



REPORT SUBMITTED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE TO THE BOARD OF BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A., IN COMPLIANCE WITH ARTICLE 529R OF THE SPANISH CORPORATE ENTERPRISES ACT.

This Report is issued by the Appointments and Remuneration Committee in compliance with article 529 novodecies of the Corporate Enterprises Act. This report is the legal report supporting the amendments proposed by the Board of Directors to be introduced to the Directors' Remuneration Policy for 2019, 2020 and 2021 approved at the ordinary General Shareholders' Meeting held on 25 April 2019 and amended at the ordinary General Shareholders' Meeting held on 29 April 2020 (hereinafter, the "Remuneration Policy in force" or the "Policy in force").

I. Applicable regulations.

Article 529 novodecies of the Corporate Enterprises Act stipulates that the Directors' Remuneration Policy shall be approved at the General Shareholders' Meeting at least every three years as a separate item on the agenda.

Paragraph 2 of this article requires that the Remuneration Policy proposed by the Board of Directors be motivated and accompanied by a specific report issued by the Appointments and Remuneration Committee. Both documents shall be made available to the shareholders on the Company's website www.bolsasymercados.es from the moment the General Shareholders' Meeting is called. The shareholders may also request a hard copy free of charge. Such right shall be mentioned in the General Shareholders' Meeting call.

Section 3 of this article stipulates that: "*The approved remuneration policy shall be valid for three years following the year in which it was approved at the General Shareholders' Meeting. Any amendments or changes made thereto within such period of time shall be approved at the General Shareholders' Meeting following the regular approval procedure*".

In view of this article, any proposals made by the Board of Directors regarding any amendments or changes to the Remuneration Policy shall be motivated and accompanied by a specific report issued by the Appointments and Remuneration Committee. Both documents shall be published on the said Company's website from the moment the General Shareholders' Meeting is called. The shareholders may also request a hard copy free of charge. Such right shall be mentioned in the General Shareholders' Meeting call.

II. Motivation of the proposed amendments to the Directors' Remuneration Policy for years 2019, 2020 and 2021.

After the ordinary General Shareholders' Meeting of 2020 and following the completion of the Bid Offer submitted by SIX GROUP, A.G. affecting the Company's total share capital, BME's share structure has changed.

In this regard, as of the date of approval of this report, SIX GROUP, A.G. holds 93.16 per cent of BME's share capital.

As a result of this change in the Company's share capital, the Board of Directors intends to call an extraordinary General Shareholders' Meeting to adapt the Articles of Association and the size and composition of the Board of Directors to the new structure.

Some of the proposed amendments to the Articles of Association are reducing the minimum and maximum number of members of the Board of Directors and removing the compulsory appointment of a Lead Independent Director regardless of the classification of the Chairman of the Board of Directors.

In line with the proposed amendment to the Articles of Association regarding the minimum and maximum number of members of the Board of Directors, the resolutions required for the Board of Directors to reflect the new Company circumstances in its size and composition shall be submitted to the extraordinary General Shareholders' Meeting.

Hence, if the proposed amendments to the Articles of Association and to the size of the Board of Directors submitted to the extraordinary General Shareholders' Meeting are approved, the Board of Directors shall have six (6) members.

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.

With this new composition of the Board of Directors, whose Chairman shall be classified as Proprietary Director, a Lead Independent Director shall no longer be necessary. According to the proposed amendments to the Articles of Association, a Lead Independent Director shall only be appointed when the Chairman is an executive Director, as stipulated by article 529 septies of the Corporate Enterprises Act.

The aforementioned changes in the share capital and to the size and composition of the Board of Directors justify the proposed amendments to the Directors' Remuneration Policy.

III. Amendments to the Directors' Remuneration Policy.

The proposed amendments to the Directors' Remuneration Policy affect the components of the remuneration system applicable to Directors acting as such.

Specifically, as regards the amendments to the remuneration system applicable to Directors acting as such, the components of remuneration applicable to the Chairman of the Board of Directors shall be changed based on the fact that a new person will hold this position, subsequently removing the section regarding the main terms and conditions of his contract and granting the possibility of paying a fixed remuneration to the Deputy Chairman of the Board of Directors in the event that institutional functions are attributed to such role and including the main terms, where appropriate, of the service contract to be subscribed for such purpose.

Furthermore, given the amendment to the Articles of Association removing the compulsory appointment of a Lead Independent Director, the paragraph regarding the additional fixed remuneration to the Lead Independent Director shall be reworded in order to specify that this amount shall only be paid in the event such role is necessary.

