

BME CLEARING S.A.

BOARD OF DIRECTORS REGULATIONS

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CHAPTER I
GENERAL PROVISIONS

Article 1.- Purpose

1. The purpose of the Board of Directors Regulations is to set forth the principles of conduct of BME CLEARING, S.A.'s Board of Directors (hereinafter, the Company) and its delegate bodies, committees and commissions, also setting the basic rules of their organisation and operation, and the rules of conduct governing the members of the Board and its committees and commissions 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. These Regulations supplement and complement the regulations governing the Board of Directors and its delegate bodies, committees and commissions laid down in the applicable legislation, the Company's Articles of Association and, as of rules of conduct, the Internal Regulations of Conduct of BME and group companies.

Article 2.- Scope of application and dissemination

1. The Regulations shall apply to the Board of Directors, to its delegate bodies, commissions and committees, and to all the members, whether Directors or not, who sit on them and contribute to the forming of opinions, and where applicable, to alternates of the members of the Risk Committee and the Company's senior executives.
2. The persons to whom these Regulations apply have a duty to be acquainted with them, to comply with them and to enforce them.

Article 3.- Interpretation

The Board of Directors is authorised to resolve any doubts which might arise in the application or interpretation of these Regulations, reconciling them with all applicable laws and the Articles of Association.

Article 4.- Amendments

The Board of Directors may make amendments to these Regulations on the initiative of its Chairman or half of the Board Members when, in their opinion, circumstances dictate that it is appropriate or necessary to do so in the Company's interests.

The proposed amendment must be submitted along with a report giving the grounds for the amendment and the scope thereof.

CHAPTER II
COMPOSITION AND FUNCTIONS OF THE BOARD OF DIRECTORS

Article 5.- Composition of the Board of Directors

1. The number of Directors comprising the Board of Directors shall be established at the General Shareholders' Meeting, and shall be within the maximum and minimum set by the Articles of Association in the number it considers appropriate for the Board's efficient operation.
2. The Board of Directors shall endeavour to ensure that the number of Board Members is

distributed among the different categories which is deemed to be most appropriate to fulfilling the Company's corporate purpose at any given time. In any event, a third of Board Members, but no less than two, shall be categorised as Independent Directors.

The definitions of the categories of Board Members shall be those laid down in prevailing applicable legislation.

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 authorised to direct, administer and represent the Company in the performance of the activities that comprise its corporate purpose.
2. The Board of Directors, without prejudice to powers non delegable in accordance with the law, shall entrust the running of the Company's ordinary business to the Board's delegate bodies, executives and senior management team, and shall focus its activities on the general function of promoting, directing and supervising matters that are of particular importance to the Company.

In particular, the Board of Directors shall perform the following responsibilities:

- a) the establishment of clear objectives and strategies for the Company;
 - b) the effective monitoring of Company's senior management;
 - c) the establishment of appropriate remuneration policies;
 - d) the establishment and oversight of the risk management function. To this end, the Board shall define, determine and document an appropriate level of risk tolerance and risk bearing capacity;
 - e) The oversight of the compliance function and internal control function;
 - f) The oversight of outsourcing arrangements entered into by the Company;
 - g) the oversight of compliance with all the regulations applicable to the Company;
 - h) to the provision of accountability to the shareholders and employees, clearing members and their customers, and other stakeholders; and,
 - i) evaluate and approve the recover plan.
3. Within the limits laid down in prevailing legislation, the Board of Directors may delegate the tasks it considers appropriate to its delegate bodies, commissions and committees. In any event, the Board of Directors shall retain the approval of decisions that could have a significant impact on the risk profile of the Company.

Article 7.- Principles of conduct

The Board of Directors must perform its functions in accordance with 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.

The actions of the Board of Directors and of its delegate bodies, commissions and 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 central clearing house managed by the Company.

