



*TRANSLATION FOR INFORMATION PURPOSES ONLY*

**BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS  
FINANCIEROS, S.A.U.**

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BOARD OF DIRECTORS REGULATIONS

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**CHAPTER I**  
**GENERAL PROVISIONS**

**Article 1.- Purpose and Aim.**

1. The purpose of the Board of Directors Regulations is to set forth the principles of conduct of Bolsas y Mercados S.A.'s Board of Directors, also setting the basic rules of its organisation and operation, and the rules governing its members, in order to achieve the utmost transparency and efficacy in the tasks of direction, supervision and control in regard to the management and representation of the Company.
2. Without prejudice to the precedence of the law and the Articles of Association which are elaborated upon and supplemented hereby, as one of the Company's standards of corporate governance these Regulations are open to such amendments as may be advisable in the light of the evolution both of the Company and of the rules and recommendations that may be drawn up on the matters with which the Regulations are concerned.

**Article 2.- Scope of application.**

1. The Regulations shall apply to the Board of Directors, to its collegiate delegate bodies and managing directors, and to its internal Committees or Commissions and to all the members who sit on them and contribute to the forming of opinions.
2. All references to Group companies in the Company's Articles of Association and herein should be understood as referring to those in which the Company has a controlling interest that determines a group relationship as expressed in the Spanish Securities Markets Act.

**Article 3.- Dissemination.**

The persons to whom these Regulations apply have a duty to be acquainted with them, to comply with them and to enforce them, and to this end the Secretary of the Company's Board of Directors shall provide them with a copy of the Regulations.

**Article 4.- Interpretation and amendments.**

1. The application of these Regulations shall be as a supplement and complement to the provisions governing the Board of Directors, Delegate Bodies and the Board Committees and Commissions laid down by law and in the Company's Articles of Association.
2. The Board of Directors is empowered to resolve any doubts which might arise in the application or interpretation of these Regulations, to reconcile them with all applicable laws and the Articles of Association.
3. The Board of Directors may amend these Regulations at the proposal of its Chairman or one third of the Directors when circumstances arise which, in the Board's opinion, make an amendment advisable or necessary for the interests of the Company.

The amendment proposal must be accompanied by the text of the proposed amendment, its explanatory report and, where appropriate, the report on the proposed amendment and its explanatory report issued by the Board Committee competent in the matter to which the proposed amendment refers.

**CHAPTER II**  
**COMPOSITION AND FUNCTIONS OF THE BOARD OF DIRECTORS**

**Article 5.- Composition of the Board of Directors.**

1. The number of Company Directors shall be established at the General Shareholders' Meeting, and shall be within the maximum and minimum set by the Articles of Association. Subject to a report by the Nominations and Compensations Committee, the Board of Directors shall propose to the General Shareholders' Meeting, the number of members it considers appropriate for the Board's due representativeness and efficient operation.
2. Candidates proposed by the Board of Directors for appointment or re-election, or ratification as Directors must be persons of high standing, integrity and reputability, who also have the necessary expertise for the performance of their functions.  
  
Those persons who had turned 75 years old in the event that they are qualified as non-executive Directors may not be appointed or re-elected as Directors. Directors qualified as executives may not be re-elected if they had turned 70 years old.
3. Proposals shall be made bearing in mind the existence of the following categories of Directors:
  - a) Executive Director.
  - b) Non-executive Directors, which may be proprietary, independent or other external Directors.
4. The Directors shall be classified in accordance with the following criteria:
  - (i) Those individuals who perform management duties in the Company or its group regardless of their legal connection to the same will be classified as Executive Directors.
  - (ii) The following will be classified as proprietary Directors:
    1. The senior management or Directors of the parent Company or companies belonging to its group.
    2. Those who possess a shareholding equal to or exceeding the quantity legally considered significant or who have been appointed due to their position as shareholders, although their shareholding does not reach said required quantity or who represent the aforementioned shareholders.
  - (iii) Independent Directors will be classified as those who, appointed in recognition of their personal and professional status, may perform their duties without appearing biased due to relationships with the company or its group due to relationships with the Company or its group, its significant shareholders or its management team.  
  