The remaining amendments proposed are only revisions of the remuneration amounts approved by the competent bodies and included therein for the sake of the highest

transparency standards, and adjustments resulting from the new composition of the Board of Directors.

III.1 Amending the Introduction of the Directors' Remuneration Policy.

Our proposal is to remove paragraph 1.1. from the Introduction, as it was added by agreement of the ordinary General Shareholders' Meeting of 29 April 2020 as a summary of the proposed amendments which were put to the vote of the General Shareholders' Meeting. The purpose of this change is to avoid confusion, as it is outdated information which does not adapt to the new composition and structure of the Board of Directors and the Company's corporate governance.

Replacing this paragraph, a summary of the amendments made to the Remuneration Policy and submitted to the extraordinary General Shareholders' Meeting shall be added to the Introduction, like in previous versions.

III.2 Amending the remuneration system applicable to Directors acting as such: Additional fixed remuneration to the Lead Independent Director.

One of the proposed amendments to the Articles of Association to be submitted to the extraordinary General Shareholders' Meeting is removing the compulsory appointment of a Lead Independent Director regardless of the classification of the Chairman of the Board of Directors.

This proposed amendment to the Articles of Association justifies the rewording of paragraph 4.3 of the Remuneration Policy in force, "Additional fixed remuneration of the Lead Independent Director", removing the reference to the compulsory appointment of a Lead Independent Director and clarifying that, in the event a Lead Independent Director must be appointed, a fixed remuneration of the same amount shall be paid to the person in office.

III.3 Amending the remuneration system applicable to Directors acting as such: Chairman and Deputy Chairman of the Board of Directors.

The Remuneration Policy in force included a remunerative component to the Chairman amounting to €732,319 for the institutional non-executive functions attributed to the current Chairman, Mr. Antonio J. Zoido Martínez. The Policy also listed the outstanding remuneration components owed to Mr. Antonio J. Zoido Martínez for the executive functions performed by him prior to the ordinary General Shareholders' Meeting of 2019.

Since a new person shall be the Chairman of the Board of Directors, paragraph 4.4 of the Remuneration Policy in force, "Remuneration of the non-executive Chairman of the Board of Directors", shall be reworded to provide for the remuneration system applicable, as the case may be, to the new Chairman of the Board of Directors, removing any references to outstanding remuneration components owed to Mr. Antonio J. Zoido Martínez and the express reference to the fixed remuneration to the Chairman of the Board of Directors in paragraph 4.1, "Amount of the maximum annual remuneration of Directors acting as such".

Given the new composition of the Board of Directors, it has been considered necessary to provide for the possibility of the Deputy Chairman of the Board of Directors assuming institutional functions, in addition to those entrusted to the Chairman, focused on the intense collaboration with the Chairman and the Chief Executive Officer when necessary. In the event greater responsibility and dedication is required from the Deputy Chairman of the Board of Directors, a specific fixed remuneration shall be assigned to this office.

The remuneration system applicable to the Chairman and to the Deputy Chairman of the Board of Directors, if considered appropriate, shall be included in the Remuneration Policy. For such

purpose, the proposal is that paragraph 4.4, “Remuneration of the non-executive Chairman of the Board of Directors”, be replaced by a new paragraph entitled “Remuneration of the non-executive Chairman and Deputy Chairman of the Board of Directors”, specifying the remunerative components applicable to the Chairman and the Deputy Chairman to compensate for the greater responsibility, dedication and availability they shall temporarily assume in performing their institutional non-executive functions.

The remuneration paid to the Chairman and to the Deputy Chairman of the Board of Directors, where appropriate, shall be solely composed of fixed components, i.e. a fixed remuneration and the per diems for attending the meetings of the Board of Directors and of the Committees of the Board of Directors, as the case may be.

If deemed appropriate, the amount of the fixed remunerations paid to the Chairman and to the Deputy Chairman of the Board of Directors shall be approved by the Board of Directors at the proposal of the Appointments and Remuneration Committee within the maximum combined limit set forth in the Remuneration Policy amounting to €732,000.

Given that this maximum combined limit is equal to the amount paid as fixed remuneration to the former Chairman of the Board of Directors, the fixed remunerations paid to the Chairman and the Deputy Chairman shall under no circumstances mean an actual increase in the total remuneration to Directors, both acting as such and based on the executive functions attributed to them.