CHAPTER III

BOARD OFFICERS AND COMMITTEES

Article 8.- The Chairperson of the Board of Directors

1. The Board shall appoint a Chairperson from among its members who shall be the Company's most senior institutional representative, have the power to represent it on an individual basis and be the guiding force behind the governance of the Company.
2. In addition to the functions vested in the Chairperson by law and under the Articles of Association, the Chairperson shall be responsible for submitting to the Board of Directors any proposals he/she 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 Chairperson if appropriate, Chief Executive Officer, Managing Director and Secretary, and where applicable, Deputy Secretary/(ies) of the Board.
3. In the event of the Chairperson's absence, incapacity, inability to attend or if the office is vacant, his/her place shall be taken by the appropriate Deputy Chairperson.

Article 9.- The Deputy Chairpersons of the Board of Directors

1. The Board of Directors may choose from among its members one or more Deputy Chairpersons to stand in for the Chairperson in the event of absence, incapacity, inability to attend or if the office is vacant.
2. If more than one Deputy Chairperson is appointed, the priority in the exercise of the office shall come determined by the length of time the Deputy Chairperson has served on the Board as from the time of their first appointment, in the event of re-election; if two Deputy Chairpersons have been in office the same length of time, then the eldest shall stand in.

Article 10.- The Secretary and Deputy Secretaries to the Board of Directors

1. Having regard to appropriate standards of professional competence and independence, the Board of Directors shall appoint 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, incapacity, inability to attend, 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. The Secretary and Deputy Secretary of the Board shall also act as Secretary and Deputy Secretary to the Executive Committee, if applicable, and the other Board committees.
3. In addition to the functions assigned by law or under the Articles of Association, the Secretary of the Board of Directors, or, in his/her place, the Deputy Secretary/(ies), shall also be responsible for:
 - a) Preserving and safeguarding corporate documents, recording the proceedings of meetings in the minutes books and certifying the resolutions and decisions adopted by the Company bodies for which he/she is the Secretary;
 - b) Ensuring that the actions taken by the Board of Directors and its commissions and committees are in compliance with the law, the Articles of Association and the rules of corporate

governance that are applicable to them;

- c) Serving as a general conduit for the Company's relations with the Board Members and members of its commissions and committees in all aspects relating to the operation of the Company's bodies on which he/she sits in accordance with the Chairperson's instructions;
- d) Giving effect to and facilitating the right to information of the Board Members and members of the commissions and committees in the terms envisaged herein;
- e) When requested, making available to the Comisión Nacional del Mercado de Valores (spanish competent authority) the minutes of Board Meetings;
- f) Acting as Secretary to the Board of Directors' commissions and committees; and
- g) Acting as Secretary at the Company's General Shareholders' Meetings.

Article 11.- The Chief Executive Officer.

1. The Board of Directors may confer any powers that can be delegated on one or several Directors pursuant to prevailing legislation, the Articles of Association and these Regulations. In this instance, the individual appointed shall be responsible for effectively managing the Company's affairs, in accordance with the decisions and criteria adopted within their remits by the General Shareholders' Meeting and the Board of Directors.
2. Two-thirds of the Board Members must vote in favour of permanently delegating a function of the Board of Directors and appointing the Director or Directors who is/are to occupy the post of Chief Executive Officer.

CHAPTER IV

OPERATION OF THE BOARD OF DIRECTORS

Article 12.- Calling Board Meetings

1. The Board of Directors shall meet as frequently as necessary to effectively perform its functions. The schedule for ordinary meetings shall be established by the Board of Directors itself at the commencement of each financial year, and may be modified by agreement of the Board itself or by decision of the Chairperson, in which case the Chairperson must give Board Members due notice of the change.
2. In any event, the Board of Directors shall meet when the Chairperson, or in the event of his/her absence, incapacity, inability or vacant, the Deputy Chairperson, requests a meeting be called.

Directors representing at least one third of all Board members may call a meeting, giving details of the agenda, if the Chairperson has failed to call the meeting, without just cause, within one month from the date he/she was requested to do so.
3. The notice of the meeting shall be sent by letter, fax, telegram, e-mail or any other written or electronic media to the address notified by the Board Members that appears in the Company's records, at least forty-eight hours before the date set for the meeting.

Notice need not be sent if all the Board Members were convened at the previous Board Meeting.

Exceptionally, or where requested by the Secretary or Deputy Secretary, the Chairperson may call a meeting of the Board of Directors by telephone, without giving the necessary advance notice in conformity with the requirements set forth above, when he/she considers there are circumstances

that justify doing so.