Any individuals who find themselves in the scenarios contemplated, at any given time, by the regulations applicable to corporate enterprises preventing such classification may not be categorised as independent Directors.
  - (iv) Other external directors are considered to be those Directors who are not proprietary Directors but who for some reason cannot be classified as independent Directors, and whose appointment is proposed by the Nominations and Compensations Committee due to particular attributes which make them especially suitable for a directorship because of their outstanding professional track record in the stock markets and related areas. Such proposals must be backed up by the related proposal from the Nominations and Compensations Committee.
5. In the proposals for the appointment and re-election of Directors that it submits to the General Shareholders' Meeting, the Board of Directors shall endeavour to ensure that the number of Directors is distributed among the different categories in the proportion which is deemed to be

most appropriate at any given time bearing in mind the shareholding structure and purpose of the Company and Group companies.

Information on each Director shall be published on the Company's website and updated on a regular basis. Such information shall refer to the Directors' professional and personal profile, the Directors category to which they have been assigned and the dates of their appointment and re-election as Director and their membership of the Board Committees.

#### **Article 6.- General Functions of the Board of Directors.**

1. Without prejudice to matters reserved by law or under the Articles of Association to the General Shareholders' Meeting, the Board of Directors is the Company's most senior governing and administrative body, and is fully empowered to direct, manage and represent the Company in the performance of the activities that comprise its corporate purpose, including all powers not attributed to the General Shareholders' Meeting by law or under the Articles of Association.

The Board of Directors shall entrust the management of the Company's ordinary business to its delegate bodies, its executive members and the senior management team, and shall drive, direct and supervise those matters of special significance for the Company, undertaking in this respect as general tasks, among others, those of defining the general strategy and management guidelines of the Company, giving impetus to and overseeing the senior management, establishing the basis of the corporate organisation in order to ensure its maximum efficiency, identifying the Company's main risks and supervising the internal control systems, as well as organising its own operation.

2. When defining the Company's general strategy, the functions of the Board in full and through its Committees shall include the following:
  - a) Approving the Company's annual budget estimates, setting the financial targets and basic lines of action along with the specific plans and policies for achieving these targets.
  - b) Establishing the general policy for information and communication to the markets and public opinion.
3. With regard to the management guidelines and establishing the basis of the corporate organisation of senior management, the functions of the Board in full and through its Committees shall include the following:
  - a) Appointing and removing the managers who report directly to the Board or some of its members and establishing the basic terms and conditions of their contracts, including remuneration, ensuring an organisational structure is established that guarantees the maximum efficiency of the senior management and of the management team, and monitoring the management team's success in meeting the targets set.
  - b) Determining, among other aspects, the structure of the group of companies and the corporate governance policies of the Company and the Group, as well as to ensure, as appropriate, the observance of the rules and recommendations applicable on this matter, on investments, financing, dividends and corporate social responsibility.
  - c) Appoint and remove the members of the Board of Directors of the regulated companies within the Group, prior the report of the Nominations and Compensations Committee.
  - d) Determining the risk management and control policy, including tax risks, and overseeing the internal information and control systems.
  - e) Exercising the functions assigned to the Board at the General Shareholders' Meeting. Such functions may not be delegated unless expressly agreed at the General Shareholders' Meeting.
  - f) Approving the following operations: setting up and dissolving companies, acquiring stakes in existing companies, and any merger, takeover, spin-off or concentration operations that

the Company is interested in, provided that these are of significance for the Company in terms of their size or nature.

- g) Approving all acquisitions and disposals of substantial assets, that are not considered core assets, as well as investments, divestments and all manner of transactions which, due to their amount or nature, significantly affect the Company's equity position and strategy as a whole, or that present a special tax risk, unless they must be approved at the General Meeting. In any event, the Board of Directors must submit to the General Shareholders' Meeting for approval or ratification any disposal of assets that are not considered core assets that has a real and significant effect on the activities carried out by the Company as part of its corporate purpose.
  - h) Approving the creation or acquisition of ownership interests in special purpose vehicles or entities resident in jurisdictions considered to be tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group.
  - i) Determining the Company's tax strategy.
  - j) Providing guarantees or taking similar action to guarantee debentures issued by companies in which the Company does not own a material stake.
  - k) Approving the transfer of intellectual or industrial property rights belonging to the Company that are of particular significance financially or for the Company's market image.
  - l) Supervising commitments relating to employee benefits which entail long-term financial responsibilities for the Company.
  - m) Approving, or, where necessary, taking cognisance of any resolutions on the issuance of securities by the Company and of the terms and conditions thereof.
4. Regarding the transparency and veracity of Company information, the functions of the Board in full and through its Committees shall include the following:
- a) Ensuring the external auditor is both independent and professionally acceptable.
  - b) Approving transactions carried out by a Director or parties related thereto with the Company or its Group, provided that the transaction does not involve a value of more than 10% of Company assets, the use of Company assets or the use of a specific business opportunity.
  - c) Approving transactions that the Company or companies of the Group carry out with shareholders holding significant ownership interest, including shareholders represented on the Board of Directors of the Company or other companies that form part of the same group or with persons related thereto.

