

**ORDINARY GENERAL SHAREHOLDERS' MEETING**  
**OF BANCO SANTANDER, S.A. – MARCH 2021**

- Item One**                      **Annual accounts and corporate management.**
- One A.**                              **Examination and, if appropriate, approval of the annual accounts (balance sheet, profit and loss statement, statement of recognised income and expense, statement of changes in total equity, cash flow statement, and notes) and the directors' reports of Banco Santander, S.A. and its consolidated Group, all with respect to the financial year ended 31 December 2020.**
- One B.**                              **Examination and, if appropriate, approval of the consolidated statement of non-financial information for the financial year ended 31 December 2020, which is part of the consolidated directors' report.**
- One C.**                              **Examination and, if appropriate, approval of the corporate management for financial year 2020.**

**Proposals<sup>1</sup>:**

- One A.-**                      To approve the annual accounts (balance sheet, profit and loss statement, statement of recognised income and expense, statement of changes in total equity, cash flow statement, and notes) and the directors' reports of Banco Santander, S.A. and of its consolidated Group, all for the year ended 31 December 2020, all drawn up in eXtensible HyperText Markup Language (XHTML) electronic format, with the consolidated financial statements tagged using the eXtensible Business Reporting Language (XBRL) standard, in accordance with the provisions of Directive 2004/109/EC and Delegated Regulation (EU) 2019/815.
- One B.-**                      To approve the consolidated statement of non-financial information for the financial year ended 31 December 2020, which is part of the consolidated

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<sup>1</sup> Each of the proposals made under items One A to One C will be submitted to a separate vote.

directors' report for said financial year ("Responsible Banking" chapter of the 2020 annual report).

**One C.-** To approve the corporate management for financial year 2020.

## Item Two

## **Application of results obtained during financial year 2020.**

RATIONALE SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING THE PROPOSAL REFERRED TO IN ITEM TWO OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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On 3 February 2021, the Bank made public its 2020 results and the board's intention to pay a cash dividend of €2.75 cents per share as shareholder remuneration for 2020, the maximum allowed in accordance with the limits set by the European Central Bank recommendation of 15 December 2020. This dividend will be paid under the resolution for the distribution of share premium approved at the Bank's general shareholders meeting on 27 October 2020.

Besides, in relation to the proposal of application of results detailed below, the charge to share premium is proposed to rebalance the types of reserves, of which there is a high proportion of share premium.

### Proposal:

To approve the application of results obtained by the Bank in financial year 2020, consisting of losses of 3,557,057,908 euros, to be charged against:

- (i) the share premium reserve account to the extent by which said charge against the share premium reserve account is approved by the European Central Bank under articles 77 and 78 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013; and
- (ii) the voluntary reserve account, in the amount by which said losses are not applied in accordance with paragraph (i) above.

- Item Three**            **Board of directors: appointment, re-election or ratification of directors.**
- Three A.**                **Setting of the number of directors.**
- Three B.**                **Ratification of the appointment of Ms Gina Lorenza Díez Barroso.**
- Three C.**                **Re-election of Ms Homaira Akbari.**
- Three D.**                **Re-election of Mr Álvaro Antonio Cardoso de Souza.**
- Three E.**                **Re-election of Mr Javier Botín-Sanz de Sautuola y O’Shea.**
- Three F.**                **Re-election of Mr Ramiro Mato García-Ansorena.**
- Three G.**                **Re-election of Mr Bruce Carnegie-Brown.**

REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING THE PROPOSALS REFERRED TO IN ITEM THREE OF THE AGENDA FOR THE GENERAL SHAREHOLDERS’ MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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This report has been prepared in compliance with the provisions of section 529 *decies* of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*) and is intended to provide a rationale for the proposed ratification or re-election of directors of Banco Santander, S.A. (the “**Bank**” or the “**Company**”) that are submitted for the approval of the shareholders acting at the general shareholders’ meeting under item Three of its agenda, evaluating for such purposes the expertise, experience and merits of the persons whose ratification or re-election is proposed at the meeting.

Item Three A) also includes a proposal to set the number of the Bank’s directors at 15, which is within the threshold established by Recommendation 13 of the current Good Governance Code of Listed Companies.

For purposes of items Three B) to Three G), there is included below a separate evaluation by the board of the expertise, experience and merits of all of the persons whose ratification or re-election is submitted to the shareholders at the general meeting, namely Ms Gina Lorenza Díez Barroso, Ms Homaira Akbari, Mr Álvaro Antonio Cardoso de Souza, Mr Javier Botín-Sanz de Sautuola y O’Shea, Mr Ramiro Mato García-Ansorena and Mr Bruce Carnegie-Brown. All of the foregoing is carried out in view of the reasoned proposal made by the appointments committee on 19 February 2021, in accordance with the aforementioned section 529 *decies* of the Spanish Capital Corporations Law and articles 18.4 and 26 of the rules and regulations of the board, and with which the board concurs in all respects. The aforementioned proposal of the appointments committee is attached as an Exhibit to this directors’ report.

Similarly, for the purposes of section 518.e) of the Spanish Capital Corporations Law, this report contains full information on the identity, curriculum vitae and category of each of the directors.

Detailed information is provided below regarding each of the persons included in the proposed appointment, ratification or re-election in each case submitted to the shareholders at the general meeting.

**(i) Ms Gina Lorenza Díez Barroso (item Three B)**

**(a) Profile description:**

- Born in 1955 in Mexico City (Mexico). Degree in Design from Centro de Diseño of Mexico City.
- She has broad experience of more than 20 years in the real estate, education and financial sectors.
- Other positions of note: until April 2020, she was an independent director of Banco Santander México, S.A. and other companies of the Santander Group in Mexico. She has also been a member of the Board of Directors of the Americas Society and Council of the Americas, Laurel Strategies and the Qualitas of Life Foundation. She is the founder and president of Grupo Diarq, S.A. de C.V. and of Centro de Diseño y Comunicación, S.C. (Universidad Centro). In addition, she is a member of the board of Dalia Women, S.A.P.I. de C.V. (Dalia Empower), a member of “The Committee of 200” (C200), an influential community of the most successful women of the business world, and the representative of Mexico at the W20, the women’s initiative of the G20. She is also the founder and a trustee of the Pro-Educación Centro and Diarq foundations.

**(b) Evaluation:**

The board concurs with the assessment made by the appointments committee and believes that the curriculum vitae and professional background of Ms Gina Díez Barroso, with an extensive career of more than 20 years in the real estate and education sectors, together with the banking experience acquired as an external director of Banco Santander México and other subsidiaries of the Group in that country, and extensive knowledge of responsible business and sustainability as a founder and trustee of foundations focused on education and social support, demonstrate that she has the appropriate expertise, experience and merits to hold the position of director.

(c) Category of director:

The board, which concurs with the considerations of the appointments committee, considers Ms Gina Díez Barroso to be an independent director, as she fulfils the requirements established in sub-section 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and in article 6.2 (c) of the rules and regulations of the board.

(ii) **Ms Homaira Akbari (item Three C)**

(a) Profile description:

- Born in 1961 in Tehran (Iran), she holds US and French nationality. Ph.D. in Particle Physics from Tufts University and MBA from Carnegie Mellon University. She was first appointed as a director of the Company on an interim basis at the board meeting of 27 September 2016, her appointment becoming effective on the same day.
- She is the chief executive officer of AKnowledge Partners, LLC.
- Other positions of note: she is currently an independent director of Landstar System, Inc. and Temenos AG. She was non-executive director of Gemalto N.V. and Veolia Environment S.A., chairman and CEO of Sky Bitz, Inc., managing director of True Position, Inc., non-executive director of Covisint Corporation and US Pack Logistics LLC. She has also held various posts at Microsoft Corporation and at Thales Group, and was non-executive chair of WorkFusion, Inc. She is also a non-executive director of Santander Consumer USA Holdings, Inc. and of PagoNxt, S.L.

(b) Evaluation:

The board concurs with the evaluation of the appointments committee and considers that the curriculum vitae and professional career of Ms Homaira Akbari, including her performance both within the Company since her appointment as a director and in positions outside the Company, demonstrate that she has the expertise, experience and merits necessary to hold the position of director.

(c) Category of director:

The board, which concurs with the considerations of the appointments committee, considers Ms Homaira Akbari to be an independent director, as she fulfils the requirements established in sub-section 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and in article 6.2 (c) of the rules and regulations of the board.

(iii) **Mr Álvaro Antonio Cardoso de Souza (item Three D)**

(a) Profile description:

- Born in 1948 in Guarda (Portugal). Degree in Economics and Business Administration from Pontificia Universidad Católica de São Paulo, Master of Business Administration (MBA - Management Program for Executives) from the University of Pittsburgh and a graduate of the Investment Banking Marketing Program from Wharton Business School. He was first appointed as a director of the Company at the ordinary general shareholders' meeting of 23 March 2018, and his appointment became effective on 1 April 2018.
- He is the non-executive chairman of Banco Santander (Brasil) S.A.
- Other positions of note: he has held various positions at the Citibank Group, including CEO of Citibank Brazil and various senior positions in the US with respect to the consumer finance, private banking and Latin American businesses. He has also been a member of the board of AMBEV. S.A., Gol Linhas Aéreas, S.A. and Duratex, S.A. In addition, he has been chairman of the WorldWildlife Group (WWF) Brazil, a member of the board of WWF International and chairman and a member of the audit and asset management committees of FUNBIO (Fundo Brasileiro para a Biodiversidade). He is also actively involved in various environmental foundations and non-governmental organisations.

(b) Evaluation:

The board concurs with the evaluation of the appointments committee and considers that the curriculum vitae and professional career of Mr Álvaro Antonio Cardoso de Souza, including his performance both within the Company since his appointment as a director and in positions outside the Company, demonstrate that he has the expertise, experience and merits necessary to hold the position of director.

(c) Category of director:

The board, which concurs with the considerations of the appointments committee, considers Mr Álvaro Antonio Cardoso de Souza to be an independent director, as he fulfils the requirements established in sub-section 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and in article 6.2(c) of the rules and regulations of the board.

**(iv) Mr Javier Botín-Sanz de Sautuola y O'Shea (item Three E)**

**(a) Profile description:**

- Born in 1973 in Santander (Spain). Degree in Law from the Complutense University of Madrid. He was first appointed as a director of the Company by the board of directors at its meeting of 25 July 2004.
- He is the founder and executive chairman of JB Capital Markets, S.V., S.A.U.
- Other positions of note: Co-founder and executive director of the equities division of M&B Capital Advisers, S.V., S.A. (2000-2008) and legal advisor to the International Legal Department of Banco Santander, S.A. (1998-1999). In addition to his professional activity in the financial sector, he works with several non-profit organisations. He has been chairman of the Botín Foundation since 2014 and is also a trustee of the Princesa de Girona Foundation.

**(b) Evaluation:**

The board concurs with the evaluation of the appointments committee and considers that the curriculum vitae and professional career of Mr Javier Botín-Sanz de Sautuola y O'Shea , including his performance both within the Company since his appointment as a director and in positions outside the Company, demonstrate that he has the expertise, experience and merits necessary to hold the position of director.

**(c) Category of director:**

The board, which concurs with the considerations of the appointments committee, considers Mr Javier Botín-Sanz de Sautuola y O'Shea to be an external director, pursuant to the provisions of sub-sections 2 to 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and of article 6.2 of the rules and regulations of the board.

**(v) Mr Ramiro Mato García-Ansorena (item Three F)**

**(a) Profile description:**

- Born in 1952 in Madrid (Spain). Degree in Economics from the Complutense University of Madrid and Management Development Programme from the Harvard Business School. He was first appointed as a director of the Company on an interim basis at the board meeting of 28 November 2017 (ratified at the ordinary general meeting of 23 March 2018).



- Other positions of note: He has held various positions at Banque BNP Paribas, including Chairman of the BNP Paribas Group in Spain. Previously he held various significant positions at Argentaria. He was a member of the board of the Spanish Banking Association (AEB) and of Bolsas y Mercados Españoles, S.A. (BME) and a member of the board of trustees of the Fundación Española de Banca para Estudios Financieros (FEBEF). He is currently chairman of Ansorena, S.A. and vice-chairman of the board of trustees of Fundación Esperanza y Alegría.

(b) Evaluation:

The board concurs with the evaluation of the appointments committee and considers that the curriculum vitae and professional career of Mr Ramiro Mato García-Ansorena, including his performance both within the Company since his appointment as a director and in positions outside the Company, demonstrate that he has the expertise, experience and merits necessary to hold the position of director.

(c) Category of director:

The board, which concurs with the considerations of the appointments committee, considers Mr Ramiro Mato García-Ansorena to be an independent director, as he fulfils the requirements established in sub-section 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and in article 6.2(c) of the rules and regulations of the board.

**(vi) Mr Bruce Carnegie-Brown (item Three G)**

(a) Profile description:

- Born in 1959 in Freetown (Sierra Leone). Master of Arts degree in English Language and Literature from the University of Oxford. He was first appointed as a director of the Company on an interim basis at the board meeting of 25 November 2014, his appointment becoming effective on 12 February 2015. He is vice chairman and lead independent director of the Company.
- Other positions of note: He was non-executive chairman of Moneysupermarket.com Group plc (2014-2019), non-executive director of Jardine Lloyd Thompson Group plc (2016-2017), and non-executive chairman of Aon UK Ltd (2012-2015) He was also founder and managing partner of the listed private equity division of 3i Group plc and president and CEO of Marsh Europe, S.A. Furthermore, he was lead independent director of Close Brothers Group plc (2006-2014) and Catlin Group Ltd (2010-2014). He previously held various positions at JP Morgan Chase and

Bank of America. Currently, he is the non-executive chairman of Lloyd's of London and of Cuvva Limited, and non-executive director of Santander UK plc and of Santander UK Group Holdings plc.