Article 13.- Venue for Board Meetings

1. Board meetings shall be held at the Company's registered office, unless the notice of the meeting specifies a different venue.
2. The meeting may be held simultaneously in more than one place, provided that audiovisual or telephonic means are used to ensure interaction and intercommunication between them in real time, thereby guaranteeing the integrity of the proceedings. In this case, the notice of the meeting must give details of the system of connection and the venues where the necessary technical resources are available in order to attend and participate in the meeting. Resolutions shall be deemed to have been adopted at the registered office.

Article 14.- Constitution, representation and adoption of resolutions

1. There shall be a quorum for Board Meetings when majority of its Board Members are present or represented thereat. If an odd number of Board Members is present or represented, there shall be a quorum if the number of Board Members is equal to the whole number immediately above half.
2. Board Member shall make every effort to attend Board Meetings and when they are unable to do so in person they shall endeavour to delegate their representation to another Board Member, giving him/her the appropriate instructions as to how he/she should represent them. Representatives must be appointed in writing specifically for each meeting of the Board, and Board Members may be appointed and act as proxies for more than one other Board Member.
3. The Board shall examine the points on the meeting agenda. Any new matters proposed by Board Members shall be included in the agenda.
4. The Chairperson shall organise and direct the discussions, endeavouring to encourage the participation of all the Board Members in the Board's deliberations. The Chairperson shall be responsible for putting resolutions to vote once he/she considers that the matter has been discussed sufficiently, and each Director who is present or represented shall have one vote.
5. Except when different 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 at the meeting, either present or represented. When there is a tie in voting, the Chairperson shall have the casting vote.

Article 15.- Reports to the Board of Directors

1. In order to perform its tasks the Chairperson may seek the assistance and collaboration of independent experts and request the attendance at its meetings of company executives and employees.
2. In any event, the Chairperson shall invite the representatives of the clients of clearing members forming part of the Risk Committee to attend Board Meetings when discussing matters related to transparency on prices and fees of the services provided by the Company, and the segregation and portability of assets and positions held on its records.
3. Moreover, in an annual basis, the Chairperson shall request the chief risk officer, the chief compliance officer and the responsible of internal audit to attend the Board Meeting to report on the activities performed during the period and the procedures established to conduct the aforesaid.

CHAPTER V

BOARD COMMITTEES

Article 16.- Board Committees

1. Pursuant to law and under the Articles of Association, the Board of Directors may set up such executive delegate bodies and advisory committees to report, advise and prepare proposals, as it considers appropriate for the better performance of its functions, appointing the Directors who are to form part of them.
2. In any event, an Audit Committee, an Appointments and Remuneration Committee and a Risk Committee shall be established, and if deemed appropriate, an Executive Committee and any other internal commissions or committees so required under prevailing legislation.
3. Without prejudice to the independence of the Company's Board committees, each body shall keep informed its equivalent committee in BME through their respective Chairpersons about of the resolutions adopted in matters under its remits.

Article 17.- Executive Committee

1. The Board of Directors may appoint an Executive Committee consisting of at least three (3) and not more than five (5) Directors designated by the Board.

The Board may permanently delegate to such Committee either all or part of its powers, except those which cannot be delegated under the law.

2. The Chairperson and Secretary of the Board of Directors shall act as Chairperson and Secretary of the Executive Committee and the system for their substitution shall be that established for the Board itself; the Chairperson shall hold the casting vote in the event of a tie.
3. The provisions laid down by the Articles of Association and herein regarding the operation of the Board of Directors shall also apply to the Executive Committee, insofar as they are not incompatible with its nature and functions.

Article 18.- Audit Committee

1. The Board of Directors shall set up an Audit Committee whose members, consisting of a minimum of three (3) and a maximum of five (5) Directors, shall be appointed and removed by the Board of Directors.

The majority of the members of this committee must be non-executive Directors, and at least one of them, must be an Independent Director, and shall be appointed based on their knowledge and background in accounting, auditing or in both.

2. The Board shall appoint a Chairperson from among its non-executive members, and the Secretary of this committee. The Secretary need not be a member of this committee and could be the Secretary of the Board of Directors or, where applicable, one of the Deputy Secretaries, in which case they may speak at meetings but not vote.