The per diems paid to the Chairman and to the Deputy Chairman for attending the meetings of the Board of Directors or the Committees thereof shall be equal to those paid to Directors acting as such (i.e. €1,000), except the Chairman of the Board of Directors and of the Committees, as the case may be, who shall accrue double the amount.

This change to the remuneration system concerning the Chairman and the Deputy Chairman of the Board of Directors justifies the proposed amendments to paragraph 4.1, “Amount of the maximum annual remuneration amount for Directors acting as such”.

The amendments proposed in section III.2 above and in this section III.3 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, justify that paragraph 3.2 of the Remuneration Policy in force, “Characteristics of the remuneration policy of Directors acting as such”, be reworded.

The purpose of this change is to adapt the reference given by way of example to the additional remuneration paid to some offices to compensate for the special dedication required, in order to adapt it to the current structure of the Board of Directors, and to include any possible remunerations the Chairman and the Deputy Chairman of the Board and the Lead Independent Director, if any, may receive.

III.4 Removing the paragraph concerning the main terms of the contract with 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 with Mr. Zoido Martínez 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.5 Determining the main conditions of the service contract of the Deputy Chairman with the Company.

Given the relevance of the responsibilities, when appropriate, assumed by the Deputy Chairman of the Board of Directors, it is advisable that the Deputy Chairman, when appropriate, subscribe a service contract with the Company for the ordinary discharge of the functions attributed to the office.

Hence, the main terms and conditions 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 Deputy Chairman of the Board of Directors”.

III.6 Adding the revised fixed remuneration amount to be received by the Chief Executive Officer.

BME has assumed a commitment with shareholders to provide them with all the information concerning Directors’ remuneration in a clear and transparent manner. Such commitment is reflected in the inclusion of the amounts paid to Directors broken down by remuneration component in the Remuneration Policy. However, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, may agree to increase or decrease such amounts during the validity of the Policy.

Accordingly, at the proposal of the Appointments and Remuneration Committee, at the meeting held on 27 February 2020, the Board of Directors approved to increase the fixed remuneration paid to the Chief Executive Officer to €625,000 for 2020 and subsequent years. This resolution of the Board of Directors was included in the Report on Directors’ Remuneration of 2019 approved at the ordinary General Shareholders’ Meeting of 29 April 2020.

For the sake of the highest transparency standards, the revised amount of the CEO’s remuneration shall be added to the Remuneration Policy in force under paragraph 6.1 “Fixed remuneration” under section 6 “Components of the remuneration system applicable to the CEO”.

III.7 Amending the section regarding remuneration received by Directors for their functions and offices in Group companies.

This section of the Remuneration Policy allows for the members of the Board of Directors to receive remunerations from other companies within the Group for their roles as Chairman, Director or any other function they may perform. This possibility shall remain the same.

The proposed amendment aims at adapting this paragraph to the proposed composition of the Board of Directors and, consequently, remove the specific reference to the four (4) Company Directors who held an office in other Group companies and the specific remuneration received by them, as they will no longer be part of the Company’s Board of Directors after the extraordinary General Shareholders’ Meeting.

IV. General criteria supporting the proposed amendments to the Directors' Remuneration Policy.

The proposed amendments to the Directors' Remuneration Policy in force submitted to the extraordinary General Shareholders' Meeting are required in order to adapt its main principles and criteria to the Company's new share capital structure.

The greater responsibility and dedication required, when appropriate, from the Deputy Chairman of the Board of Directors involved in taking on institutional non-executive functions justifies the possibility to add a fixed remuneration in line with the general principles and fundamental bases underpinning the remuneration of Directors acting as such: Directors' remuneration shall be according to the office held, the responsibility assumed and the actual dedication to the position.

Following the criteria of prudence and restraint guiding BME's remuneration policy, the possible remuneration to the Deputy Chairman of the Board of Directors shall not mean an actual increase in the total remuneration to Directors acting as such, as a maximum amount per year has been established for the joint fixed remuneration to be received by the Chairman and the Deputy Chairman of the Board of Directors. Prior to this change, this amount was received by the Chairman of the Board of Directors alone.

V. Conclusion.

In view of the foregoing, the Appointments and Remuneration Committee has concluded that the amendments introduced to the Directors' Remuneration Policy in the terms described in section III of this Report are compliant with current legislation, are aligned with the general criteria and substance of the Directors' Remuneration Policy and the best remuneration practices. This Report shall be submitted to the extraordinary General Shareholders' Meeting at the proposal of the Appointments and Remuneration Committee.



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.

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.