(b) Evaluation:

The board concurs with the evaluation of the appointments committee and considers that the curriculum vitae and professional career of Mr Bruce Carnegie-Brown, including his performance both within the Company since his appointment as a director and in positions outside the Company, demonstrate that he has the expertise, experience and merits necessary to hold the positions of director, vice chairman and lead independent director.

(c) Category of director:

The board, which concurs with the considerations of the appointments committee, considers Mr Bruce Carnegie-Brown to be an independent director, as he fulfils the requirements established in sub-section 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and in article 6.2(c) of the rules and regulations of the board.

**EXHIBIT**  
**REASONED PROPOSAL OF THE APPOINTMENTS COMMITTEE (19**  
**FEBRUARY 2021)**

REASONED PROPOSAL OF THE APPOINTMENTS COMMITTEE OF BANCO SANTANDER, S.A. REGARDING THE RATIFICATION AND RE-ELECTIONS OF DIRECTORS OF BANCO SANTANDER, S.A. WHICH ARE SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS ACTING AT THE NEXT ORDINARY GENERAL MEETING

This reasoned proposal is made in accordance with the provisions of section 529 *decies* of the Spanish Capital Corporations Law and of articles 18.4 and 26 of the rules and regulations of the board, and is intended to propose to the board of directors of Banco Santander, S.A. (the “**Bank**” or the “**Company**”) the ratifications and re-elections of directors to be submitted to the shareholders acting at the next ordinary general shareholders’ meeting.

Pursuant to the aforementioned article 26 of the rules and regulations of the board of the Company, the appointments committee shall prepare a reasoned report on and proposal for appointments, re-elections and ratifications of directors, regardless of the category to which they are assigned. Similarly, in the event of re-election or ratification of a director, the proposal shall contain an evaluation of work performed and effective dedication to the position during the last period of time during which the proposed director held office.

The update and analysis of the competencies and diversity matrix of the board carried out in financial year 2020 showed, among other things, the advisability of continuing to strengthen the international experience and geographical diversity, especially in the geographic areas in which the Group does business, which required to have a board member with knowledge and experience in Mexico, after Mr Carlos Fernández’s resignation. This is covered by the proposed ratification of Ms Gina Lorenza Díez Barroso (Gina Díez Barroso). Likewise, in view of the current board’s competencies and diversity matrix, it is considered appropriate to re-elect the persons referred to in section II of this report, also taking into account the analysis that is included herein regarding the evaluation of their work and effective dedication. The 2020 corporate governance report, which will be published upon the call to the next ordinary general meeting, includes the board’s competencies and diversity matrix and provides detailed information on attendance of the directors at meetings of the board and of the committees thereof during 2020.

By virtue of all of the foregoing, the proposal of this committee includes setting the number of directors at 15, and as to the specific ratifications and re-elections of directors, is based on the following:

## **I. Ratification of the appointment of Ms Gina Díez Barroso**

At the proposal of this committee, the Company's board of directors appointed Ms Gina Díez Barroso as a director of the Company on 22 December 2020, under the powers of interim appointment legally assigned thereto. It is therefore necessary to submit the ratification thereof to the shareholders acting at the next ordinary general meeting, as detailed below.

For purposes of the evaluation of the work and effective dedication of this director, it should be taken into account that the aforementioned appointment became effective on 22 December 2020, as the relevant regulatory approvals were obtained prior to the appointment thereof by the board.

The relevant considerations for the proposed ratification of the appointment of Ms Gina Díez Barroso as an independent director are set forth below.

Born in 1955 in Mexico City (Mexico). Degree in Design from Centro de Diseño of Mexico City.

She is currently the president & CEO of Grupo Diarq, a Mexican construction and design company that develops real estate projects in Mexico and the United States, and which she founded in 1990; and the non-executive chair of Centro de Diseño y Comunicación, S.C. (Universidad Centro), the first university in Mexico City specialising in creative studies, with a strong emphasis on business and entrepreneurship, founded by Ms Gina Díez Barroso in 2004. In addition, she is a member of the board of Dalia Women, S.A.P.I. de C.V. (Dalia Empower), a member of "The Committee of 200" (C200), an influential community of the most successful women of the business world, and the representative of Mexico at the W20, the women's initiative of the G20. She is also the founder and a trustee of the Pro-Educación Centro and Diarq foundations.

Until April 2020 she was an independent director of Banco Santander México, S.A., a position to which she was appointed in April 2014, of Casa de Bolsa Santander, S.A. de C.V. and of other companies of the Santander Group in Mexico. She has also been a member of the board of directors of the Americas Society and Council of the Americas, Laurel Strategy and the Qualitas of Life Foundation.

Ms. Gina Díez Barroso has an extensive career spanning more than 20 years in the real estate and education sectors. In addition to strengthening the gender, geographic and international education diversity of the board, Ms Gina Díez Barroso's professional background brings to the board a deep knowledge of the Mexican market, particularly in the real estate and education sectors, as well as banking experience, acquired as an external director of Banco Santander México and other subsidiaries of the Group in that country, and extensive knowledge of responsible business and sustainability, gained as founder and trustee of foundations focused on education and social support.

Therefore, and particularly for the purposes established in Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Banco Santander's director recruitment, suitability assessment and succession policy, and in the internal procedure for the selection and ongoing evaluation of the suitability of key personnel for the performance of banking activities within the Santander Group, this committee confirms that, at this date, Ms Gina Díez Barroso possesses the necessary knowledge and experience to hold the position of director of the Company and that she is able to carry out good governance thereof, having assessed the content and currency of the reputation and good governance questionnaire completed by the subject and the update of her professional background and technical or horizontal skills. Additionally, according to the information provided, Ms Gina Díez Barroso is within the maximum number of positions established in section 26 of Law 10/2014 of 26 June, and she is considered able to devote sufficient time to performing the duties of her position, and not subject to any conflicts of interest.

With reference to the evaluation of the work and effective dedication of the director from her appointment on an interim basis on 22 December 2020 to the present date, this committee notes the proper performance of the duties of her position and her attendance at and informed participation in all meetings of the board since her appointment on 22 December. Furthermore, Ms Gina Díez Barroso has begun the induction programme designed by the Bank for new directors, which will quickly provide her with sufficient knowledge of the Company and of its Group, including its governance rules. Ms Gina Díez Barroso is expected to complete this programme during 2021. In view of the foregoing, the suitability thereof for holding the position of director is thus verified.

Finally, with respect to the category of director, this committee considers that Ms Gina Díez Barroso fulfils the requirements established in sub-section 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and in article 6.2(c) of the rules and regulations of the board to be considered an independent director.

## **II. Re-elections**

Pursuant to article 55.1 of the Bylaws, the term of office of directors shall be three years, though it is established that one-third of the board shall be renewed every year, following the order established by the length of service of each director on the board, according to the date and order of the respective appointment. Furthermore, when a seat is not subject to re-election and unless otherwise provided, it will be maintained until its expiration upon the terms provided for by law and the Bylaws.

Accordingly, it is proposed that Ms Homaira Akbari, Mr Álvaro Antonio Cardoso de Souza, Mr Javier Botín-Sanz de Sautuola y O'Shea, Mr Ramiro Mato García-Ansorena and Mr Bruce Carnegie-Brown be re-elected.

A detailed report for each of these directors is set forth below:

**(a) Ms Homaira Akbari**

It is proposed to re-elect her as an independent director for the bylaw-mandated period of three years.

Born in 1961 in Tehran (Iran), she holds US and French nationality. She has a Ph.D. in Particle Physics from Tufts University and an MBA from Carnegie Mellon University.

She is currently (i) CEO of AKnowledge Partners, LLC, a company specialised in the Internet of Things, security, Big Data and data analysis; (ii) an independent director of Landstar System, Inc., a logistics company listed on NASDAQ; and (iii) an independent director of Temenos AG, a company specialising in corporate software for banks and financial services. She is also a non-executive director of Santander Consumer USA Holdings, Inc. and of PagoNxt, S.L.

Previously, she was: (i) chairman and CEO of Sky Bitz, Inc., (ii) executive vice-president at True Position Inc.; (iii) non-executive director of Covisint Corporation; (iv) non-executive director of US Pack Logistics LLC; and (v) holder of several positions at Microsoft Corporation and at Thales Group. She was also a non-executive director of Gemalto N.V., a leader in digital security providing services to customers in more than 180 countries, of Veolia Environment S.A., a water management, waste management and energy company with a presence on five continents, and of WorkFusion, Inc., a company dedicated to Intelligent Automation solutions.

Ms Homaira Akbari has significant experience as a business manager and has held executive positions at the highest level in institutions from various sectors and countries. During her professional career, she has held positions of responsibility in France and the United States and is a thought leader in new technologies, principally Big Data and the Internet of Things. She brings to the board broad experience in technology companies and a deep understanding of the challenges of digital transformation, as well as extensive international experience in a wide variety of geographic areas and expertise in water, energy and waste management and treatment, all of which is of particular interest to the Group.

Therefore, and particularly for the purposes established in Law 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions, in Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Banco Santander's director recruitment, suitability assessment and succession policy, and in the internal procedure for the selection and ongoing evaluation of the suitability of key personnel for the performance of banking activities within the Santander Group,

this committee confirms that, at this date, Ms Homaira Akbari possesses the necessary knowledge and experience to hold the position of director of the Company and that she is able to carry out good governance thereof, having assessed the content and currency of the reputation and good governance questionnaire completed by the subject and the update of her professional background and technical or horizontal skills. According to the information provided, Ms Homaira Akbari is within the maximum number of positions established in section 26 of Law 10/2014 of 26 June, and she is considered able to devote sufficient time to performing the duties of her position and not subject to any conflicts of interest. In view of the foregoing, the suitability thereof for holding the position of director is thus verified.

With reference to the evaluation of the work and effective dedication of the director from her re-election at the ordinary general meeting of 23 March 2018 to the present date, this committee notes the proper performance of her duties, as well as her attendance at and informed participation in all of the meetings of the board. Likewise, she has attended all the meetings of the audit, innovation and technology, and responsible banking, sustainability and culture committees held since her previous appointment.

Finally, with respect to the category of director, this committee considers that Ms Homaira Akbari fulfils the requirements established in sub-section 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and in article 6.2(c) of the rules and regulations of the board to be considered an independent director.

**(b) Mr Álvaro Antonio Cardoso de Souza**

It is proposed to re-elect him as an independent director for the bylaw-mandated period of three years.

He holds a degree in Economics and Business Administration from Pontificia Universidad Católica de São Paulo, a Master's in Business Administration (MBA - Management Program for Executives) from the University of Pittsburgh, and is a graduate of the Wharton Business School's Investment Banking Marketing Program.

He has been an independent director of Banco Santander (Brasil), S.A. since 2014 and non-executive chairman of the company since 2016. He is also actively involved in various environmental foundations and non-governmental organisations.

During his professional career he has been the chairman of the remuneration and risk committees of Banco Santander (Brasil), S.A., a member of the board of directors of AMBEV, S.A., a listed Brazilian company in the beverages industry, of Gol Linhas Aéreas S.A., a listed Brazilian airline, and of Duratex, S.A., a listed

Brazilian company dedicated to the construction finishes industry (metal fittings and porcelain and wood flooring). He has also held various positions at companies of the Citibank Group. In particular, he has been (a) CEO of Citibank Brazil; (b) Senior Advisor; (c) Executive Vice President for Latin America; (d) Executive Vice President of Capital Markets of Citibank USA; and (e) Vice President of Private Banking and Consumer Banking of Citibank USA. He has also been chairman of the WorldWildlife Group (WWF) Brazil, a member of the board of WWF International, and chairman and member of the audit and asset management committees of FUNBIO (Fundo Brasileiro para a Biodiversidade).

Mr Álvaro Antonio Cardoso de Souza has significant experience as a business manager and for more than thirty years has held positions at the highest levels in institutions from various countries and industries, including in the area of banking and financial services, with responsibility for a significant number of people. He has noteworthy knowledge of the compliance, risk management and corporate governance areas, having been a leader in Brazil in this last area. He contributes to the board broad experience in international banking, especially in Brazil, a solid understanding of strategy and risk management issues, and knowledge of sustainability.

Therefore, and particularly for the purposes established in Law 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions, in Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Banco Santander's director recruitment, suitability assessment and succession policy, and in the internal procedure for the selection and ongoing evaluation of the suitability of key personnel for the performance of banking activities within the Santander Group, this committee confirms that, at this date, Mr Álvaro Antonio Cardoso de Souza possesses the necessary knowledge and experience to hold the position of director of the Company and that he is able to carry out good governance thereof, having assessed the content and currency of the reputation and good governance questionnaire completed by the subject and the update of his professional background and technical or horizontal skills. Additionally, according to the information provided, Mr Álvaro Antonio Cardoso de Souza is within the maximum number of positions established in section 26 of Law 10/2014 of 26 June, and he is considered able to devote sufficient time to performing the duties of his position and not subject to any conflicts of interest. In view of the foregoing, the suitability thereof for holding the position of director is thus verified.

With reference to the evaluation of the work and effective dedication of the director since the appointment thereof at the ordinary general meeting of 23 April 2018 became effective (1 April 2018) to the present date, this committee notes



the proper performance of the duties of his position as well as his attendance at 88% of the 48 meetings of the board held since his appointment. Also noted is his attendance at and informed participation in 86% of the 37 meetings of the risk supervision, regulation and compliance committee and 83% of the 12 meetings of the responsible banking, sustainability and culture committee held since his appointment.