The Chairperson must be replaced every four (4) years and may be re-elected once a period of one (1) year from his/her departure has elapsed. In the case of Chairperson's absence, incapacity, unable to attend, or the post is vacant, the non-executive member of the committee to stand in shall be the one who has been in office the longest, in the case of re-election, and if they have been in office the same length of time, then it shall be the eldest.

3. The Audit Committee shall meet whenever it is convened by its Chairperson or a meeting is requested by at least two of its members, and at the request of the Board of Directors.

There shall be a valid quorum at a committee meeting when the majority of the committee's members are present or represented, and resolutions shall be adopted when the majority of the members present or represented vote in favour of the proposed resolution. When there is a tie in voting, the Chairperson, or the person standing in for him/her, shall have the casting vote.

4. The Audit Committee shall have the following responsibilities:
 - a) To report, via its Chairperson, to the General Shareholders' Meeting in regard to the matters raised therein by shareholders concerning issues that fall within the committee's remit.
 - b) Supervise the efficacy of the Company's internal control system, internal audit, and the risk management systems, including fiscal ones, and discuss with auditors any significant auditing weaknesses detected in the internal control system;
 - c) Propose that the Board of Directors present to the General Shareholders' Meeting for consideration, its recommendation to select, appoint, re-elect and replace external auditors or audit firms in accordance with the legislation applicable to the Company;
 - d) Maintain the relationship with external auditors in order to receive information in regard to matters which could jeopardise their independence for examination by the committee and any other matters relating to the process of account auditing, as well as other communications provided for in account auditing legislation and in technical auditing regulations. In any event, each year the external auditors or audit firm must provide written confirmation of their independence from the Company, as well as information on any other type of service provided and the corresponding fees received by the external auditors or persons or entities related to them;
 - e) Issue a report each year, prior to the auditor's report, stating an opinion on the independence of the auditors and on the valuation of the provision of any kind of additional service, considered individually and on a whole, other than the legal audit and in relation to the independence regime or regulations governing the audit.
 - f) 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.
5. The Audit Committee must report to the Board of Directors on its activities in the course of each year.
6. In order to perform its tasks the committee may seek the assistance and collaboration of independent experts and request the attendance at its meetings of company executives.

Article 19.- Appointments and Remuneration Committee

1. The Board of Directors shall set up an Appointments and Remuneration Committee as a non-executive body, authorised to report, advice and submit proposals to the Board. The committee shall comprise at least three (3) and at most five (5) members, appointed (and removed) by the Board of Directors.
2. The Board shall appoint a Chairperson from among its members and Secretary of this committee. The Secretary need not be a member of this committee and could be the Secretary of the Board of Directors or, where applicable, one of the Deputy Secretaries, in which case they may speak at

meetings but not vote.

3. The Appointments and Remuneration Committee shall meet whenever it is convened by the Chairperson or a meeting is requested by at least two of its members, and at the request of the Board of Directors.

There shall be a valid quorum at a committee meeting when the majority of the committee's members are present or represented, and resolutions shall be adopted when the majority of the members present or represented vote in favour of the proposed resolution. When there is a tie in voting, the Chairperson shall have the casting vote.

4. The Appointments and Remunerations Committee is responsible for the following functions:

- a) To submit to the Board of Directors the proposals for the appointment of independent Directors to be appointed by co-option or 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.
- b) To report on the proposals for the appointment of other Directors to be appointed by co-option or 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.
- c) To report 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;
- d) To report the appointment and removal of the Chairperson, Deputy Chairperson, Secretary and, as appropriate, Deputy Secretaries of the Board;
- e) Proposals on Directors' remuneration; and
- f) To report on proposals for the appointment and removal of senior executives and the basic terms and conditions of their contracts.
- g) Any other general or specific tasks commissioned by the Board.

5. Based on the pertinent criteria established by the Company's senior management, the Appointments and Remuneration Committee shall design and develop the remuneration policy, oversee its implementation by senior management, and review its practical operation on a regular basis.