Transactions that simultaneously have the following three characteristics shall be except from approval as mentioned in letters b) and c) above:

- 1°. They are governed by standard form agreements applied on an across-the-board basis to a large number of clients;
  - 2°. They are performed at prices or rates established on a general basis by the person supplying the goods or services;
  - 3°. The amount does not exceed 1% of the Company's annual revenue.
5. With regard to its own organisation and operation, the Board of Directors is responsible for:
- a) Accepting Directors' resignations.
  - b) Appointing and removing Directors forming part of the Committees envisaged herein.
  - c) Appointing and removing the Chairman, Deputy Chairman (men), Secretary and the Deputy Secretary (ies) of the Board and the officers of the Board Committees whose appointment and termination lie with the Board.

- d) Supervising the effective operation of the committees formed and the actions of the delegate bodies.
- e) Appointing and removing the Company's Chief Executive Officer(s), and establishing the basic terms and conditions of their contracts.
- f) Approving and amending the regulations on its operation.
- g) Establishing the remuneration of the Directors in their capacity as such within the statutory framework and of the executive Directors of the Company in accordance with the provisions of the corresponding contract approved by the Board of Directors.

All of the aforementioned powers shall be exercised in compliance with the Company's Articles of Association and the applicable legislation, and are listed merely by way of illustration in relation to the Board's general activity of driving and supervising the management.

**Article 7.- Specific duties in certain matters.**

1. The Board of Directors shall be responsible for ensuring that the Company's annual financial statements - both individual and consolidated - and directors' report give a true and fair view of its net worth, financial situation and results, according to legal requirements, and each of the Directors should have access to all the necessary information for this before they put their signature to the financial statements.
2. The Board of Directors is responsible for preparing the annual accounts and the management report, which will include the Non-Financial Information Statement, both in its individual and consolidated versions, and examining the financial information that the Company must make public or send periodically to the National Securities Markets Commission.
3. The Board of Directors shall be informed of the adequacy of the procedures and regulations laid down by Group companies for the proper functioning of the markets and systems they manage.

**Article 8.- Principles of conduct.**

The Board of Directors must perform its functions in accordance with the corporate interests, these being understood to be the Company's interests, although this should not prevent consideration of the other legitimate public or private interests that come together in the performance of the activities of the Company.

In this context, the actions of the Board of Directors and of the Board Committees shall be directed at maximising the long-term value, profitability and efficiency of the Company and at seeking the optimum development and functioning of the markets and systems managed by the Group companies.

**CHAPTER III**  
**OPERATION OF THE BOARD OF DIRECTORS**

**Article 9.- Board meetings and assessment of the Board and its Committees.**

1. The Board of Directors shall ordinarily meet every month and in any event shall hold at least eight meetings per year, without prejudice to the Chairman's power to call a meeting when requested by Directors representing at least one third of all Board members if the Chairman has failed to call the meeting, without just cause, one month from the date he was requested to do so.

The schedule for ordinary meetings shall be established by the Board of Directors itself and may be modified.

2. The Chairman shall decide the Agenda for the meeting, without prejudice to the right of the Directors to request the Chairman to include items on the Agenda.

3. The Board of Directors in full must annually assess the efficiency of its operation and the quality of its work on matters within its remit. The Board must also assess the operation of its Committees based on the reports they prepare on the performance of their tasks.
4. The Board of Directors shall annually assess the performance of the Chairman of the Board of Directors and the Chief Executive Officer or CEOs.

**Article 10.- Conduct of meetings.**

1. Directors shall make every effort to attend Board meetings and when they are unable to do so in person they shall endeavour to appoint another Director to represent them.  
  
Proxies must be appointed in writing specifically for each meeting and the appropriate instructions as to how to represent the Director appointing them must be given. Directors may be appointed and act as proxies for more than one other Director.
2. The Chairman shall organise and direct the discussions, endeavouring to ensure and encourage the participation of all the Directors in the Board's deliberations. The Chairman shall be responsible for putting resolutions to the vote once he considers that the matter has been discussed sufficiently, and each Director who is present or represented shall have one vote.