Finally, with respect to the category of director, this committee considers that Mr Álvaro Antonio Cardoso de Souza fulfils the requirements established in sub-section 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and in article 6.2(c) of the rules and regulations of the board to be considered an independent director.

**(c) Mr Javier Botín-Sanz de Sautuola y O'Shea**

It is proposed to re-elect him as an external director for the bylaw-mandated period of three years.

He holds a degree in Law from the Complutense University of Madrid.

He is the executive chairman of JB Capital Markets, S.V., S.A., a company he founded. In addition to his professional activity in the financial sector, he works with several non-profit organisations. In particular, he has been chairman of the Botín Foundation since 2014 and is a trustee of the Princesa de Girona Foundation.

He joined as a director of Banco Santander in 2004. Previously he was legal advisor in the International Legal Department of Banco Santander (1998-1999). He was also co-founder and executive director of the equities division of M&B Capital Advisers. S.V., S.A. (2000-2008).

Mr Javier Botín-Sanz de Sautuola y O'Shea has held positions of high responsibility, complexity and expertise as part of the management of various institutions for more than ten years. He contributes to the board strong international and management experience, particularly in the finance and banking sector, as well as a deep understanding of the Santander Group and of its operations and strategy acquired during his extensive experience as a director of the Bank.

Therefore, and particularly for the purposes established in Law 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions, in Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Banco Santander's director recruitment, suitability assessment and succession policy, and in the internal procedure for the selection and ongoing evaluation of the suitability of key personnel for the performance of banking activities within the Santander Group,

this committee confirms that, at this date, Mr Javier Botín-Sanz de Sautuola y O'Shea possesses the necessary knowledge and experience to hold the position of director of the Company and that he is able to carry out good governance thereof, having assessed the content and currency of the reputation and good governance questionnaire completed by the subject and the update of his professional background and technical or horizontal skills. Additionally, according to the information provided, Mr Javier Botín-Sanz de Sautuola y O'Shea is within the maximum number of positions established in section 26 of Law 10/2014 of 26 June, and he is considered able to devote sufficient time to performing the duties of his position and not subject to any conflicts of interest. In view of the foregoing, the suitability thereof for holding the position of director is thus verified.

With reference to the evaluation of the work and effective dedication of the director from his re-election at the ordinary general meeting of 12 April 2019 to the present date, this committee notes the proper performance of the duties of his position as well as his attendance at and informed participation in all of the meetings of the board.

Finally, with respect to the category of director and in view of the provisions of sub-sections 2 to 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and of article 6.2 of the rules and regulations of the board, this committee considers that Mr Javier Botín-Sanz de Sautuola y O'Shea fulfils the requirements to be considered an external director.

**(d) Mr Ramiro Mato García-Ansorena**

It is proposed to re-elect him as an independent director for the bylaw-mandated period of three years.

He has a degree in Economics from the Complutense University of Madrid and is a graduate of the Harvard Business School's Management Development Programme.

He is currently chairman of Ansorena, S.A. and vice-chairman of the board of trustees of Fundación Esperanza y Alegría.

He has held various positions at Banque BNP Paribas, including chairman of the group in Spain. Previously he held various significant positions at Argentaria. He has been a member of board of the Asociación Española de Banca (AEB) and of Bolsas y Mercados Españoles, S.A. (BME) and a member of the board of trustees of the Fundación Española de Banca para Estudios Financieros (FEBEF).

Mr Ramiro Mato García-Ansorena has significant experience as a business manager and has held executive positions at the highest level at institutions in the financial sector. During his professional career, he has held positions of responsibility involving a profound understanding of the banking business. He contributes to the

board significant senior management experience, as well as experience in audit, risks and strategy, mainly in relation to the financial industry.

Therefore, and particularly for the purposes established in Law 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions, in Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Banco Santander's director recruitment, suitability assessment and succession policy, and in the internal procedure for the selection and ongoing evaluation of the suitability of key personnel for the performance of banking activities within the Santander Group, this committee confirms that, at this date, Mr Ramiro Mato García-Ansorena possesses the necessary knowledge and experience to hold the position of director of the Company and that he is able to carry out good governance thereof, having assessed the content and currency of the reputation and good governance questionnaire completed by the subject and the update of his professional background and technical or horizontal skills. In particular, according to the information provided, Mr Ramiro Mato García-Ansorena is within the maximum number of positions established in section 26 of Law 10/2014 of 26 June, and he is considered able to devote sufficient time to performing the duties of his position and not subject to any conflicts of interest. In view of the foregoing, the suitability thereof for holding the position of director is thus verified.

With reference to the evaluation of the work and effective dedication of the director from the re-election thereof at the ordinary general meeting of 12 April 2019 to the present date, this committee notes the proper performance of the duties of his position as well as his attendance at 95% of the 40 meetings of the board held since his previous appointment. Also noted is his attendance at and informed participation in 97% of the 94 meetings of the executive committee, 97% of the 30 meetings of the audit committee, and all meetings of the risk supervision, regulation and compliance and responsible banking, sustainability and culture committees held since his previous appointment.

Finally, with respect to the category of director, this committee considers that Mr Ramiro Mato García-Ansorena fulfils the requirements established in sub-section 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and in article 6.2(c) of the rules and regulations of the board to be considered an independent director.

(e) **Mr Bruce Carnegie-Brown**

It is proposed to re-elect him as an independent director for the bylaw-mandated period of three years.

He holds a Master of Arts degree in English Language and Literature from the University of Oxford.

Currently, he is non-executive chairman of Lloyd's of London and of Cuvva Limited, and a non-executive director of Santander UK plc and of Santander UK Group Holdings plc.

He was previously non-executive chairman of Moneysupermarket.com Group plc (2014-2019), non-executive director of Jardine Lloyd Thompson Group plc (2016-2017) and non-executive chairman of Aon UK Ltd (2012-2015). He was also founder and managing partner of the listed private equity division of 3i Group plc and president and CEO of Marsh Europe, S.A. Furthermore, he was lead independent director of Close Brothers Group plc (2006-2014) and Catlin Group Ltd (2010-2014). Before that, he worked at JPMorgan Chase for eighteen years and at Bank of America for four years.

Mr. Bruce Carnegie-Brown has an extensive background in the banking sector (particularly investment banking) and the insurance sector. He also has significant international experience in Europe (UK), the Middle East and Asia. He has held positions of high responsibility and complexity at institutions from different sectors, including the financial sector, for more than thirty years. His experience as a senior executive brings to the board expertise in remuneration, appointments and risk issues. He also has an excellent understanding of investor expectations and broad experience in managing relations with investors and the financial community, acquired in his capacity as lead independent director.

Therefore, and particularly for the purposes established in Law 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions, in Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Banco Santander's director recruitment, suitability assessment and succession policy, and in the internal procedure for the selection and ongoing evaluation of the suitability of key personnel for the performance of banking activities within the Santander Group, this committee confirms that, at this date, Mr Bruce Carnegie-Brown possesses the necessary knowledge and experience to hold the positions of director, vice chairman and lead independent director of the Company and that he is able to carry out good governance thereof, having assessed the content and currency of the reputation and good governance questionnaire completed by the subject and the update of his professional background and technical or horizontal skills. In particular, according

to the information provided, Mr Bruce Carnegie-Brown is within the maximum number of positions established in section 26 of Law 10/2014 of 26 June, and he is considered able to devote sufficient time to performing the duties of his position and not subject to any conflicts of interest. In view of the foregoing, the suitability thereof for holding the position of director is thus verified.

With reference to the evaluation of the work and effective dedication of the director from the re-election thereof at the ordinary general meeting of 12 April 2019 to the present date, this committee notes the proper performance of the duties of his position as well as his attendance at 98% of the 40 meetings of the board held since his previous appointment. Also noted is his attendance at and informed participation in 87% of the 94 meetings of the executive committee, 89% of the 9 meetings of the innovation and technology committee, and all meetings of the appointments and remuneration committees held since his previous appointment. Additionally, due to his broad experience within the Santander Group, he has extensive and detailed knowledge of the Company and of its Group, including its governance policies and rules.

Finally, with respect to the category of director, this committee considers that Mr Bruce Carnegie-Brown fulfils the requirements established in sub-section 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and in article 6.2(c) of the rules and regulations of the board to be considered an independent director.

#### Proposals<sup>1</sup>:

**Three A.-** To set the number of directors at 15, which is within the maximum and the minimum established by the Bylaws.

**Three B.-** To ratify the appointment of Ms Gina Lorenza Díez Barroso as a director, whose appointment was approved by the board at its meeting of 22 December 2020, with the classification of independent director.

With regard to the annual renewal of one-third of the board positions as provided by article 55 of the Bylaws, to re-elect the following persons for a new three-year period:

**Three C.-** To re-elect Ms Homaira Akbari as a director, with the classification of independent director.

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<sup>1</sup> Each of the proposals regarding the setting of the number of directors, their appointment, ratification and re-election made under items Three A to Three G will be submitted to a separate vote.

- Three D.-** To re-elect Mr Álvaro Antonio Cardoso de Souza as a director, with the classification of independent director.
- Three E.-** To re-elect Mr Javier Botín-Sanz de Sautuola y O'Shea as a director, with the classification of external director.
- Three F.-** To re-elect Mr Ramiro Mato García-Ansorena as a director, with the classification of independent director.
- Three G.-** To re-elect Mr Bruce Carnegie-Brown as a director, with the classification of independent director.

#### **Item Four            Re-election of the external auditor for financial year 2021.**

It is proposed to re-elect PricewaterhouseCoopers Auditores, S.L. as auditor of the Bank and the Group for financial year 2021. The proposal has been made by the audit committee, which has submitted it to the board of directors for subsequent submission thereof to the shareholders at the general meeting.

Pursuant to the provisions of section 40.2 of Law 22/2015 of 20 July on Audit of Accounts, five years having elapsed since Mr Alejandro Esnal assumed responsibility for the audit of Banco Santander and its Group, he will be replaced as the partner of PricewaterhouseCoopers Auditores, S.L. with responsibility for this audit by Mr Julián González Gómez, who has experience as a partner auditing global groups, mainly in Spain and the United Kingdom, and who has an outstanding track record in the Spanish financial sector. Mr González Gómez also regularly participates in various international forums on banking supervision and regulation.

#### **Proposal:**

For the verification of the annual accounts and of the directors' report of the Bank and of the consolidated Group corresponding to financial year 2021, to re-elect PricewaterhouseCoopers Auditores, S.L., with registered office in Madrid, at Paseo de la Castellana, nº 259 B, with Tax ID Code B-79031290 and registered in the Official Registry of Auditors of Accounts (*Registro Oficial de Auditores de Cuentas*) of the Accounting and Audit of Accounts Institute (*Instituto de Contabilidad y Auditoría de Cuentas*) of the Ministry for Economy and Business with number S0242, as external auditor.

**Item Five**            **Amendment of the following articles of the Bylaws:**

- Five A.**            **Amendment of articles relating to the issuance of non-convertible debentures: article 18 (*convertible and exchangeable debentures*) and article 20 (*distribution of powers*).**
- Five B.**            **Amendment of article relating to the powers of the general shareholders' meeting (*share-based compensation*): article 20 (*distribution of powers*).**
- Five C.**            **Amendment of articles relating to the shareholders' participation at the general shareholders' meeting: article 27 (*attendance at the general shareholders' meeting by proxy*) and article 34 (*distance voting*).**
- Five D.**            **Amendment of article relating to attending the meeting from a distance by remote means of communication: article 34 (*distance voting*). Introducing a new article 34 *bis* (*remote shareholders' meeting*).**

REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING THE PROPOSALS REFERRED TO IN ITEM FIVE OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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**I.    Introduction and purpose of the report**

This report has been prepared in compliance with the provisions of section 286 of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*) in order to provide a rationale for the proposed amendments of the Bylaws of Banco Santander, S.A. (the "**Bank**" or the "**Company**"), which are submitted for approval of the shareholders at the general shareholders' meeting under item Five on the agenda therefor.

The Bylaws contain the rules for the organisation of the Bank and, at the same time, establish and define or specify the rights and obligations of the shareholders to the extent allowed by the mandatory rules of law. This scope of the Bylaws, which explains the natural tendency towards a certain stability of their regulatory content, is not in any way incompatible with the possibility of an amendment thereof. On the contrary, companies should revise, update and technically improve their organisational structure and operating rules in order to have at all times the appropriate instruments to respond rapidly and efficiently to changing needs that might arise due to amendments in legislation or other reasons. A modification of the Bylaws normally provides the appropriate framework to



carry out these updates. For this purpose, it is deemed beneficial to the corporate interest to propose to the shareholders acting at the Bank's general shareholders' meeting the amendment of certain bylaw provisions, including some new provisions and modifying others which have been in effect until now. Specifically, the proposed amendments involve articles 18 (title and sections 1 and 3), 20 (section 2), 27 (section 6) and 34 (sections 2 and 6), and also contemplate the insertion of a new article 34 *bis* regarding remote shareholders' meetings.

## **II. Rationale for and organisation of the proposal**

The main purposes of the reform of the Bylaws submitted to the shareholders at the general shareholders' meeting are (i) to give the board of directors the power to issue non-convertible debentures, as stated in the Law, and to decide on the application of compensation systems consisting of delivery of shares or rights thereto, as well as any other compensation system referenced to the value of the shares when the beneficiaries of such compensation systems are not directors of the Bank; (ii) to give the Bank greater flexibility to process proxies granted and votes cast from a distance by the shareholders, without prejudice to the board of directors being able to reduce the advance period required for receipt thereof by the Bank prior to the date on which the general meeting is scheduled to be held, as has been done until now and on occasion of each call to meeting, giving such advance period the same publicity as that given to the announcement of the call to meeting; and (iii) when so provided by applicable legal provisions, to authorise the directors to call shareholders' meetings to be held by remote means only, without the physical attendance of the shareholders or their representatives.