Article 20.- Risk Committee

1. The Board of Directors shall establish a Risk Committee comprising ten (10) members appointed by the Board of Directors as per the following criteria:
 - Two (2) Independent Directors;
 - Five (5) representatives of clearing members; and
 - Three (3) representatives of clients of clearing members. For these purposes, the following shall be deemed to be clients of the clearing members:
 - relevant end-clients of clearing members;
 - non-clearing members;

- members, irrespective of whether they are clearing or non-clearing, which process a high volume of trades from both institutional and retail customers through BME Clearing, and
 - associations, foundations, or any other undertakings which feature as part of their objects the defence of the interests of the clients of investment-services undertakings, collective-investment undertakings, pension funds, portfolio managers, etc..
2. Risk Committee members shall be appointed for two (2) years as per the procedures set forth in Article 24 herein.

Any Independent Directors that are members of the Risk Committee shall be appointed by the Board of Directors based on their knowledge of risk-related matters.

Each representative of clearing members and of clients of clearing members may have an alternate to take their place in meetings they are unable to attend, and shall be proposed by the entity they represent in the Risk Committee in accordance with Article 24 of these Regulations.

3. The Board shall appoint from among its members who are Independent Directors a Chairperson of this committee and also a Secretary. The Secretary need not be a member of this committee and could be the Secretary of the Board of Directors or, where applicable, one of the Deputy Secretaries, in a non-voting capacity.
4. The Risk Committee shall meet whenever it is convened by the Chairperson to effectively perform its functions, or a meeting is requested by at least two of its members, and at the request of the Board of Directors.

There shall be a valid quorum at a committee meeting when the majority of the committee's members are present or represented, and resolutions shall be adopted when the majority of the members present or represented vote in favour of the proposed resolution.

5. Alternates of the representatives of clearing members and of clients of clearing members may only attend meetings not attended by the members whose place they take.

In the event of the absence of the corresponding member of the Risk Committee, the alternate shall be considered to be the representative of the entity by which he was appointed, and such representative shall have the rights and obligations of the member in such meeting.

6. The Risk Committee is a consultative committee of the Board of Directors, advising it on any arrangements that may impact the risk management of the Company.

Specifically, the Risk Committee must advise the Board of Directors on the following matters:

- a) A significant change in BME Clearing's risk model;
- b) The default procedures;
- c) The criteria for accepting clearing members;
- d) The clearing of new classes of instruments;
- e) The outsourcing of functions;
- f) The clearing house's cyber resilience risks;
- g) The internal policy framework for defining the types of extreme but plausible market conditions that could expose BME Clearing to greatest risk. To this end, the Risk Committee shall review the set of historical and hypothetical scenarios used to identify the aforesaid market conditions. In order to give advice on this matter, the Risk Committee will periodically

receive reports on the results and analysis of stress tests performed by BME Clearing;

- h) BME Clearing's liquidity plan;
- i) The material revisions or adjustments to the models, methodologies and liquidity risk management framework used to quantify, aggregate and manage its risks;
- j) The material revisions or adjustments to the policies used to test the CCP's margin, default fund and other liquid financial resources methodologies and framework for calculating liquid financial resources;
- k) The systems and valuation models used by BME Clearing for valuating when pricing data is not readily available or reliable;
- l) The review of BME Clearing's margin model. In order to give advice on this matter, the Risk Committee will periodically receive reports on the results and analysis of back tests and sensitivity tests;
- m) The review of reverse stress tests. In order to give advice on this matter, the Risk Committee will periodically receive reports on the results and analysis of reverse stress testing performed by BME Clearing;
- n) The policy for using derivatives contracts with regard to classifying them as highly liquid financial instruments; and,
- ñ) BME Clearing recovery plan.

The advice on the daily operations of the CCP lies beyond the Risk Committee's remit.

7. The Chairperson of the Risk Committee may invite company employees and independent external experts to attend meetings, in a non-voting capacity. The CNMV may also request that one of its representatives attend meetings, in a non-voting capacity.

Representatives of clearing members and of the clients of clearing members may request permission from the Chairperson of the Risk Committee, via the Secretary, to attend a specific meeting of the Risk Committee with an expert on the matters to be addressed in the meeting, in which case the companion may speak but not vote. The Chairperson of the Risk Committee may deny such member request without justifying the decision.