**Article 11.- Adoption of resolutions.**

Except when higher voting majorities are required by law or under the Articles of Association, resolutions shall be adopted by an absolute majority of the Board members who are either present or represented at the meeting. When there is a tie in voting, the Chairman shall have the casting vote.

**CHAPTER IV**  
**BOARD OFFICERS AND COMMITTEES**  
**Section 1**  
**Board Officers**

**Article 12.- The Chairman of the Board of Directors.**

1. Following a report from the Nominations and Compensations Committee, the Board shall appoint a Chairman from among its members.
2. The Chairman is responsible for:
  - a) Calling and chairing the meetings of the Board of Directors, drafting the agenda of these meetings and directing the discussions and voting carried out by said social body.
  - b) Chairing the Company's General Shareholders' Meetings and directing the discussions and votes carried out thereat.
  - c) Ensuring that Directors receive sufficient information in advance to deliberate on the items included on the agenda of the related meetings.
  - d) Submitting to the Board any proposals he considers appropriate for the efficient running of the Company and particularly those relating to the operation of the Board itself and other company bodies, and proposing the candidates for the offices of Deputy Chairman, Managing Director and Secretary, and where applicable, Deputy Secretary of the Board.
3. If the office is vacant or the Chairman is absent, unable to attend or falls sick, his place shall be taken by the appropriate Deputy Chairman from among those designated in accordance with the Articles of Association.



**Article 13.- The Deputy Chairmen of the Board of Directors.**

1. The Board of Directors, following a report from the Nominations and Compensations Committee, may choose from among its members one or more Deputy Chairmen to stand in for the Chairman if he is absent, unable to attend, incapacitated or the office falls vacant.
2. If there is more than one Deputy Chairman, each of the deputy chairmanships shall be numbered. The numerical seniority of the Deputy Chairmen shall determine the order in which they shall stand in for the Chairman.

**Article 14.- The Secretary and Deputy Secretaries of the Board of Directors.**

1. Having regard to appropriate standards of professional competence and independence, the Board of Directors shall appoint, subsequent to a report from the Nominations and Compensations Committee, a Secretary and, optionally, one or more Deputy Secretaries, none of whom need be Directors, in which case they may speak at meetings but they may not vote. The Deputy Secretaries shall stand in for the Secretary in the event of absence, inability to attend, incapacity or if the office falls vacant. If there is more than one Deputy Secretary, the one to stand in shall be the one who has been in office the longest, and if they have been in office the same length of time, then it shall be the eldest.
2. In addition to the functions assigned by law or under the Articles of Association, the Secretary of the Board of Directors, or, in his place, the Deputy Secretary, shall also be responsible for:
  - a) Safeguarding corporate documents, recording the proceedings of meetings in the minutes books and certifying the resolutions adopted by Company bodies for which he is the Secretary.
  - b) Ensuring that the actions taken by the Board of Directors and the Committees he forms part of, are in compliance with the current legislation, the Articles of Association and other internal legislation.
  - c) Serving as a general conduit for the Company's relations with the Directors in all aspects relating to the operation of the Board of Directors and the Committees on which he sits in accordance with the Chairman's instructions.
  - d) Assisting the Chairman to ensure that the Directors receive the relevant information necessary to carry out their duties with sufficient advance notice and in the appropriate format.
  - e) Acting as Secretary to the Committees of the Board of Directors.
  - f) Acting as Secretary at the Company's General Shareholders' Meetings.

**Article 15.- The Chief Executive Officer.**

1. The Board of Directors, following a report from the Nominations and Compensations Committee, may appoint from among its members one or more Chief Executive Officer, to whom correspond the responsibility to manage the Company's ordinary business with the most senior executive functions.
2. The Chief Executive Officer or CEOs shall report directly to the Board of Directors about business' progress of the Company.

## Section 2 Committees

### **Article 16.- Board Committees.**

1. Under the Articles of Association, the Board of Directors must set up an Audit and Risk Committee and a Nominations and Compensations Committee, composed by members of the Board of Directors. It may also set up an Executive Committee and other purely internal Committees whose members need not necessarily be Directors.
2. Without prejudice to the provisions expressly stipulated in the Articles of Association or herein, the Committees shall regulate their own operation and shall meet when called by their respective Chairman. They shall also appoint a Secretary selected from among their members, although the Secretary to the Board of Directors or any of the Deputy Secretaries or any of the Company's legal advisors may also be appointed to this office.

Depending on the topics to be discussed, the relevant Chairman may invite the attendance at Committee meetings of Company managers, and Directors or managers of Group companies and, in general, any other parties who may be able to assist the Committees in the better performance of their functions.

