the Ordinary General Shareholders' Meeting of 29 April 2020 after voting in favor of the Report on Directors' Remuneration for 2019, for the sake of the highest transparency standards as regards Directors' remuneration.

The change proposed consists of adding the revised amount of the Chief Executive Officer's remuneration to paragraph 6.1 "Fixed remuneration" under section 6 "Components of the remuneration system applicable to the CEO".

V Amendments to the section regarding remuneration received by Directors for their functions and offices in Group companies.

This section of the Remuneration Policy specified the posts held by four (4) members of BME's Board of Directors in other Group companies and the remuneration received by them for the discharge of their functions therein.

Given the changes in the composition of the Board of Directors, this list of posts and remunerations shall be removed from the Remuneration Policy.

Proposal: Approving, in compliance with the provisions of article 529 novodecies of the Corporate Enterprises Act, the amendments to the Directors' Remuneration Policy of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A., for years 2019, 2020 and 2021.