8. The Risk Committee's Chairperson shall notify the Board of Directors of the conclusions reached during its meetings with regard to risk management issues within its remit. The CNMV and the Risk Committee shall be notified if the Board of Directors decides not to follow the advice of the Risk Committee with respect to matters within its remit, and explain this decision.

Article 21. Technical Advisory Committees of the Risk Committee

1. To help it adequately perform its functions, the Risk Committee may establish a Technical Advisory Committee for each segment of BME Clearing at any moment in time.
2. The function of the Technical Advisory Committees that could be established for this purpose shall be to put before the Risk Committee proposals for risk-related measures for each corresponding segment that they deem to be appropriate and lie within their remit of advising the Risk Committee.
3. The number of members of each Technical Advisory Committee shall be fixed by the Risk Committee when it is established, and the Technical Advisory Committees shall be chaired by a member of the Risk Committee or the Technical Advisory Committee appointed by the Risk

Committee.

Members of the Technical Advisory Committees shall be selected from among clearing members and clients of clearing members. The procedure set forth in Article 24 herein shall, by analogy, be followed for appointments including only entities participating in the segment corresponding to each Technical Advisory Committee.

CHAPTER VI

RULES GOVERNING BOARD MEMBERS AND MEMBERS OF THE COMMITTEES AND COMMISSIONS

Section 1.

Rules governing Board Members

Article 22.- Appointment, re-election, resignation and removal of Board Members

1. Board Members shall be appointed by the General Shareholders Meeting, or where applicable, the Board of Directors, pursuant to the provisions laid down in the Corporate Enterprises Act, Articles of Association or herein.

Individuals appointed or re-elected as Board Members must be persons of high standing, integrity and good repute, who also have the adequate expertise in financial services, risk management and clearing services.

2. Directors shall vacate office when so decided at 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 Independent Directors before the expiry of their tenure as mandated in the Articles of Association, except where just cause is found by the Board, based on a proposal from the Appointments and Remuneration Committee. Valid grounds shall be deemed to exist when the Director has failed to perform the functions inherent to his/her office or he/she is affected by any of the circumstances that are incompatible with his/her status as an Independent Director.

Board Members shall tender their resignation in cases of incompatibility or prohibition envisaged herein and, in general, when their continuation in office could jeopardise the Company's interests.

Board Members who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board.

3. Regardless of their qualification, the Directors shall resign or, where applicable, the Board of Directors shall propose their removal, when so requested by the CNMV due to a significant deterioration of the Company's financial situation or when the Company fails to comply with its legal obligations, including its operating rules.

Article 23.- Board Members' remuneration

Board Members shall receive remuneration in the form of fixed amount. The amount of the fixed remuneration shall be determined by the Board of Directors, prior report from the Appointments and Remuneration Committee, and shall remain in effect until such resolution on the same has been amended.

It shall also be the responsibility of the Board of Directors the approval, prior report from the

Appointments and Remuneration Committee, any remuneration payable to Board Members with executive functions in the Company, based on the aforementioned executive functions and, as appropriate, service provision, senior management or similar contracts that may be entered into by the Company and such Board Members, and may consist of fixed remuneration, annual variable remuneration, termination benefits, welfare and insurance systems, incentive systems, pensions or compensation of any kind.

Section 2

Rules governing committee members that are not Board Members

Article 24.- Appointment, resignation and removal of members of the Risk Committee that are not Board Members

1. Clearing members and clients of clearing members that may propose candidates under the terms set forth in Section 2 of this Article for each of the terms of office in the Risk Committee shall be as follows:

a) Clearing members: The following procedures will be applied to determine the five (5) clearing members:

a.1) Those occupying the top four positions in the ranking drawn up by BME Clearing in descending order by the number of credits assigned as per the following criteria:

a.1.1) One credit for each of the segments in which the clearing member holds a participation of:

- at least 5% of the total Initial Margin required in the segment, in the case of segments with more than 300 million euros of total Initial Margin required.
- at least 15% of the total Initial Margin required in the segment, in the rest of the segments.

a.1.2) A number of credits ranging from 10 to 1 according to the position (from first to tenth, respectively) of each clearing member in the ranking by the total amount of the Initial Margin required by each member. For these purposes, It will be taken into account the sum of the Initial Margin required for each clearing member in all the segments in which it operates.