3. The Committee Chairmen shall report on Committee activities to the Board of Directors on an annual basis.
4. In addition to the provisions laid down by the Articles of Association and herein, the Committees shall be governed by their own specific rules as approved the Board of Directors and, on a supplementary basis, by the rules applicable to the Board of Directors insofar as they are compatible with the nature and functions of each Committee.

### **Article 17.- Audit and Risk Committee.**

1. The Board of Directors shall set up an Audit and Risk Committee whose members, consisting of three Directors, must be appointed and removed by the Board of Directors. All of the Committee members must be non-executive Directors and the majority of them must be independent Directors.

The Chairman of the Audit and Risk Committee shall be appointed by the Board of Directors from among the independent Directors and must be replaced every four years, being eligible for re-election one year after completing his term, unless the Board of Directors agrees the re-election of such Chairperson for an additional single term. In the event of the absence or temporary inability of the Chairman, his place shall be taken by the independent Director Committee member designated for that purpose by the Board of Directors and, in his absence, by the eldest independent Director Committee member and, if the independent members are the same age, by the one chosen by lot.

The Secretary to the Committee shall be appointed by the Board of Directors from among the Committee members and he shall draw up the minutes of the resolutions adopted. The Board may also appoint as Secretary to the Committee the Board Secretary or any of the Deputy Secretaries, even if they are not Committee members, as well as a member of the Company's Legal Advisory Services, in which cases the Secretary may speak at meetings but not vote.

The Audit and Risk Committee shall meet whenever it is convened by the Chairman or a meeting is requested by at least two of its members, and at the request of the Board of Directors. Committee meetings shall be held at the Company's registered office or at any other venue decided by the Chairman and specified in the notice calling the meeting, and there shall be a quorum for the meeting when the majority of the Committee members are present or represented. Resolutions must be adopted with the favourable vote of the majority of the members who are present or represented at the meeting. When there is a tie in voting, the Chairman or the person

standing in for him shall have the casting vote.

2. The Audit and Risk Committee shall have the following responsibilities:

- a) To propose to the Board of Directors, present to the General Shareholders' Meeting for consideration, its recommendation to select, appoint, re-elect and remove external auditors or audit companies and, if applicable, the terms of their engagement and the scope of their professional remit. The Committee shall investigate the issues giving rise to the resignation of any external auditor.
- b) To supervise the Company's internal audit services which shall depend on the Audit and Risk Committee, reporting to the Board of Directors. To this end, the Committee shall monitor the independence and efficiency of the internal audit functions, proposing the selection, appointment, re-election and termination of the head of the internal audit service, as well as the budget for the service, receiving periodical information in regard to its activities and verifying that senior management takes into consideration the conclusions and recommendations of its reports. It shall also establish and supervise the proceedings whereby Company personnel may anonymously report any irregularity in the internal control and risk management systems.
- c) To supervise the efficiency of the Company's internal control and risk control systems, including tax risks. To this end, the internal control and risk management systems shall be supervised by the Committee at least once a year, to ensure that the main risks are adequately identified, managed and reported, and will discuss with the auditors or audit firms or experts appointed for that purpose any significant weaknesses detected in the auditing process. For this purpose, the Audit Committee may submit recommendations or proposals to the Board of Directors.
- d) To supervise the Group's regulatory compliance function, under the authority of the Audit and Risk Committee. For these purposes, it will safeguard the independence and effectiveness of such function, approve its annual working plan and periodically receive information on its activities.
- e) To liaise with the external auditors in order to receive information on any issues that might jeopardise the latter's independence, for examination by the Committee and any others connected with the auditing procedure; when appropriate and to maintain with the auditors the communications envisaged in audit legislation and in the technical auditing regulations. The Committee shall also receive information from the external auditors on a regular basis regarding the audit plan and the results of its execution, ensuring that the auditors' recommendations are taken into consideration by senior management. The Committee shall also monitor compliance with the regulations in force concerning the provision of services other than auditing, the limits in regard to business concentration of the auditor and, in general, any other rules aimed at ensuring the auditors' independence.
- f) To be informed of the fiscal policies applied by the Company. To that effect, it must receive information from the head of the tax department on the fiscal policies applied, at least, prior to the preparation of the financial statements and the filing of the corporate tax return and, whenever relevant, on the tax consequences of corporate operations submitted to the Board of Directors for approval.
- g) To supervise the financial information that the Company must make public or send periodically to the National Securities Markets Commission; and issue a prior report to the Board of Directors on the creation or acquisition of ownership interests in special-purpose entities or companies domiciled in countries or territories considered to be tax havens; and transactions with related parties.
- h) To report on transactions carried out by a Director or parties related thereto with the Company or its Group, provided that the transaction does not involve a value of more than 10% of Company assets, the use of Company assets or the use of a specific business

opportunity.

