



APPOINTMENTS AND REMUNERATIONS COMMITTEE REPORT ON PROPOSED RESOLUTION FOR APPOINTMENT OF MS MARION LESLIE AS DIRECTOR OF BME

The Appointments and Remunerations Committee, at its meeting of 22 June 2020, issues the present report on the proposal of the Board of Directors for the appointment as a member of the Board of Directors of Bolsas y Mercados Españoles, Holding Company of Mercados y Sistemas Financieros, SA (hereinafter "BME" or "the Company") of Ms Marion Leslie, classified as an external proprietary Director, in accordance with the provisions of the articles 529 decies, section 6, of the Corporate Enterprises Act and 20, section 2.d), and 22, section 1, of the Board of Directors Regulations, which charge this Committee with the task of reporting on proposals for appointment of proprietary Directors.

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

I. Background

As a consequence of the success of the Voluntary Public Offering for the Acquisition of Shares presented by SIX GROUP AG over the 100% of the share capital of BME, and the new shareholding structure of the Company, with a shareholder owning 93.16% of the share capital, the Appointments and Remunerations Committee has reviewed and evaluated the structure of the Board of Directors for the purposes of analysing the size and composition that would be appropriate to submit by this body.

The Appointments and Remunerations Committee concluded that it was advisable to proceed to the appointment as Director of Ms Marion Leslie, classified as an external proprietary Director, who will form part of the new composition of the Board of Directors.

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

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 view of the new shareholding structure of the Company, and 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 proposal for appointment as Director of Ms Marion Leslie, 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 appoint as Director of Ms Marion Leslie, 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 Johannes Bernardus Dijsselhof and Mr Daniel Schmucki, classified as proprietary Directors, and the re-election of Mr Javier Hernani Burzako, classified as executive Director.

III.- Ms Leslie's professional background.

Ms Marion Leslie has a degree in the administration of companies specialised in French and German translation and interpreting from the University of Salford (1992) and holds a Postgraduate Certificate in Education in French and German from the University of Cambridge (1994).

Until her appointment in 2016 as Executive Director of Corporate Business at Refinitiv (formerly Thomson Reuters), she has held various executive positions within Thomson Reuters, which he joined in 1994.

Thus, among other positions at Thomson Reuters, she has held various roles in the Reuters Data Operations segment from 1994 to 2000, has been responsible for EMEA Operations from 2000 to 2003, Executive Director at the Board of *Reuters Indicates Private Lts* and *Senior Site Manager* at Reuters Bangalore from 2004 to 2007, Global Head of Fixed Income and Contributions from 2007 to 2009, Global Head of Sales and Content Marketing from 2009 to 2010, Global Head of Instruments and Pricing from 2011 and 2013 and Executive Director of Regulation, Pricing and Reference Services from 2013 to 2016.

Likewise, from 2008 to 2017 she was President of *London Women's Forum*, which is a network of women with professional experience in financial services and a business promoter of *Thomson Reuters Global Business Leaders Programme*.

Since January 2020, Ms Marion Leslie has held the post of Head of Financial Information at SIX GROUP AG.

Additionally, she has been an external Director of *UK Hydrographic, Ministry of Defence Trading Fund* since 2015 and a *Trustee at Postrate Cancer UK* since 2016

IV. Procedure for the appointment of Director.

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

Pursuant to article 6.2 of the Board of Directors Regulations, the category of each Director shall be explained at the ordinary 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 compliance by Ms Marion Leslie with the requirements laid down by law and under the Articles of Association for appointment as director.

This analysis by the Appointments and Remunerations Committee will focus in the first place on Marion Leslie's compliance with the requirements necessary to be appointed Director of the Company.

The Appointments and Remunerations Committee has evaluated Ms Leslie's professional track-record and confirmed that she 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 recognised honourability, honesty and integrity and sufficient knowledge, competence and experience, and are able to act independently, and have the time available to exercise the good governance of the Company.

Furthermore, the Appointments and Remunerations Committee has verified that Marion Leslie is not involved in any of the causes of incompatibility or legal limitations that, for the performance of the position, are established by current regulations and articles 213 of the Corporate Enterprises Act and 6, section 2, and 23 of the Board of Directors Regulations.

In this regard, the Appointments and Remunerations Committee has taken into consideration Ms Leslie's knowledge in matters of data and information dissemination related to financial markets and their technology and in the direct management of large global teams, as well as her experience in companies in the sector of data supply and infrastructures of the financial market.

Based on the analysis of the above data, the Appointments and Remunerations Committee has concluded that the positions held by Ms Leslie in other companies do not constitute an obstacle to her appointment as Director and that she is available to fulfil the dedication required for the exercise of said position.

VI. Category that would be assigned to the Director.

Ms Marion Leslie 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 appointment on the composition of the Board of Directors

Simultaneously with the proposal for appointment as Director of Ms Marion Leslie, classified as an external proprietary Director, the Board of Directors expects to submit to the extraordinary General Shareholders Meeting proposals to modify the Articles of Association, with a reduction of the minimum number of members of the Board of Directors from nine (9) to six (6), and the maximum number of members from fifteen (15) to nine (9), the removal of Directors in office 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 classified as 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% of the share capital, without any of them holding a significant stake.

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.- Conclusion of the Appointments and Remunerations Committee.

In light of the foregoing, the Appointments and Remunerations Committee, after due 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 appoint Ms Marion Leslie as a member of the Board of Directors.