Should this process not result in the selection of a clearing member whose own account trading is significant, then only clearing members in the first three places of the aforementioned classification can be proposed as candidates for the Risk Committee. In this case, the fourth candidate shall be proposed by the clearing member whose own account trading is significant, occupying the highest position in the aforementioned ranking as per the criteria described above, unless the said clearing member with own account trading holds a total share of the Initial Margin on own account of less than 3% of the total Initial Margin on own account, and each of the clearing members occupying the first four positions in the ranking holds more than 10% of the Initial Margin.

a.2) The clearing member who occupies the first position in the classification prepared by BME Clearing, by descending order, of the first five clearing members for contribution to the default fund, and who is not one of the clearing members who can propose candidates to the

Risk Committee for the procedure established in the previous section a.1).

In the event that no clearing member could be appointed by the previous procedure, the Board of Directors, at the proposal of the Chief Executive Officer or, where appropriate, the Managing Director, will designate the clearing members based on their contribution to the default fund, to the history and volume of activity in BME Clearing, or the activity segments in which they operate.

- b) Clients of clearing members: The representatives of the clients of clearing members shall be selected by the Board of Directors, following a proposal by the Managing Director (or where appropriate by the Chief Executive Officer), from amongst the following undertakings:
- a relevant end-client, who will be designated in consideration of its record and volume of activity in BME Clearing, as well as its continuity in his condition as end-client;
 - the non-clearing member ranked first in the table drawn up by BME Clearing in accordance with the criteria established for ranking clearing members defined in point 1.a.1) above; and
 - the market member (irrespective of whether it is a clearing member or non-clearing member) that processes the highest volume of trades from both institutional and retail customers through BME Clearing.
 - one of the associations, foundations, or undertakings referred to Article 20.1 of these Regulations.

Where clearing members and non-clearing members form part of the same group pursuant to the Securities Market Act (or, for non-resident entities, pursuant to the legislation applicable in their country of origin), the Board of Directors, following a proposal by the Managing Director (or where appropriate by the Chief Executive Officer), may resolve that they should be:

1. considered to be one single entity, and they shall be deemed to be clearing members for the purpose of the ranking described in point 1.a) taking into account the aggregated data of the clearing member and the non-clearing member, or
 2. considered separately within their respective categories, but without under any circumstances being allowed to have more than one seat on the Risk Committee. In this case, where as a result of the application of the definition criteria set forth in sub-sections a) and b) above these undertakings are entitled to propose a candidate in each category, they must choose just one category with an implicit waiver of their entitlement in the other category.
2. The vacancy left by the waiver described above shall be filled by the undertaking that is next in the ranking for the corresponding category. clearing members and clients of clearing members that are selected as members of the Risk Committee pursuant to the ranking criteria described in Section 1 above shall propose the candidate who will join the Committee from among the individuals who directly provide professional services in their entity and/or among individuals with proven knowledge and experience of financial markets.

In addition to the candidate, clearing members and clients of clearing members selected may propose the appointment of an alternate to take the place of the candidate in meetings of the Risk

Committee the member is unable to attend. The alternate must meet the same conditions required of the candidate above.

3. The Board of Directors shall not propose the removal of representatives of clearing members and their clients, nor their alternates, before the expiry of their tenure, except where just cause is found by the Board, based on a proposal from the Appointments and Remuneration Committee. Valid grounds shall be deemed to exist when the representative has failed to perform the functions inherent to his/her office.

Representatives of clearing members and their clients, as well as their alternates, shall stand down from their office when their continuation on the Committee could jeopardise the Company's interests.

The representatives of the clearing members, the representatives of their clients and the alternates shall also be required to resign from their position where they should cease to provide professional services, in accordance with the provisions of sub-section 2 above, for the clearing member or the client of the clearing member that has proposed their candidacy for the Committee, unless the undertaking making the proposal has expressly authorized them to remain in office until their mandate expires. Said authorization must be notified to the Chairman of the Risk Committee by the clearing member or the client of the clearing member.