- i) To report on transactions that the Company or companies of the Group carry out with shareholders holding significant ownership interest, including shareholders represented on the Board of Directors of the Company or other companies that form part of the same group or with persons related thereto.
  - j) To analyze and report to the Board of Directors on the structural and corporate transactions (capital increases, mergers, etc.) planned in companies among the BME Group and their conditions thereof, including the economic conditions and the accounting impact.
  - k) To assess matters related to the Company's non-financial risks, including operational, technological, legal, social, environmental, political and reputational risks, and coordinating the process of reporting of non-financial information.
  - l) Any other general or specific tasks regarding reporting and proposals commissioned by the Board of Directors, or required in order to comply with the regulations in force at any given time.
3. The Audit and Risk Committee must report to the Board of Directors on its activities in the course of each year, and the Secretary will send the members of the Board a copy of the minutes of Committee meetings.
  4. In order to perform its tasks the Committee may seek the assistance and collaboration of independent experts and the attendance at its meetings of Company and Group company executives.
  5. The Board of Directors may give effect to the foregoing set of rules in the Board Regulations and, as appropriate, in the Audit and Risk Committee Regulations.

#### **Article 18.- Nominations and Compensations Committee.**

1. The Board of Directors shall set up a Nominations and Compensations Committee as a non-executive body, empowered to report, advise and submit proposals to the Board on matters within its remit.

The Committee shall comprise three Directors, appointed by the Board of Directors from among its non-executive members, of which at least two must be independent Directors.

The Board shall also appoint the Chairman of the Nominations and Compensations Committee from among the independent Directors, and the Committee Secretary. This latter office need not be held by a member of the Committee and may be filled by the Board Secretary or any of the Deputy Secretaries, as well as by a member of the Company's Legal Advisory Services, in which cases the Secretary may speak at meetings but not vote.

The members of the Nominations and Compensations Committee shall remain in office for as long as they continue to be Company Directors, unless the Board of Directors resolves to remove them. It shall be the responsibility of the Board of Directors to reappoint and remove the members of the Committee.

2. The Nominations and Compensations Committee is responsible, among others, for the following functions:
  - a) To evaluate the balance of skills, knowledge and experience on the Board of Directors. For such purposes, it shall define the roles and capabilities required of the candidates to fill each vacancy and shall evaluate the time and dedication necessary for them to effectively perform their duties.
  - b) To establish a target representation of the gender least represented on the Board of Directors and preparing guidelines of how to achieve this objective.
  - c) To present to the Board of Directors the proposals for the appointment of independent

Directors and those classified as other external Directors to be submitted to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or removal of such Directors by the General Shareholders' Meeting.

- d) To report on the proposals for the appointment of proprietary or executive Directors to be submitted to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or removal thereof by the General Shareholders' Meeting.
- e) To report on compliance with the Articles of Association and the Board of Directors Regulations regarding the appointment, re-election and removal of members of the Board of Directors whose names are put forward to sit on any of the Board Committees, as well as, where applicable, to hold any office thereon.
- f) To report on compliance with the Articles of Association and the Board of Directors Regulations regarding the appointment and removal of the Chairman, Deputy Chairmen, Secretary and, as appropriate, Deputy Secretaries of the Board.
- g) To report on proposals for the appointment and removal of the managers who report directly to the Board or some of its members and propose to the Board of Directors the basic terms and conditions of their contracts.

This Committee shall also monitor the decisions taken and criteria applied with regard to remuneration and incentives for senior executives at Group companies.