## **III. Detailed rationale for the proposal**

The proposed amendments are justified and explained in greater detail below:

### **1. Proposed amendment of the title and of sections 1 and 3 of article 18 and of section 2.(v) of article 20**

The purpose of the amendment of article 18 and of section 2.(v) of article 20 of the Bylaws is to give the Bank's board of directors the power to issue non-convertible debentures.

Section 45.4 of Law 5/2015 of 27 April on promoting corporate financing amended section 406 of the Spanish Capital Corporations Law, providing that the management body will have the power to issue non-convertible debentures unless otherwise provided in the bylaws. This amendment aligned Spanish law with our neighbouring legal systems (Germany, France, Italy and Holland), which generally entrust the issue of debentures to the management body. The amendment is also consistent with the fact that the board of directors has the power to incur debt not represented by securities, without being subject to a quantitative limit approved in advance at a

general meeting, and is particularly useful for financial institutions, the debt issues of which serve a very different purpose from those of other issuers.

Giving this power to issue non-convertible debentures to the board of directors would provide greater flexibility in issuing debt instruments that are not convertible into new shares of the Bank, which are a key tool for the Bank's business activities. Thus, although the Bank has been satisfactorily managing its debt issues within the limit approved by the shareholders at the general shareholders' meetings, there are numerous variables that could hamper the prediction of the Bank's specific needs to issue debt during a particular period, making it advisable that this power be given to the board of directors:

- a) the growing issuance needs to comply with requirements regarding regulatory capital, of eligible liabilities for purposes of determining loss-absorbing capacity in the event of resolution (TLAC/MREL) and of liquidity have increased debt issuance needs in recent years;
- b) volatility in the markets may affect the financial plans of the Bank, changing issuance needs due to changes in the availability of different sources of financing;
- c) crisis situations like the one caused by COVID-19 may require a higher volume of issues, either directly to give the Bank greater liquidity or indirectly to be delivered as security in the financing schemes of the central banks, like the Central European Bank; and
- d) the launch of new banking business lines, like the Bank's issue of warrants and other securities or issues for customers, may be affected by the limit approved by the shareholders, given that these securities are also included in the calculation of the approved limit.

The advisability of the bylaw amendment should also be assessed based on the nature of the Bank's business itself, in which debt forms part of the ordinary course of business, which is why it is more efficient for debt to be handled by the management body.

Along these lines, it should also be remembered that since the amendment of the Spanish Capital Corporations Law allowing for assignment of the power to issue non-convertible debentures, the other major Spanish credit institutions have successfully submitted bylaw amendments to the shareholders at their general shareholders' meetings in order to assign the power to issue non-convertible debentures to the board of directors of each of them.

The proposed bylaw amendment now submitted will bring the rules applicable to the Bank into line with the customary practice of Spanish and European financial

institutions, in which the management body generally has the power to approve the issue of debentures that are not convertible into new shares of the Company.

As part of the amendment, it is proposed to eliminate the references to exchangeable debentures from sections 1 and 3 of article 18, as it is considered unnecessary to make this specification, although they may be issued with a fixed (determined or determinable) or variable exchange ratio, as has been the case until now and just like convertible debentures. It is also proposed to eliminate reference thereto in the title, as no reference to exchangeable debentures remains in the proposed text of article 18.

With the proposed amendment, the shareholders will continue to have the power to approve the issue of debentures convertible into shares of the Bank pursuant to the provisions of section 406 of the Spanish Capital Corporations Law, while the board will be the body with the power to decide on issues of non-convertible debentures (including exchangeable debentures provided that they are not also convertible).

2. Proposed amendment of section 2.(x) of article 20

The purpose of the amendment of section 2.(x) of article 20 of the Bylaws is to give the Bank's board of directors the power to decide on the application of compensation systems consisting of delivery of shares or rights thereto, as well as any other compensation system referenced to the value of the shares when the beneficiaries of such compensation systems are not directors of the Bank, which, at this time and in accordance with the current wording of the Bylaws, falls under the purview of the shareholders acting at a general meeting.

The consolidation of the Spanish Public Corporations Law (*Ley de Sociedades Anónimas*) and the Spanish Limited Liability Companies Law (*Ley de Sociedades de Responsabilidad Limitada*) by virtue of which the consolidated text of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*), approved by the Royal Legislative Decree 1/2010 of 2 July, failed to include former additional provision four of the first of those laws, which established that the compensation in shares or linked to shares for general managers and similar officers, requires the approval of the general shareholders' meeting, and thus, under the new Spanish Capital Corporations Law, only compensations of this type the beneficiaries of which are directors require the approval of the general meeting. Subsequently, Law 31/2014 of 3 December significantly amended the Spanish Capital Corporations Law in relation to compensation matters, but not the abovementioned regime, which is still in force under section 219 of the Spanish Capital Corporations Law and which establishes that the general meeting's approval is only required when the beneficiary of the compensation systems in shares or linked to shares is a company director.

Pursuant to the Bylaws, the approval of the shareholders' meeting is currently required to implement all kinds of compensation instruments that are in any way linked to the shares, regardless of whether or not the beneficiaries are directors. Evidently, this significantly reduces the Bank's scope to implement incentive plans for its entire general workforce beyond the directors' compensation system. Thus, removing the general meeting's power to decide on the application of this kind of compensation for those who are not directors of the Company and giving it to the board of directors will enable these kinds of compensation mechanisms to be designed and applied more flexibly and promptly.

In addition, the other important Spanish credit institutions already attribute the power to decide on share-based compensation systems the beneficiaries of which are not directors of the company to the board of directors.

Therefore, this with the amendment proposed the bylaw regime will be completely in line with the corporate regulations in force as the general meeting will retain only the power to decide on compensation consisting of the delivery of shares or rights thereto, as well as any other compensation system referenced to the value of shares, when the beneficiaries of such compensation systems are directors of the Bank.

Notwithstanding the above, all compensation matters that, in accordance with Law 10/2014 of 26 June on the organization, supervision and solvency of credit institutions and other banking regulations applicable to the Company, require the approval of the shareholders acting at the general shareholders' meeting will continue to be submitted to such body for approval.

Likewise, as is customary, the documentation that the Bank makes available to the shareholders when calling an ordinary shareholders' meeting will include information on the Company's share-based compensation plans, over which the Bank's shareholders may exercise their right to receive information.

3. Proposed amendment of section 6 of article 27

It is hereby proposed to include in section 6 of article 27 a paragraph to reflect that, in order to be valid, a proxy granted or notified by means of postal delivery or correspondence or by means of electronic correspondence or communication with the Company must be received thereby before midnight on the third working day prior to the date scheduled for the holding of the meeting on first call, with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office. The purpose of this amendment is to give the Bank greater flexibility to process the proxies granted by the shareholders, although, as in the past and on the occasion of each call to meeting, the board of directors may reduce the required advance notice, giving it the same publicity as is given to the announcement of the call to meeting.

4. Proposed amendment of section 2 of article 34

It is hereby proposed to amend section 2 of article 34 in the same way as section 6 of article 27, such that it is also provided that, in order to be valid, a vote cast by postal delivery or correspondence or by electronic correspondence or communication with the Company must be received thereby before midnight on the third working day prior to the date scheduled for the holding of the meeting on first call, with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office. Like the proposal made with respect to article 27, the purpose of this amendment is to give the Bank greater flexibility to process the votes cast from a distance by the shareholders, although, as in the past and on the occasion of each call to meeting, the board of directors may reduce the required advance notice, giving it the same publicity as is given to the announcement of the call to meeting.

5. Proposed transfer of section 6 of article 34 and proposed insertion of a new article 34 bis

It is hereby proposed to eliminate section 6 of article 34 and to insert a new article 34 bis that:

- (a) would include the former section 6 of article 34 (section 1);
- (b) would add the provision that general meetings may be called to be held exclusively by remote means (section 2); and
- (c) would include a specific rule governing the right to receive information exercised by those attending remotely (section 3).

The proposal is intended to authorise the call by directors of meetings to be held exclusively by remote means, without the physical attendance of the shareholders or their representatives, and is justified by the following considerations:

- (i) Paradigm shift and growing use of digital media: the health and social crisis resulting from the COVID-19 pandemic has completely transformed our way of relating to the world, forcing us to reinvent ourselves in a way that allows the continuation of our social interaction without the need for physical presence. This has been reflected in a variety of social and economic areas, which has allowed us to test the effectiveness of remote electronic means of communication, whether to purchase products or services, to engage in financial transactions, to exercise rights, to receive training or simply to interact with other people. Proxy advisors have not been oblivious to this tendency, which, following a case-by-case analysis, have started to be open to the possibility of holding meetings exclusively by remote means.
- (ii) Regulatory evolution: the evolution of company regulations has not been oblivious to this reality, to the extent that the regulations of temporary nature

issued as a consequence of the pandemic even allowed the holding of meetings exclusively by remote means, as was the case of the general meeting held on 3 April 2020. Although this provision, which allowed the holding of general meetings in this way even to companies that, unlike the Bank, did not have bylaw provisions permitting the attendance by remote means, is no longer in effect, it can be expected that, within the context of the transposition of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement, which is now going through the parliamentary procedure, there will be an enabling provision, apart from temporary or exceptional regulations associated with the pandemic, so that general meetings can be held exclusively by remote means. This is contemplated in one of the amendments to the bill submitted by the Government.

Moreover, this is already allowed in other legal systems and is likely to become a reality in Spain at some point in the future. For this reason, the proposed bylaw amendment allowing the Bank's shareholders' meetings to be held exclusively by remote means is subject to this possibility being allowed under the applicable legal provisions and subject to the conditions laid down in said provisions.

- (iii) Digitalisation of the Santander Group: this proposal is part of the process of accelerating the Group's digitalisation and the Bank's ongoing efforts to remain at the forefront of both its core business and its relationship with shareholders and investors. In 2004 Banco Santander was one of the first Spanish companies to allow not only electronic proxy granting and voting, but also attendance at meetings through real-time remote means of communication. Since then, Banco Santander has made available to its shareholders a remote attendance application, developed by the Bank itself, which ensures that the shareholders are able to fully exercise their rights to remotely attend and participate in general meetings in real time.

Allowing meetings to be held exclusively by remote means is one more step in the Bank's ongoing digitalisation process in all areas.

- (iv) Guarantee and protection of shareholder rights: the remote attendance application developed by the Bank, which has been used by the shareholders since the 2005 ordinary general meeting, offers the same opportunities to participate in general meetings as if attending in person, and they can therefore:
- view the entire meeting during its live broadcast,
  - cast votes,
  - make presentations,

- make proposals and
- send communications to the Notary.

The best proof of this is that the attendance and participation figures for the general meeting held exclusively by remote means on 3 April 2020 do not differ substantially from those recorded at the general meetings held in hybrid format on 27 October 2020, 12 April 2019 and 23 March 2018.

	Ordinary general meeting of October 2020 (hybrid)	Ordinary general meeting of April 2020 (exclusively remote)	Ordinary general meeting of April 2019 (hybrid)	Ordinary general meeting of March 2018 (hybrid)
% of shareholders present in person or by proxy	60.342%	65.005%	68.505%	64.547%
Presentations made by those attending the meeting	14	23	38	36
Communications to the notary made by those attending the meeting	2	4	1	0
Proposed resolutions not on the agenda submitted by attendees and voted on at the general meeting	15	16	15	14

The attendance and participation figures of the general meeting held exclusively by remote means on the last 3 April 2020 –very similar, as mentioned, to those of any other shareholders' meeting held not only by remote means– further prove that the means made available by the Bank to its shareholders (or their representatives) to attend and participate at the meeting remotely are appropriate.

Furthermore, the resources that the Bank makes available to its shareholders (and their representatives), together with the experience and expertise acquired, ensure that shareholders' rights are respected and satisfied and their informed participation. For instance, the Bank has been adopting the following measures so that shareholders (or their representatives) have at all times the

necessary information to attend and participate at the shareholders' meeting by electronic means:

- The remote attendance system allows shareholders (or their representatives) to follow the meeting live, through audio or video, participate in writing, view the participations of the rests of attendees, cast their votes in real time, whether on items on the agenda or those which, as prescribed by law, are raised at the shareholders' meeting itself and are not on the agenda, as well as interact with the notary public who is recording the minutes of the meeting.
- The notice of the call to the meeting sets out the procedures and rules for remote attendance, developing the regulation in the Additional Provision of the Rules and Regulations for the General Shareholders' Meeting.

Among other items, the notice of the call to the meeting informs shareholders about the following matters:

- how long before the start of the meeting a shareholder (or his or her representative) who wishes to attend the shareholders' meeting must connect in order to be deemed present;
  - how attendants can participate at the meeting and until when they can do so; and
  - the rules on voting the items that are put to vote.
- Since the date of the call of the meeting and until it is held, shareholders are provided a contact email address and telephone number to request further information or to resolve doubts about attending the meeting remotely. These contact details are provided in several documents available to shareholders, including the notice of call to the meeting.
  - Since 2020, an explanatory guide that sets out, including screen examples and using plain language, the procedure that shareholders (or their representatives) must abide by to attend and participate at the meeting by electronic means is available on the corporate website.
  - The website also includes, in addition to the guide, a document with FAQs that sets out information regarding the remote attendance to meetings.
  - Shareholders (or their representatives) are kindly asked to confirm their intention to remotely attend the meeting by email in order to ensure the quality of the connection of the remote channel of attendance to the meeting and to provide them with the explanatory guide to facilitate the connection and their participation at the meeting.