Section 3

Rules governing Board Members and committee members that are not Board Members

Article 25.- Duty of diligence

1. Board Members and committee members that are not Board Members have a duty to contribute to the function of promoting, directing and supervising that is within the remit of the Board or committee to which they belong in relation to the management and the ordinary business of the Company. They must perform their functions and comply with the duties imposed by law, the articles of association and these Regulations of the Board of Directors with the standard of care of an orderly businessman.

2. Board Members and committee members that are not Board Members shall be obliged to:

- a) Request from the Company the adequate and necessary information to assist them in the performance of their duties.
- b) 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 attending meetings, they shall give instructions to the person who is to represent them, as appropriate, or, in the case of the Risk Committee, to their corresponding alternate.

- c) Call for 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; and
- d) Carry out 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 26.- Rights to information and advice

When required for the performance of their functions, Board Members and committee members that are not Board Members shall have the broadest powers to obtain information on any aspect of Company, 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 Chairperson of the Board of Directors or the body of which they are a member, and shall be dealt with by the Secretary of the Board or of the commissions or committees who shall directly provide the information required or put the requesting party in contact with the appropriate person within the Company, while ensuring that the necessary measures are taken to guarantee that the individuals' right to information is met to their full satisfaction.

Article 27.- Duty of loyalty

When performing their duties, Board Members and commission and committee members and, to the extent it is applicable to them, the alternates of the representatives of clearing members and of the clients of clearing members in the Risk Committee, shall act in accordance with the rules of a loyal representative, in good faith and in the best interest of the Company.

Without prejudice to any provisions laid down in current law in relation to the duties of Directors, these and other members of the Committee that are not Board members, including alternates of members of the Risk Committee, must:

1. Keep secret any information, data, reports, background to which they should have access in the performance of their duties, even after they have left office, except as allowed or required by law.
2. Perform duties pursuant to the principle of personal responsibility with freedom of criteria or independent judgement with respect to instructions and relationships with third parties.

Article 28.- Conflicts of interest

1. Board Members and committee members, included, where appropriate, alternates of the Risk Committee, shall act with due impartiality and in no case place their own interests before those of the Company.
2. Board Members and committee members, including alternates of the Risk Committee, shall endeavour to avoid conflicts of interest with clearing members and their clients.
3. Without prejudice to the any provisions that should be laid down by the law in relation to the duties of Directors, the duty to avoid situations of conflict of interest shall obligate Directors and Committee members that are not Directors to refrain from the following:
 - a) Using the Company's name or relying on their directorship or membership of a committee to exert undue influence over the arrangement of private transactions.
 - b) Making use of Company assets, including the Company's confidential information, for private purposes.
 - c) Gaining an advantage from the Company's business opportunities.
 - d) Obtaining rewards or remuneration from third parties other than the Company when these are associated with performance of their duties, with the exception of complimentary or courtesy gifts and rewards.
4. On appointment as Board Members or commission, committee members, or alternates on the Risk Committee, they shall notify the Secretary of the Board of Directors of any conflicts of interest

that could affect them or their related parties as per prevailing legislation. In particular, they shall disclose any direct or indirect stake they or their related parties, may hold in the share capital of companies with the same, similar, or complementary type of activity as that of BME Clearing, as well as any posts or duties held by them or such related parties in these companies.

They shall keep the information they supply up to date, giving notice of the end of or any change in the situation of conflict and the emergence of new situations of this type within five days of becoming aware of the conflict of interest and, in any event, before taking any decision or action with regard to the situation.

5. If affected by a conflict of interest, Board Members or commission or committee members shall refrain from intervening in or influencing the discussion and taking of decisions concerning the persons or entities to which the direct conflicting interest refers, and shall notify whoever is responsible for decision-making accordingly.
6. If they have any doubts about the existence of a possible conflict of interest, the Board Members or commission or committee members shall consult the Secretary of the Board of Directors on the matter before taking any decision or action that could be affected by the possible conflict.
7. The Chairperson of the Risk Committee may conclude that one of its members is affected by an actual or potential conflict of interests relating to a specific matter. He/she shall raise this concern and if the individual affected by this conflict does not abstain from intervening in discussions and decision-making, he/she may prohibit the individual from casting a vote on the matter at hand.