- h) To examine and organise the succession of the Chairman of the Board of Directors and, where applicable, make recommendations to the Board of Directors to ensure a smooth and well-planned handover.
  - i) To propose to the Board of Directors the remuneration of the Directors in their status as such within the statutory framework as well as the individual remuneration and other contractual conditions of executive Directors and review it periodically.
  - j) To submit to the Nominations Committee of SIX Group AG the proposals for the appointment of the Spanish independent Directors of BME as members of the Board of Directors of SIX Group AG.
  - k) Receive information on compliance by the Group's companies with the corporate governance rules and recommendations applicable to them and submit the appropriate proposals to the Board of Directors.
  - l) To inform and prepare the activities of the Board of Directors in relation to the composition of the Boards of Directors of the Group's companies and the appointment of their members.
  - m) To supervise compliance with the rules of corporate governance.
  - n) Any other general or specific tasks commissioned by the Board.
3. The Committee shall meet as often as is necessary in the Chairman's opinion for the performance of its functions, at the request of the Board of Directors and whenever a meeting is requested by at least two Committee members. A copy of the Minutes of Committee meetings shall be delivered to all Board members by the Committee Secretary.

There shall be a quorum at Committee meetings when a majority of Committee members are present or represented by proxy, and resolutions shall be adopted by an absolute majority of the members who are present or represented. In the event of a tie, the Chairman shall have the casting vote. The Committee shall report to the Board on the performance of its functions and tasks in the course of each year.

**Section 3**  
**Rules governing Directors**

**Article 19.- Appointment, Re-election, Resignation and Removal of Directors.**

1. The Nominations and Compensations Committee is responsible for proposing the appointment or re-election of members of the Board of Directors if they are independent or other external Directors, and the Board of Directors is responsible for doing so in all other cases. In the case of Directors that are not considered independent or other external Directors, the proposal must be accompanied by a prior report from the Nominations and Compensations Committee.

2. Proposals for the re-election of Directors in particular must evaluate the quality of services rendered and commitment during their previous term of office. Directors standing for re-election shall not take part in any discussions or decisions concerning their re-election.

The Chairman, Deputy Chairmen and, where applicable, the Secretary of the Board of Directors who are re-appointed as Directors at the General Shareholders' Meeting shall remain in office without having to be re-elected, without prejudice to the Board of Director's power to terminate these appointments.

3. Directors shall vacate office when so decided by the General Shareholders' Meeting and at the end of the term for which they were appointed unless re-elected at the General Shareholders' Meeting.

The Board of Directors shall not propose the removal of any independent Directors before the end of the term for which they were appointed unless they have valid grounds for doing so on the basis of a proposal from the Nominations and Compensations Committee. Just cause will be presumed when Directors have failed to perform the functions inherent to their office or they are affected by any of the circumstances that are incompatible with their status as independent Directors.

4. In addition to the reasons stipulated in the Articles of Association, Directors must tender their resignation in the following circumstances:

- a) In the cases of incompatibility or prohibition envisaged in the Articles of Association and herein.
- b) In general, when their continuation as Board members could jeopardise the Company's interests.

**Article 20.- Limitations**

Directors may not hold directorships at more than four companies whose shares are listed on Spanish or foreign stock markets. For these purposes, the following shall be considered to be a single directorship:

- those held in companies in the same Group, and
- those held in representation of the same significant shareholder in the Company.

**Article 21.- Directors' right to information and advice.**

When required for the performance of their functions, Directors shall have the broadest powers to obtain information on any aspect of Company and its Group, and shall be granted access to any documents, registers, past records or any other information they may require.

All requests for information shall be addressed to the Chairman and shall be dealt with by the Board Secretary who shall directly provide the information required or put the Director in contact with the

appropriate person within the Company, while ensuring that the necessary measures are taken to guarantee that the Directors' right to information is met to their full satisfaction.

#### **Article 22.- Due diligence.**

1. Directors must perform their duties and comply with the duties imposed by law and under the Articles of Association with the standard of care of an orderly businessman, taking into account the nature of the office and the functions attributed to each of them.
2. Directors must have the dedication required, take the measures necessary to carry out adequate management and control of the Company and contribute to the Board's function of driving, directing and supervising the management and the ordinary business of the Company.
3. Directors shall specifically be obliged to:
  - a) Request from the Company the information necessary to prepare for the meetings of the Board and any Committees they belong to.
  - b) Personally attend meetings of the corporate bodies they belong to and actively participate in all discussions, thereby contributing effectively to the opinion-forming and decision-taking process.

If a justified cause prevents them from personally attending meetings to which they have been called, Directors should give instructions to the Director who is to represent them, as appropriate.
  - c) Call a meeting of the corporate bodies to which they belong when they consider this to be in the Company's interests, proposing such items on the agenda as they consider necessary.
  - d) Assume the specific functions entrusted to them by the body they belong to, or otherwise explain the reasons why they are unable to do so.