- Shareholders need not download or install any app or software to attend the general meeting remotely. This can be done through the browser on any computer device, through mobile devices as the website has been optimised to this end.
- A telephone helpline is available to shareholders (or their representatives) to help them connect and register on the day of the meeting.
- The shareholders' meeting is broadcast live in Spanish and English and in sign language for those who have hearing impairments.

In addition to the above, note that, historically, the proposed resolutions submitted for approval at the shareholders' meeting of the Bank have had high levels of support, being approved, in general terms, with very large majorities, which shows that the Bank is actively engaged and in close and permanent contact with all its shareholders (both institutional and minority shareholders).

Finally and in keeping with the above, the proposed amendment expressly includes as a condition for holding general meetings solely by remote means that all attendees, complying with the requirements established in each case, be able to participate effectively in the meeting by any remote means of communication permitted by applicable law from time to time, in line furthermore with the Additional Provision of the Rules and Regulations of the General Shareholders' Meeting.

- (v) Greater flexibility: the ability to hold general meetings exclusively by remote means gives the Bank greater flexibility, which can be very useful in situations where it is advisable to hold them in this format, for example due to restrictions on free movement or on meetings like those imposed by the authorities in recent months due to the health crisis. Similarly, the ability to hold meetings exclusively by remote means can facilitate the organisation and holding of not only ordinary meetings but also extraordinary meetings that need to be prepared at short notice, minimising the logistical constraints and travel requirement of holding a meeting in person.
- (vi) Efficiency: meetings held exclusively by remote means can be organised in a more streamlined and cost-effective way than in-person or physical meetings, which is clear for companies such as the Bank with millions of shareholders. This can be to the advantage of both the Bank and the shareholders themselves, without undermining the latter's rights or opportunities to participate.
- (vii) Specific and more protective regulation of the right to receive information: the proposal also includes a specific regulation governing the right to receive information exercised by those attending the meeting remotely in real time, which is on a par with the existing regulation for those attending in person, thus

going beyond what is currently provided for by law, to the benefit of the shareholders. To this end, it is expected that, instead of answering these requests for information within seven days of the meeting, as provided for in the current section 182 of the Spanish Capital Corporations Law, they will be dealt with, as far as possible, at the meeting itself, as is generally the case with requests made by those attending the meeting in person. Also included is a provision to the effect that requests for information answered after the meeting because the information is not available while the meeting is being held will be published on the corporate website for the general information of all shareholders.

Likewise, and as the Bank already does, the valid requests for information, clarification or questions asked by shareholders exercising their right to receive information prior to the shareholders' meeting and any answers provided by the directors, will be disclosed on the Bank's corporate website.

The text of the proposed bylaw amendments has been divided into four items on the agenda (Five A, Five B, Five C and Five D) for purposes of the vote thereon. Each one of them corresponds to a block of articles, separated by subject matter:

- (i) The first block (corresponding to item Five A of the agenda) consists of the proposed amendment regarding article 18 (*convertible and exchangeable debentures*) and article 20 (*distribution of powers*), as regard to the bylaw provisions relating to the issuance of debentures by the Company.
- (ii) The second block (corresponding to item Five B of the agenda) consists of the proposed amendment regarding article 20 (*distribution of power*), as regard to the bylaw provisions relating to compensation linked to the Company shares.
- (iii) The third block (corresponding to item Five C of the agenda) encompasses the proposed amendments that concern the participation of the shareholders in the general meeting prior to the holding thereof. This block includes the proposed amendments of articles 27 (*attendance at the general shareholders' meeting by proxy*) and 34 (*distance voting*).
- (iv) Finally, the fourth block (corresponding to item Five D of the agenda) encompasses the proposed amendments that concern remote attendance at the meeting and the call to and holding of meetings exclusively by remote means. This block includes the proposed amendment to article 34 (*distance voting*) and the insertion of a new article 34 bis (*remote shareholders' meeting*).

It is stated for the record that, pursuant to the provisions of section 4.2.c) of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, and of

section 10 of Royal Decree 84/2015 of 13 February implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, the proposed amendments of bylaw provisions covered by this report are subject to receipt of the applicable regulatory approval.

For easier identification and understanding of the proposed amendments, attached to this report as an Exhibit, for information purposes only, is a table providing a comparative view of the bylaw provisions proposed to be amended: the column on the left contains a transcription of the text currently in force, and the column on the right, the text of the proposed amendment.

**EXHIBIT**

**COMPARATIVE INFORMATION REGARDING THE PROVISIONS OF THE BYLAWS  
PROPOSED TO BE AMENDED**

CURRENT TEXT	PROPOSED AMENDMENT
Bylaw amendments proposed under items Five A and Five B of the agenda	
<p><b>Article 18. Convertible and exchangeable debentures</b></p> <p>1. Convertible and/or exchangeable debentures may be issued at a fixed (determined or determinable) or variable exchange ratio.</p> <p>2. The pre-emptive rights of the shareholders in connection with the issuance of convertible debentures may be excluded as provided by law.</p> <p>3. The shareholders acting at a general shareholders' meeting may delegate to the board of directors the power to issue simple or convertible and/or exchangeable debentures, including, if applicable, the power to exclude preemptive rights. The board of directors may make use of this delegation on one or more occasions within a maximum period of five years. The shareholders acting at a general shareholders' meeting may also authorize the board of directors to determine the time when the issuance approved is to be carried out and to set the other terms not specified in the resolution of the shareholders.</p>	<p><b>Article 18. Convertible and exchangeable debentures</b></p> <p>1. Convertible <del>and/or exchangeable</del> debentures may be issued at a fixed (determined or determinable) or variable exchange ratio.</p> <p>2. The pre-emptive rights of the shareholders in connection with the issuance of convertible debentures may be excluded as provided by law.</p> <p>3. The shareholders acting at a general shareholders' meeting may delegate to the board of directors the power to issue <del>simple or convertible</del> <b>and/or exchangeable</b> debentures, including, if applicable, the power to exclude preemptive rights. The board of directors may make use of this delegation on one or more occasions within a maximum period of five years. The shareholders acting at a general shareholders' meeting may also authorize the board of directors to determine the time when the issuance approved is to be carried out and to set the other terms not specified in the resolution of the shareholders.</p>
<b>Article 20. Distribution of powers</b>	<b>Article 20. Distribution of powers</b>

1. The corporate decision-making bodies of the Company are the shareholders acting at a general shareholders' meeting and the board of directors.

2. The general shareholders' meeting has the power to decide on all matters assigned to it by the law or the bylaws. Specifically and merely by way of example, it has the following powers:

- (i) To appoint and remove the directors and to ratify or revoke the interim appointments of such directors made by the board itself, as well as to examine and approve their performance and to exempt the directors from the legal prohibitions regarding conflicts of interest when the law necessarily assigns such power to the shareholders at the general shareholders' meeting;
- (ii) To appoint and remove the external auditor and liquidators;
- (iii) To commence claims for liability against directors, liquidators and the external auditor;
- (iv) To approve, if appropriate, the annual accounts and corporate management and adopt resolutions on the allocation of results, as well as to approve, also if appropriate, the consolidated annual accounts;

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- (ii) To appoint and remove the external auditor and liquidators;
- (iii) To commence claims for liability against directors, liquidators and the external auditor;
- (iv) To approve, if appropriate, the annual accounts and corporate management and adopt resolutions on the allocation of results, as well as to approve, also if appropriate, the consolidated annual accounts;

- (v) To adopt resolutions on the issuance of debentures or other fixed-income securities, any capital increase or reduction, the transformation, merger or split off, the overall assignment of assets and liabilities, the relocation of the registered office abroad and the dissolution of the Company and, in general, any amendment of the bylaws, except when the law assigns such power to the directors with respect to any of the aforementioned matters;
- (vi) To authorize the board of directors to increase the share capital, pursuant to the provisions of the Spanish Capital Corporations Law and of these bylaws;
- (vii) To authorize the acquisition of the Company's own stock;
- (viii) To decide on the exclusion or limitation of pre-emptive rights, without prejudice to the possibility of delegating this power to the directors as provided by law;
- (ix) To decide upon matters submitted to the shareholders at the general shareholders' meeting by resolution of the board of directors;

- (v) To adopt resolutions on the issuance of debentures or other fixed-income securities **that are convertible into shares of the Company**, any capital increase or reduction, the transformation, merger or split off, the overall assignment of assets and liabilities, the relocation of the registered office abroad and the dissolution of the Company and, in general, any amendment of the bylaws, except when the law assigns such power to the directors with respect to any of the aforementioned matters;
- (vi) To authorize the board of directors to increase the share capital, pursuant to the provisions of the Spanish Capital Corporations Law and of these bylaws;
- (vii) To authorize the acquisition of the Company's own stock;
- (viii) To decide on the exclusion or limitation of pre-emptive rights, without prejudice to the possibility of delegating this power to the directors as provided by law;
- (ix) To decide upon matters submitted to the shareholders at the general shareholders' meeting by resolution of the board of directors;

(x) To approve the director remuneration policy as provided by law and to decide on the application of compensation systems consisting of the delivery of shares or rights thereto, as well as any other compensation system referenced to the value of the shares, regardless of who the beneficiary of such compensation systems may be;

(xi) To approve the transfer to subsidiaries of the essential activities carried out until that time by the Company itself, though it retains full ownership thereof;

(xii) To approve the acquisition, disposition or contribution to another company of essential operating assets; and

(xiii) To approve transactions whose effect is tantamount to the liquidation of the Company. For purposes of the provisions in sub-sections (xi) and (xii), the asset or activity shall be presumed essential if the amount of the transaction exceeds twenty-five percent of the value of the assets as recorded in the last balance sheet.

(x) To approve the director remuneration policy as provided by law and to decide on the application of compensation systems consisting of the delivery of shares or rights thereto, as well as any other compensation system referenced to the value of the shares, when the beneficiaries of such compensation systems are directors of the Bank;~~regardless of who the beneficiary of such compensation systems may be;~~

(xi) To approve the transfer to subsidiaries of the essential activities carried out until that time by the Company itself, though it retains full ownership thereof;

(xii) To approve the acquisition, disposition or contribution to another company of essential operating assets; and

(xiii) To approve transactions whose effect is tantamount to the liquidation of the Company. For purposes of the provisions in sub-sections (xi) and (xii), the asset or activity shall be presumed essential if the amount of the transaction exceeds twenty-five percent of the value of the assets as recorded in the last balance sheet.

<p>3. The powers not assigned by law or the bylaws to the shareholders acting at a general shareholders' meeting shall be exercised by the board of directors.</p>	<p>3. The powers not assigned by law or the bylaws to the shareholders acting at a general shareholders' meeting shall be exercised by the board of directors.</p>
<p>Bylaw amendments proposed under items Five C and Five D of the agenda</p>	
<p><b>Article 27. Attendance at the general shareholders' meeting by proxy</b></p> <p>1. All shareholders having the right to attend the meeting may be represented at a general shareholders' meeting by giving their proxy to another person, even if such person is not a shareholder. The proxy shall be granted in writing or by electronic means.</p> <p>2. Proxies shall be granted specially for each meeting, except where the representative is the spouse or an ascendant or descendant of the shareholder giving the proxy, or where the proxy-holder holds a general power of attorney executed as a public instrument with powers to manage the assets of the represented party in the Spanish territory.</p> <p>3. If the directors or another person acting on behalf or in the interest of any of them have made a public solicitation for proxies, the director or other person obtaining such proxy may not exercise the voting rights attaching to the represented shares in connection with any items in respect of which the director or such other person is subject to a conflict of interest, and in any event in connection with decisions relating to (i) his</p>	<p><b>Article 27. Attendance at the general shareholders' meeting by proxy</b></p> <p>1. All shareholders having the right to attend the meeting may be represented at a general shareholders' meeting by giving their proxy to another person, even if such person is not a shareholder. The proxy shall be granted in writing or by electronic means.</p> <p>2. Proxies shall be granted specially for each meeting, except where the representative is the spouse or an ascendant or descendant of the shareholder giving the proxy, or where the proxy-holder holds a general power of attorney executed as a public instrument with powers to manage the assets of the represented party in the Spanish territory.</p> <p>3. If the directors or another person acting on behalf or in the interest of any of them have made a public solicitation for proxies, the director or other person obtaining such proxy may not exercise the voting rights attaching to the represented shares in connection with any items in respect of which the director or such other person is subject to a conflict of interest, and in any event in connection with decisions relating to (i) his</p>