#### **Article 23.- Duty of loyalty.**

1. In discharging the duties of their office, Directors shall act with the diligence of loyal representatives, acting in good faith and in the Company's best interests.
2. The duty of loyalty in particular obliges Directors:
  - a) Not to exercise its powers for purposes other than those for which they were granted.
  - b) To abstain from participating in the deliberations and voting on resolutions and decisions in which the Director or a related person has a direct or indirect conflict of interest. This obligation to abstain shall not include resolutions or decisions that affect their status as Director, such as their appointment or removal for positions on the Board of Directors or other similar decisions.

Proprietary Directors must not participate in votes on matters in which the shareholders who proposed their appointment and the Company have a direct or indirect conflict of interest.
  - c) To maintain the secrecy of information, data, reports or background documents to which they had access as a result of exercising their duties, even if they no longer hold such office, except in cases where permitted or required by law.
  - d) To carry out their functions under the principle of personal responsibility with freedom of judgement and independence regarding instructions from and relationships with third parties.
  - e) To adopt the measures necessary to avoid being involved in situations where their

interests, either as independent professionals or as employees, may be in conflict with the Company's interests and their duties to the Company.

#### **Article 24.- Conflicts of interest.**

1. The duty to avoid conflicts of interest in particular obliges Directors to abstain, both if the beneficiary of the prohibited actions or activities is the Director or a person related thereto, from the following:
  - a) Engaging in transactions with the Company, except for ordinary transactions arranged under standard terms and conditions for clients that are hardly relevant, which are understood as transactions that do not need to be reported in order to present a true and fair view of the Company's equity, financial position and results.
  - b) Using the Company's name or relying on their directorship to exert undue influence over the arrangement of private transactions.
  - c) Making use of Company assets, including the Company's confidential information, for private purposes.
  - d) Taking advantage, for their own benefit or the benefit of a third party, of any investment or commercial opportunities or other transactions that they have knowledge of in the performance of their duties using the information resources of the Company or Group companies.
  - e) Obtaining rewards or remuneration from third parties other than the Company and its group when these are associated with discharging their duties, with the exception of complimentary or courtesy gifts and rewards.
  - f) Engaging in activities as an independent professional or an employee when these effectively compete with the business of the Company or Group companies, including one-off or potential transactions, or which otherwise place the Director in a situation of permanent conflict with their interests.
2. Directors shall notify the other Directors and, where applicable, the Board of Directors of any situation that may entail a direct or indirect conflict of interest between them or any persons related thereto and the Company.
3. The Company may dispense with the prohibitions contained in this article in unique cases, authorising a Director or a person related thereto to carry out a certain transaction with the Company, use certain company assets, take advantage of a specific business opportunity, or obtain rewards or remuneration from a third party, according to the terms, form or procedure established in current legislation.

#### **Article 25.- Other duties of disclosure for Directors.**

Directors must notify the Company, via its Chairman, and maintain the information up to date relating to:

- a) Any positions they hold at other companies or entities, and before accepting any directorship or management position in another company or entity, should inform the Nominations and Compensations Committee of their intention to do so.
- b) Any fact or situation which may affect the nature or terms under which their appointment as Directors was made, or which could materially influence their activity as Directors.
- c) Any legal, administrative or other types of claims affecting them that, because of their importance, could seriously affect the Company's reputation.
- d) Any criminal proceedings in which they are an accused party and of the subsequent progress of



the proceedings.

**Article 26.- Directors' relations with Group companies and significant shareholders in respect of the markets and systems managed by them.**

Given the markets- and systems-related activities carried on by the Group companies, transactions, operations or actions undertaken by Directors and significant shareholders and/or their related parties in their activities on the markets and systems managed by Group companies shall not require prior authorisation, nor shall they be subject to disclosure obligations, provided that they are within the ordinary course of business of the parties involved and on an arm's length basis, without prejudice to compliance with any regulations applicable to transactions with related parties.

**Article 27.- Directors' remuneration.**

1. The remuneration to be received by Directors acting as such and based on the executive functions attributed thereto will be brought into line with that established for such purpose in the Articles of Association.
2. The remuneration of Directors acting as such shall be determined by the Board of Directors within the maximum annual remuneration to be paid to the Board of Directors as set forth at the General Shareholders' Meeting. For the purpose of setting each Director's individual remuneration, the functions and responsibilities attributed thereto, membership on Board Committees and any other objective circumstances deemed relevant shall be taken into account.
3. The Board of Directors shall adopt the resolutions relating to setting Directors' remuneration based on the executive functions carried out under the terms and conditions of the contracts entered into with these Directors.