<p>appointment, re-election or ratification, removal, dismissal or withdrawal as director, (ii) the institution of a derivative action [<i>acción social de responsabilidad</i>] against him, or (iii) the approval or ratification of transactions between the Company and the director in question, companies controlled or represented by him, or persons acting for his account. The foregoing provisions shall not apply to those cases in which a director has received precise voting instructions from the represented party with respect to each of the items submitted to the shareholders at the general shareholders' meeting, as provided by the Spanish Capital Corporations Law.</p> <p>In contemplation of the possibility that a conflict arises, a proxy may be granted to another person in the alternative.</p> <p>4. If the proxy has been obtained by means of public solicitation, the document evidencing the proxy must contain or have the agenda attached thereto, as well as the solicitation of instructions for the exercise of voting rights and the way in which the proxy-holder will vote in the event that specific instructions are not given, subject in all cases to the provisions of the law.</p> <p>5. When a proxy is granted or notified to the Company by remote means of communication, it shall only be deemed valid if the grant is made:</p>	<p>appointment, re-election or ratification, removal, dismissal or withdrawal as director, (ii) the institution of a derivative action [<i>acción social de responsabilidad</i>] against him, or (iii) the approval or ratification of transactions between the Company and the director in question, companies controlled or represented by him, or persons acting for his account. The foregoing provisions shall not apply to those cases in which a director has received precise voting instructions from the represented party with respect to each of the items submitted to the shareholders at the general shareholders' meeting, as provided by the Spanish Capital Corporations Law.</p> <p>In contemplation of the possibility that a conflict arises, a proxy may be granted to another person in the alternative.</p> <p>4. If the proxy has been obtained by means of public solicitation, the document evidencing the proxy must contain or have the agenda attached thereto, as well as the solicitation of instructions for the exercise of voting rights and the way in which the proxy-holder will vote in the event that specific instructions are not given, subject in all cases to the provisions of the law.</p> <p>5. When a proxy is granted or notified to the Company by remote means of communication, it shall only be deemed valid if the grant is made:</p>
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<p>a) by hand-delivery or postal correspondence, sending the Company the duly signed and completed attendance and proxy card, or by other written means that, in the judgment of the board of directors recorded in a resolution adopted for such purpose, allows for due confirmation of the identity of the shareholder granting the proxy and of the representative being appointed, or</p> <p>b) by electronic correspondence or communication with the Company, including an electronic copy of the attendance and proxy card; such electronic copy shall specify the representation being granted and the identity of the party represented, and shall include the electronic signature or other form of identification of the shareholder being represented, in accordance with the conditions set by the board of directors recorded in a resolution adopted for such purpose in order to ensure that this system of representation includes adequate assurances regarding authenticity and the identity of the shareholder represented.</p> <p>6. In order to be valid, a proxy granted or notified by any of the foregoing means of remote communication must be</p>	<p>a) by hand-delivery or postal correspondence, sending the Company the duly signed and completed attendance and proxy card, or by other written means that, in the judgment of the board of directors recorded in a resolution adopted for such purpose, allows for due confirmation of the identity of the shareholder granting the proxy and of the representative being appointed, or</p> <p>b) by electronic correspondence or communication with the Company, including an electronic copy of the attendance and proxy card; such electronic copy shall specify the representation being granted and the identity of the party represented, and shall include the electronic signature or other form of identification of the shareholder being represented, in accordance with the conditions set by the board of directors recorded in a resolution adopted for such purpose in order to ensure that this system of representation includes adequate assurances regarding authenticity and the identity of the shareholder represented.</p> <p>6. In order to be valid, a proxy granted or notified by any of the foregoing means of remote communication must be</p>
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received by the Company before midnight of the third day prior to the date the shareholders' meeting is to be held on first call. In the resolution approving the call to the meeting in question, the board of directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting. Pursuant to the provisions of Article 34.5 below, the board may further develop the foregoing provisions regarding proxies granted by remote means of communication.

7. A proxy is always revocable. In order to be enforceable, the revocation of a proxy must be notified to the Company by complying with the same requirements established for notification of the appointment of a representative or otherwise result from application of the rules of priority among proxy-granting, distance voting and personal attendance at the meeting that are set forth in the respective announcement of the call to meeting. In particular, attendance at the shareholders' meeting, whether physically or by casting a distance vote, shall entail the revocation of any proxy that may have been granted, regardless of the date thereof. A proxy shall also be rendered void by any transfer of shares of which the Company becomes aware.

received by the Company before midnight of the third **working** day prior to the date the shareholders' meeting is to be held on first call, **with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office**. In the resolution approving the call to the meeting in question, the board of directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting. Pursuant to the provisions of Article 34.5 below, the board may further develop the foregoing provisions regarding proxies granted by remote means of communication.

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8. The proxy may include items which, even if not included in the agenda, may be discussed at the shareholders' meeting because the law so permits. If the proxy does not include such items, it shall be deemed that the shareholder granting the proxy instructs his representative to abstain when such items are put to the vote.

**Article 34. Distance voting**

1. Shareholders entitled to attend and to vote may cast their vote on proposals relating to items on the agenda for any general shareholders' meeting by the following means:

(i) by hand-delivery or postal correspondence, sending the Company the duly signed attendance and voting card (together with the ballot form, if any, provided by the company), or other written means that, in the judgment of the board of directors recorded in a resolution adopted for such purpose, allows for the due verification of the identity of the shareholder exercising his voting rights; or

(ii) by electronic correspondence or communication with the Company, which shall include an electronic copy of the attendance and voting card (together with the ballot form, if any, provided by the Company); such electronic copy shall include the shareholder's

8. The proxy may include items which, even if not included in the agenda, may be discussed at the shareholders' meeting because the law so permits. If the proxy does not include such items, it shall be deemed that the shareholder granting the proxy instructs his representative to abstain when such items are put to the vote.

**Article 34. Distance voting**

1. Shareholders entitled to attend and to vote may cast their vote on proposals relating to items on the agenda for any general shareholders' meeting by the following means:

(i) by hand-delivery or postal correspondence, sending the Company the duly signed attendance and voting card (together with the ballot form, if any, provided by the company), or other written means that, in the judgment of the board of directors recorded in a resolution adopted for such purpose, allows for the due verification of the identity of the shareholder exercising his voting rights; or

(ii) by electronic correspondence or communication with the Company, which shall include an electronic copy of the attendance and voting card (together with the ballot form, if any, provided by the Company); such electronic copy shall include the shareholder's

<p>electronic signature or other form of identification of the shareholder, in accordance with the conditions set by the board of directors recorded in a resolution adopted for such purpose to ensure that this voting system includes adequate assurances regarding authenticity and the identity of the shareholder exercising his vote.</p> <p>2. In order to be valid, a vote cast by any of the aforementioned means must be received by the Company before midnight on the third day prior to the date the shareholders' meeting is to be held on first call. Otherwise, the vote shall be deemed not to have been cast. The board of directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting.</p> <p>3. Shareholders casting their vote from a distance pursuant to the provisions of this article shall be deemed present for the purposes of constituting a quorum for the general shareholders' meeting in question. Therefore, any proxies granted prior to the casting of such vote shall be deemed revoked and any such proxies thereafter granted shall be deemed not to have been granted.</p>	<p>electronic signature or other form of identification of the shareholder, in accordance with the conditions set by the board of directors recorded in a resolution adopted for such purpose to ensure that this voting system includes adequate assurances regarding authenticity and the identity of the shareholder exercising his vote.</p> <p>2. In order to be valid, a vote cast by any of the aforementioned means must be received by the Company before midnight on the third <b><u>working</u></b> day prior to the date the shareholders' meeting is to be held on first call, <b><u>with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office</u></b>. Otherwise, the vote shall be deemed not to have been cast. The board of directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting.</p> <p>3. Shareholders casting their vote from a distance pursuant to the provisions of this article shall be deemed present for the purposes of constituting a quorum for the general shareholders' meeting in question. Therefore, any proxies granted prior to the casting of such vote shall be deemed revoked and any such proxies thereafter granted shall be deemed not to have been granted.</p>
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4. Any vote cast from a distance as set forth in this article shall be rendered void by physical attendance at the Meeting by the shareholder who cast such vote or by a transfer of shares of which the Company becomes aware.

5. The board of directors may expand upon the foregoing provisions, establishing such instructions, rules, means and procedures to document the casting of votes and grant of proxies by remote means of communication as may be appropriate, in accordance with the state of technology and conforming to any regulations issued in this regard and to the provisions of these bylaws. Furthermore, in order to prevent potential deception, the board of directors may take any measures required to ensure that anyone who has cast a distance vote or granted a proxy is duly empowered to do so pursuant to the provisions of these bylaws. Any implementing rules adopted by the board of directors pursuant to the provisions hereof shall be published on the Company's website.

6. Remote attendance at the shareholders' meeting via simultaneous teleconference and the casting of a remote, electronic vote shall be governed by the rules and regulations for the general meeting.

The rules and regulations for the general meeting may give the board of directors the power to set regulations regarding all required procedural

4. Any vote cast from a distance as set forth in this article shall be rendered void by physical attendance at the Meeting by the shareholder who cast such vote or by a transfer of shares of which the Company becomes aware.

5. The board of directors may expand upon the foregoing provisions, establishing such instructions, rules, means and procedures to document the casting of votes and grant of proxies by remote means of communication as may be appropriate, in accordance with the state of technology and conforming to any regulations issued in this regard and to the provisions of these bylaws. Furthermore, in order to prevent potential deception, the board of directors may take any measures required to ensure that anyone who has cast a distance vote or granted a proxy is duly empowered to do so pursuant to the provisions of these bylaws. Any implementing rules adopted by the board of directors pursuant to the provisions hereof shall be published on the Company's website.

~~6. Remote attendance at the shareholders' meeting via simultaneous teleconference and the casting of a remote, electronic vote shall be governed by the rules and regulations for the general meeting.~~

~~The rules and regulations for the general meeting may give the board of directors the power to set regulations regarding all required~~

<p>aspects, including, among other issues, how early a shareholder must connect in order to be deemed present, the procedure and rules applicable for shareholders attending remotely to exercise their rights, the length of the period, if any, prior to the meeting within which those who will attend by means of data transmission must send their participation statements and proposed resolutions, the identification that may be required of such remote attendees, and their impact on how the list of attendees is compiled, all in compliance with the Law, the bylaws and the rules and regulations for the general shareholders' meeting.</p>	<p><del>procedural aspects, including, among other issues, how early a shareholder must connect in order to be deemed present, the procedure and rules applicable for shareholders attending remotely to exercise their rights, the length of the period, if any, prior to the meeting within which those who will attend by means of data transmission must send their participation statements and proposed resolutions, the identification that may be required of such remote attendees, and their impact on how the list of attendees is compiled, all in compliance with the Law, the bylaws and the rules and regulations for the general shareholders' meeting.</del></p>
	<p><u>Article 34 bis. Remote shareholders' meeting</u></p> <p><u>1. Attendance at the shareholders' meeting by remote and simultaneous means and the casting of a remote electronic vote during the meeting shall be governed by the rules and regulations for the general meeting.</u></p> <p><u>The rules and regulations for the general meeting may give the board of directors the power to set regulations regarding all required procedural aspects, including, among other issues, how early a shareholder must connect in order to be deemed present, the procedure and rules applicable for shareholders attending remotely to exercise their rights, the length of the period, if any, prior to the meeting within which those who</u></p>

will attend remotely must send their presentations and proposed resolutions, the identification that may be required of such remote attendees, and their impact on how the list of attendees is compiled, all in compliance with the law, the bylaws and the rules and regulations for the general shareholders' meeting.

2. In addition, when permitted by applicable legal provisions and subject to the conditions established therein, general shareholders' meetings may be called to be held exclusively by remote means, without the physical attendance of shareholders or their representatives.

A meeting can be held exclusively by remote means only if the identity and standing of the shareholders and their representatives are duly guaranteed and if all attendees are able to participate effectively in the meeting by the remote means of communication allowed by applicable legal provisions from time to time in effect, both to exercise in real time their rights to make presentations, receive information, make proposals and vote, as well as to follow the presentations of the other attendees by the means made available, based on the state of the art and the Company's circumstances, particularly the number of shareholders. The provisions of section 1 above shall also apply. The members of the board of directors may attend the meeting by remote



connection or, as the case may be, from the actual place where it is broadcast.

The announcement of the call to meeting shall state the reasons for holding the meeting exclusively by remote means and shall describe the steps and procedures to register and to prepare the list of attendees, for the attendees to exercise their rights, and for the proceedings of the meeting to be accurately reflected in the minutes.

3. Replies to shareholders or their representatives attending the meeting through real-time remote means of communication who exercise their right to request information during the meeting shall be provided during the meeting, unless it is not possible to do so at that time, in which case the directors shall be required to provide the information requested in writing within seven days of the close of the meeting. In the latter case, the answers provided shall be published on the corporate website.

Proposals<sup>1</sup>:

**Five A**

As regards the bylaw provisions regarding the issue of debentures by the Company, it is hereby resolved to include the following amendments to the Bylaws:

(i) To amend article 18 of the Bylaws, which shall hereafter read as follows:

***"Article 18. Convertible debentures***

1. *Convertible debentures may be issued at a fixed (determined or determinable) or variable exchange ratio.*
2. *The pre-emptive rights of the shareholders in connection with the issuance of convertible debentures may be excluded as provided by law.*
3. *The shareholders acting at a general shareholders' meeting may delegate to the board of directors the power to issue convertible debentures, including, if applicable, the power to exclude preemptive rights. The board of directors may make use of this delegation on one or more occasions within a maximum period of five years. The shareholders acting at a general shareholders' meeting may also authorize the board of directors to determine the time when the issuance approved is to be carried out and to set the other terms not specified in the resolution of the shareholders."*

(ii) To amend paragraph (v) of section 2 of article 20 of the Bylaws, without changing the other sections and paragraphs of said article (without prejudice to the proposal made under item Five B), such that paragraph (v) of section 2 of article 20 shall hereafter read as follows:

*"(v) To adopt resolutions on the issuance of debentures or other fixed-income securities that are convertible into shares of the Company, any capital increase or reduction, the transformation, merger or split off, the overall assignment of assets and liabilities, the relocation of the registered office abroad and the dissolution of the Company and, in general, any amendment of the bylaws, except when the law assigns such power to the directors with respect to any of the aforementioned matters;"*

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<sup>1</sup> Each of the proposals made under items Five A, Five B, Five C and Five D will be submitted to a separate vote.

## **Five B**

As regards the bylaw provisions concerning the compensation linked to the shares of the Company, it is hereby resolved to amend paragraph (x) of section 2 of article 20 of the Bylaws, without changing the other sections and paragraphs of said article (without prejudice to the proposal made under item Five A), such that paragraph (x) of section 2 of article 20 shall hereafter read as follows:

*“(x) To approve the director remuneration policy as provided by law and to decide on the application of compensation systems consisting of the delivery of shares or rights thereto, as well as any other compensation system referenced to the value of the shares, when the beneficiaries of such compensation systems are directors of the Bank;”*

## **Five C**

As regards the bylaw provisions concerning the remote participation of the shareholders in the general meeting prior to the holding thereof, it is hereby resolved to include the following amendments to the Bylaws:

(i) To amend section 6 of article 27 of the Bylaws, without changing the other sections of such article, such that said section 6 of article 27 shall hereafter read as follows:

*“6. In order to be valid, a proxy granted or notified by any of the foregoing means of remote communication must be received by the Company before midnight of the third working day prior to the date the shareholders' meeting is to be held on first call, with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office. In the resolution approving the call to the meeting in question, the board of directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting. Pursuant to the provisions of Article 34.5 below, the board may further develop the foregoing provisions regarding proxies granted by remote means of communication.”*

(ii) To amend section 2 of article 34 of the Bylaws, without changing the other sections of such article (without prejudice to the proposal made under item Five D), such that said section 2 of article 34 shall hereafter read as follows:

*“2. In order to be valid, a vote cast by any of the aforementioned means must be received by the Company before midnight on the third working day prior to the date the shareholders' meeting is to be held on first call, with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office. Otherwise, the vote shall be deemed not to have been cast. The board of directors may reduce the required notice period, disseminating*

*this information in the same manner as it disseminates the announcement of the call to meeting."*

#### **Five D**

As regards the bylaw provisions regarding attendance at the meeting by remote means and the call to and holding of meetings exclusively by remote means, it is hereby resolved to include the following amendments to the Bylaws:

- (i) To eliminate section 6 of article 34 of the Bylaws, without changing the other sections of such article (without prejudice to the proposal made under item Five B).
- (ii) To insert after article 34 a new article 34 *bis* in the Bylaws, which shall read as follows:

***"Article 34 bis. Remote shareholders' meeting***

1. *Attendance at the shareholders' meeting by remote and simultaneous means and the casting of a remote electronic vote during the meeting shall be governed by the rules and regulations for the general meeting.*

*The rules and regulations for the general meeting may give the board of directors the power to set regulations regarding all required procedural aspects, including, among other issues, how early a shareholder must connect in order to be deemed present, the procedure and rules applicable for shareholders attending remotely to exercise their rights, the length of the period, if any, prior to the meeting within which those who will attend remotely must send their presentations and proposed resolutions, the identification that may be required of such remote attendees, and their impact on how the list of attendees is compiled, all in compliance with the law, the bylaws and the rules and regulations for the general shareholders' meeting.*

2. *In addition, when permitted by applicable legal provisions and subject to the conditions established therein, general shareholders' meetings may be called to be held exclusively by remote means, without the physical attendance of shareholders or their representatives.*

*A meeting can be held exclusively by remote means only if the identity and standing of the shareholders and their representatives are duly guaranteed and if all attendees are able to participate effectively in the meeting by the remote means of communication allowed by applicable legal provisions from time to time in effect, both to exercise in real time their rights to make presentations, receive information, make proposals and vote, as well as to follow the presentations of the other attendees by the means made available, based on the state of the art and the Company's circumstances, particularly the number of*

*shareholders. The provisions of section 1 above shall also apply. The members of the board of directors may attend the meeting by remote connection or, as the case may be, from the actual place where it is broadcast.*

*The announcement of the call to meeting shall state the reasons for holding the meeting exclusively by remote means and shall describe the steps and procedures to register and to prepare the list of attendees, for the attendees to exercise their rights, and for the proceedings of the meeting to be accurately reflected in the minutes.*

- 3. Replies to shareholders or their representatives attending the meeting through real-time remote means of communication who exercise their right to request information during the meeting shall be provided during the meeting, unless it is not possible to do so at that time, in which case the directors shall be required to provide the information requested in writing within seven days of the close of the meeting. In the latter case, the answers provided shall be published on the corporate website.*

Pursuant to the provisions of section 4.2.c) of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, and section 10 of Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, the foregoing proposed bylaw amendments are subject to receipt of the applicable regulatory approval.

- Item Six**                    **Amendment of the following articles of the Rules and Regulations for the General Shareholders' Meeting:**
- Six A.**                    **Amendment of article 2 (*General Shareholders' Meeting*), relating to the powers of the shareholders at a general meeting (*issuance of debentures*).**
- Six B.**                    **Amendment of article 2 (*General Shareholders' Meeting*), relating to the powers of the shareholders at a general meeting (*share-based compensation*).**
- Six C.**                    **Amendment of article 8 (*proxies*), relating to proxy representation at a general meeting.**
- Six D.**                    **Amendment of article 20 (*voting by distance means of communication*), relating to the means for distance voting.**
- Six E.**                    **Amendment of article 26 (*publication of resolutions*), relating to publication of the resolutions approved at the general meeting.**

PROPOSAL SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING ITEM SIX OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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Submitted for the approval of the shareholders under item Six of the agenda for the general shareholders' meeting of Banco Santander, S.A. (the "**Bank**" or the "**Company**") are: (i) the amendment of article 2 (section 2.VI) of the Rules and Regulations for the General Shareholders' Meeting (item Six A); (ii) the amendment of article 2 (section 2.XII) of the Rules and Regulations for the General Shareholders' Meeting (item Six B); (iii) the amendment of article 8 of the Rules and Regulations for the General Shareholders' Meeting (item Six C); (iv) the amendment of article 20 (section 1) of the Rules and Regulations for the General Shareholders' Meeting (item Six D); and (v) the amendment of article 26 of said Rules and Regulations (item Six E).

Said proposed amendment is due to the advisability of (i) aligning the text of the Rules and Regulations for the General Shareholders' Meeting with the amendments of the Bylaws also proposed by the board of directors; (ii) including a technical specification in the regulatory regulation in relation to the mechanisms for proxy-granting and distance voting to make explicit that they may also be conferred and cast by telephone when such possibility is contemplated in the corresponding announcement of the call to the meeting; and (iii) including additional technical improvements.

First, under item Six A of the agenda, it is proposed to amend subsection VI of section 2 of article 2 of the Rules and Regulations for the Meeting, to specify that the issue of debentures and other fixed-income securities is within the purview of the shareholders acting at a general shareholders' meeting only when they are convertible into shares of the Company. Like the amendment of section 2.(v) of article 20 of the Bylaws proposed under item Five A, this is intended to give the Bank's board of directors the power to issue non-convertible debentures.

Second, under item Six B of the agenda, it is proposed to amend subsection XII of section 2 of article 2 of the Rules and Regulations for the Meeting to clarify that the power to decide on the application of compensation systems consisting of the delivery of shares or rights thereto, as well as any other compensation system referencing the value of the shares falls under the purview of the shareholders acting at a general meeting only when the beneficiaries of such compensation systems are directors of the Bank. The purpose of this amendment, similarly to that of section 2.(x) of article 20 of the Bylaws under item Five B, is to give the board of directors of the Bank the power to decide on the application of compensation systems consisting of the delivery of shares or rights thereto, as well as any other compensation system referenced to the value of the shares, when the beneficiaries of such compensation systems are not directors of the Bank, which, in accordance with the current text of the Bylaws and the Rules and Regulations for the Meeting, is within the purview of the shareholders acting at a general meeting.

Third, under item Six C of the agenda, it is proposed to amend article 8 of the Rules and Regulations for the Meeting in order to specify that electronic correspondence or communication may include telephone communication when the corresponding announcement of the call to meeting provides for such possibility. Therefore, as was already the case, a proxy for the general meeting granted by telephone shall be deemed, for purposes of applying the Bank's rules for remote participation, to have been granted by electronic correspondence or communication with the Company.

Likewise, under item Six D of the agenda, it is proposed to amend article 20 (section 1) of the Rules and Regulations for the Meeting in order to make the same technical specification, on the same terms, clarifying that electronic votes can be cast by telephone.

With these two amendments, which are merely technical and explanatory, telephone communication is expressly considered as an electronic means of communication for the purposes of proxy-granting or voting prior to the meeting. This has been the case in relation to past meetings, in which telephone communication has been enabled as one more of the channels for electronic communication through which shareholders have been able to participate, all with the aim of facilitating and encouraging their engagement in the matters submitted at the general meeting. This channel for electronic participation must in any event be provided for in the corresponding announcement of the call to meeting in order to be viable. At the same time, in both provisions of the Rules and Regulations and in

line with what has already been proposed for the Bylaws, the advance period required for receipt of proxies granted and votes cast from a distance is set at three working days, although the board of directors may reduce this period for any general meeting.

Finally, under item Six E of the agenda it is proposed to amend article 26 to remove the reference to “significant event” (*hecho relevante*) appearing therein, as this term is no longer appropriate after the amendment of the restated text of the Securities Market Act (*Ley del Mercado de Valores*) implemented by Royal Decree-law 19/2018 of 23 November on payment services and other urgent financial measures. Upon communication of the text of the resolutions approved at each meeting, an analysis will be made of whether the information in question constitutes inside information (*información privilegiada*) or other relevant information (*otra información relevante*), in order to present it under the procedure that is appropriate in each case.

For easier identification and understanding of the proposed amendments, attached to this proposal as an Exhibit, for information purposes only, is a table providing a comparative view of the provisions of the Rules and Regulations for the Meeting proposed to be amended: the column on the left contains a transcription of the text currently in force, and the column on the right, the text of the proposed amendment.



**EXHIBIT**

**COMPARATIVE INFORMATION REGARDING THE PROVISIONS OF THE RULES AND REGULATIONS FOR THE GENERAL SHAREHOLDERS' MEETING PROPOSED TO BE AMENDED**

<b>CURRENT TEXT</b>	<b>PROPOSED AMENDMENT</b>
Amendments proposed under items Six A and Six B of the agenda	
<b>Article 2. General Shareholders' Meeting</b> <ol style="list-style-type: none"><li>1. The shareholders acting at a General Shareholders' Meeting constitute the sovereign decision-making body of the Company in those matters within their power.</li><li>2. Pursuant to the provisions of the Bylaws, the shareholders at a General Shareholders' Meeting may adopt resolutions on any matter pertaining to the Company, with the following powers being specifically reserved to them:<ol style="list-style-type: none"><li>I. Approval of Rules and Regulations for the General Shareholders' Meeting that, subject to the provisions of Law and the Bylaws, shall govern the call, organization, information about, attendance at and holding of the General Shareholders' Meeting, as well as the exercise of voting rights on the occasion of the call and holding of such Meetings.</li><li>II. Appointment and removal of Members of the Board of Directors, as well as ratification or revocation of interim appointments of such Directors by the Board itself, and</li></ol></li></ol>	<b>Article 2. General Shareholders' Meeting</b> <ol style="list-style-type: none"><li>1. The shareholders acting at a General Shareholders' Meeting constitute the sovereign decision-making body of the Company in those matters within their power.</li><li>2. Pursuant to the provisions of the Bylaws, the shareholders at a General Shareholders' Meeting may adopt resolutions on any matter pertaining to the Company, with the following powers being specifically reserved to them:<ol style="list-style-type: none"><li>I. Approval of Rules and Regulations for the General Shareholders' Meeting that, subject to the provisions of Law and the Bylaws, shall govern the call, organization, information about, attendance at and holding of the General Shareholders' Meeting, as well as the exercise of voting rights on the occasion of the call and holding of such Meetings.</li><li>II. Appointment and removal of Members of the Board of Directors, as well as ratification or revocation of interim appointments of such Directors by the Board itself, and</li></ol></li></ol>

<p>examination and approval of their performance and exemption of the Directors from the legal prohibitions regarding conflicts of interest when the Law necessarily assigns such power to the shareholders at the General Shareholders' Meeting.</p> <p>III. Appointment and removal of the External Auditor and Liquidators.</p> <p>IV. Commencement of claims for liability against Members of the Board of Directors, Liquidators or the External Auditor.</p> <p>V. Approval, if appropriate, of the annual accounts and the corporate management and of resolutions on the allocation of earnings, as well as approval, also if appropriate, of the consolidated annual accounts.</p> <p>VI. Resolutions on the issuance of debentures or other fixed-income securities, any capital increase or decrease, the transformation, merger or split-off, the overall assignment of assets and liabilities, the relocation of the registered office abroad and the dissolution of the Company and, in general, any amendment to the Company's Bylaws, unless the Law assigns power to the directors regarding any of the foregoing matters.</p> <p>VII. Authorizing the Board of Directors to increase the capital stock, pursuant to the provisions of the Spanish Capital Corporations Law.</p>	<p>examination and approval of their performance and exemption of the Directors from the legal prohibitions regarding conflicts of interest when the Law necessarily assigns such power to the shareholders at the General Shareholders' Meeting.</p> <p>III. Appointment and removal of the External Auditor and Liquidators.</p> <p>IV. Commencement of claims for liability against Members of the Board of Directors, Liquidators or the External Auditor.</p> <p>V. Approval, if appropriate, of the annual accounts and the corporate management and of resolutions on the allocation of earnings, as well as approval, also if appropriate, of the consolidated annual accounts.</p> <p>VI. Resolutions on the issuance of debentures or other fixed-income securities <b><u>that are convertible into shares of the Company</u></b>, any capital increase or decrease, the transformation, merger or split-off, the overall assignment of assets and liabilities, the relocation of the registered office abroad and the dissolution of the Company and, in general, any amendment to the Company's Bylaws, unless the Law assigns power to the directors regarding any of the foregoing matters.</p> <p>VII. Authorizing the Board of Directors to increase the capital stock, pursuant to the provisions of the Spanish Capital Corporations Law.</p>
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- VIII. Conferral upon the Board of Directors of such powers as they may deem advisable for unforeseen events.
- IX. Authorizing the acquisition of the Company's own stock.
- X. Deciding on the exclusion or limitation of pre-emptive rights, without prejudice to the possibility of delegating this power to the directors as provided by law.
- XI. Deciding upon matters submitted to the shareholders at the General Shareholders' Meeting by resolution of the Board of Directors.
- XII. Approving the director remuneration policy as provided by Law and deciding on the application of consistent compensation systems for the delivery of shares or rights thereto, as well as any other compensation system referencing the value of the shares, regardless of who the beneficiary of such compensation systems may be.
- XIII. Approving the transfer to subsidiaries of essential activities until that time carried out by the Company itself, though it may retain full ownership thereof.
- XIV. Approving the acquisition, disposition or contribution of essential operating assets to another company.

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- X. Deciding on the exclusion or limitation of pre-emptive rights, without prejudice to the possibility of delegating this power to the directors as provided by law.
- XI. Deciding upon matters submitted to the shareholders at the General Shareholders' Meeting by resolution of the Board of Directors.
- XII. Approving the director remuneration policy as provided by Law and deciding on the application of consistent compensation systems for the delivery of shares or rights thereto, as well as any other compensation system referencing the value of the shares, **when the beneficiaries of such compensation systems are directors of the Bank, regardless of who the beneficiary of such compensation systems may be.**
- XIII. Approving the transfer to subsidiaries of essential activities until that time carried out by the Company itself, though it may retain full ownership thereof.
- XIV. Approving the acquisition, disposition or contribution of essential operating assets to another company.

XV. Resolutions approving transactions that would have an effect equivalent to the liquidation of the Company.

XVI. Deciding or voting on any other matter assigned under the law or the Bylaws.

For purposes of the provisions in subsections XIII and XIV, the asset or activity shall be presumed essential if the amount of the transaction exceeds twenty-five percent of the value of the assets as recorded in the last balance sheet.

XV. Resolutions approving transactions that would have an effect equivalent to the liquidation of the Company.

XVI. Deciding or voting on any other matter assigned under the law or the Bylaws.

For purposes of the provisions in subsections XIII and XIV, the asset or activity shall be presumed essential if the amount of the transaction exceeds twenty-five percent of the value of the assets as recorded in the last balance sheet.

Amendments proposed under item Six C of the agenda

**Article 8. Proxies**

Without prejudice to the provisions of the Bylaws, the right to attend the General Shareholders' Meeting may be delegated to any individual or legal person. Individual shareholders not enjoying full rights under civil law, and legal entities holding shares, may be represented by legal representatives who have been duly verified. In such cases, as well as in the event a shareholder delegates his right to attend, no shareholder may have more than one representative at the Shareholders' Meeting, except as provided in article 22.

Proxy representation conferred upon one who is legally ineligible to hold such proxy shall be null and void. A proxy is always revocable. Attendance at the Shareholders' Meeting, whether physically or by casting a distance vote, shall be equivalent to the revocation of such proxy, regardless of the date thereof. A proxy shall also be

**Article 8. Proxies**

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Proxy representation conferred upon one who is legally ineligible to hold such proxy shall be null and void. A proxy is always revocable. Attendance at the Shareholders' Meeting, whether physically or by casting a distance vote, shall be equivalent to the revocation of such proxy, regardless of the date thereof. A proxy shall also be

rendered void by any transfer of shares of which the Company becomes aware.

In cases where the directors of the Company make a public solicitation for proxies, the rules contained in the Spanish Capital Corporations Law and rules and regulations further elaborating upon the provisions thereof shall apply. In particular, the document evidencing the proxy must contain or attach the agenda, as well as the solicitation of instructions for the exercise of voting rights and the way in which the proxy-holder will vote in the event that specific instructions are not given, subject in all cases to the provisions of Law.

The delegation may also include those matters that the law allows to be dealt with at the General Shareholders' Meeting even when not provided for in the agenda. If the delegation does not include them, it shall be understood that the shareholder represented instructs his representative to abstain from voting on those items.

Without prejudice to the provisions of Section 187 of the Spanish Capital Corporations Law, proxies shall be conferred pursuant to the provisions of Sections 184.2 and 522 *et seq.* thereof.

When a proxy is granted by remote means of communication, it shall only be deemed valid if the grant is made:

a) by hand-delivery or postal correspondence, sending the Company the duly signed attendance card and proxy, or by other written means that, in the judgment of the Board of Directors recorded in a resolution adopted for such purpose, allows for

rendered void by any transfer of shares of which the Company becomes aware.

In cases where the directors of the Company make a public solicitation for proxies, the rules contained in the Spanish Capital Corporations Law and rules and regulations further elaborating upon the provisions thereof shall apply. In particular, the document evidencing the proxy must contain or attach the agenda, as well as the solicitation of instructions for the exercise of voting rights and the way in which the proxy-holder will vote in the event that specific instructions are not given, subject in all cases to the provisions of Law.

The delegation may also include those matters that the law allows to be dealt with at the General Shareholders' Meeting even when not provided for in the agenda. If the delegation does not include them, it shall be understood that the shareholder represented instructs his representative to abstain from voting on those items.

Without prejudice to the provisions of Section 187 of the Spanish Capital Corporations Law, proxies shall be conferred pursuant to the provisions of Sections 184.2 and 522 *et seq.* thereof.

When a proxy is granted by remote means of communication, it shall only be deemed valid if the grant is made:

a) by hand-delivery or postal correspondence, sending the Company the duly signed attendance card and proxy, or by other written means that, in the judgment of the Board of Directors recorded in a resolution adopted for such purpose, allows for

<p>due confirmation of the identity of the shareholder granting the proxy and of the representative being appointed, or</p> <p>b) by electronic correspondence or communication with the Company, including an electronic copy of the attendance card and the proxy; such electronic copy shall specify the representation being granted and the identity of the party represented, and shall include the digital signature or other form of identification of the shareholder being represented, in accordance with the conditions set by the Board of Directors recorded in a resolution adopted for such purpose, to ensure that this system of representation includes adequate assurances regarding authenticity and the identity of the shareholder represented.</p> <p>In order to be valid, a proxy granted by any of the foregoing means of remote communication must be received by the Company before midnight of the third day prior to the date the Shareholders' Meeting is to be held on first call. In the resolution approving the call to the Shareholders' Meeting in question, the Board of Directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting.</p>	<p>due confirmation of the identity of the shareholder granting the proxy and of the representative being appointed, or</p> <p>b) by electronic correspondence or communication with the Company, including an electronic copy of the attendance card and the proxy; such electronic copy shall specify the representation being granted and the identity of the party represented, and shall include the digital signature or other form of identification of the shareholder being represented, in accordance with the conditions set by the Board of Directors recorded in a resolution adopted for such purpose, to ensure that this system of representation includes adequate assurances regarding authenticity and the identity of the shareholder represented. <u>Electronic correspondence or communication may include telephone communication, when the corresponding announcement of the call to meeting provides so.</u></p> <p>In order to be valid, a proxy granted by any of the foregoing means of remote communication must be received by the Company before midnight of the third <b>working</b> day prior to the date the Shareholders' Meeting is to be held on first call, <u>with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office.</u> In the resolution approving the call to the Shareholders' Meeting in question, the Board of Directors may reduce the required notice period,</p>
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<p>Pursuant to the provisions of Article 34.5 of the Bylaws and 20.4 of these Rules and Regulations, the Board may also expand upon the foregoing provisions regarding proxies granted by remote means of communication.</p>	<p>disseminating this information in the same manner as it disseminates the announcement of the call to meeting.</p> <p>Pursuant to the provisions of Article 34.5 of the Bylaws and 20.4 of these Rules and Regulations, the Board may also expand upon the foregoing provisions regarding proxies granted by remote means of communication.</p>
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Amendments proposed under item Six D of the agenda

<p><b>Article 20. Voting by Distance Means of Communication</b></p> <p>1. Shareholders having the right to attend the Meeting may cast their vote regarding proposals relating to the items included in the agenda of any General Shareholders' Meeting by the following means:</p> <p>a) hand-delivery or postal correspondence, sending the Company the duly signed attendance card and ballot (together with the ballot form provided by the Company, if any), or other written means that, in the judgment of the Board of Directors recorded in a resolution adopted for such purpose, allows for due verification of the identity of the shareholder exercising his voting rights, or</p> <p>b) electronic correspondence or communication with the Company, including an electronic copy of the attendance card and ballot (together with the ballot form provided by the Company, if any); such electronic copy shall</p>	<p><b>Article 20. Voting by Distance Means of Communication</b></p> <p>1. Shareholders having the right to attend the Meeting may cast their vote regarding proposals relating to the items included in the agenda of any General Shareholders' Meeting by the following means:</p> <p>a) hand-delivery or postal correspondence, sending the Company the duly signed attendance card and ballot (together with the ballot form provided by the Company, if any), or other written means that, in the judgment of the Board of Directors recorded in a resolution adopted for such purpose, allows for due verification of the identity of the shareholder exercising his voting rights, or</p> <p>b) electronic correspondence or communication with the Company, including an electronic copy of the attendance card and ballot (together with the ballot form provided by the Company, if any); such electronic copy shall</p>
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include the digital signature or other form of identification of the shareholder, in accordance with the conditions set by the Board of Directors recorded in a resolution adopted for such purpose, to ensure that this system of voting includes adequate assurances regarding authenticity and the identity of the shareholder exercising his vote.

In order to be valid, a vote cast by any of the foregoing means must be received by the Company before midnight of the third day prior to the date the Shareholders' Meeting is to be held on first call. In the resolution approving the call to the Shareholders' Meeting in question, the Board of Directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting.

2. Shareholders who cast votes from a distance pursuant to the provisions of this Article shall be deemed present for purposes of determining the establishment of a quorum for the Shareholders' Meeting in question.

include the digital signature or other form of identification of the shareholder, in accordance with the conditions set by the Board of Directors recorded in a resolution adopted for such purpose, to ensure that this system of voting includes adequate assurances regarding authenticity and the identity of the shareholder exercising his vote. **Electronic correspondence or communication may include telephone communication, when the corresponding announcement of the call to meeting provides so.**

In order to be valid, a vote cast by any of the foregoing means must be received by the Company before midnight of the third **working** day prior to the date the Shareholders' Meeting is to be held on first call, **with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office.** In the resolution approving the call to the Shareholders' Meeting in question, the Board of Directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting.

2. Shareholders who cast votes from a distance pursuant to the provisions of this Article shall be deemed present for purposes of determining the establishment of a quorum for the Shareholders' Meeting in question.



<p>Therefore, any proxies granted by them prior to the casting of such vote shall be deemed revoked and any such proxies thereafter granted shall be deemed invalid.</p> <p>3. Any vote cast from a distance as set forth in this Article shall be rendered void by physical attendance at the meeting by the shareholder who cast such vote or by a transfer of shares of which the Company becomes aware.</p> <p>4. The Board of Directors may expand upon the foregoing provisions, establishing such instructions, rules, means and procedures to document the casting of votes and grant of proxies by remote means of communication as may be appropriate to the state of the technology, and conforming to any regulations issued in this regard and to the provisions of the Bylaws and these Rules and Regulations. Implementing rules adopted by the Board of Directors pursuant to the provisions hereof shall be published on the Company's website. Furthermore, in order to prevent potential deception, the Board of Directors may take any measures required to ensure that anyone who has cast a distance vote or granted a proxy is duly empowered to do so pursuant to the provisions of the Bylaws and these Rules and Regulations.</p>	<p>Therefore, any proxies granted by them prior to the casting of such vote shall be deemed revoked and any such proxies thereafter granted shall be deemed invalid.</p> <p>3. Any vote cast from a distance as set forth in this Article shall be rendered void by physical attendance at the meeting by the shareholder who cast such vote or by a transfer of shares of which the Company becomes aware.</p> <p>4. The Board of Directors may expand upon the foregoing provisions, establishing such instructions, rules, means and procedures to document the casting of votes and grant of proxies by remote means of communication as may be appropriate to the state of the technology, and conforming to any regulations issued in this regard and to the provisions of the Bylaws and these Rules and Regulations. Implementing rules adopted by the Board of Directors pursuant to the provisions hereof shall be published on the Company's website. Furthermore, in order to prevent potential deception, the Board of Directors may take any measures required to ensure that anyone who has cast a distance vote or granted a proxy is duly empowered to do so pursuant to the provisions of the Bylaws and these Rules and Regulations.</p>
<p>Amendments proposed under item Six E of the agenda</p>	
<p><b>Article 26. Publication of Resolutions</b></p>	<p><b>Article 26. Publication of Resolutions</b></p>

Without prejudice to registration with the Commercial Registry of recordable resolutions and applicable legal provisions regarding the publication of corporate resolutions, the same day the Shareholders' Meeting is held or the next business day, the Company shall send the text of the approved resolutions to the National Securities Market Commission, by means of a timely notice of a significant event. The approved resolutions and the result of the votes shall also be accessible through the website of the Company within five days of the end of the General Shareholders' Meeting. In addition, at the request of any shareholder or their representative at the General Shareholders' Meeting, the Secretary shall issue a certification of the resolutions or of the notarial minutes.

Without prejudice to registration with the Commercial Registry of recordable resolutions and applicable legal provisions regarding the publication of corporate resolutions, the same day the Shareholders' Meeting is held or the next business day, the Company shall send the text of the approved resolutions to the National Securities Market Commission, by means of a timely notice **of a significant event**. The approved resolutions and the result of the votes shall also be accessible through the website of the Company within five days of the end of the General Shareholders' Meeting. In addition, at the request of any shareholder or their representative at the General Shareholders' Meeting, the Secretary shall issue a certification of the resolutions or of the notarial minutes.

Proposals<sup>1</sup>:

**Item Six A**

In relation to article 2 of the Rules and Regulations for the General Shareholders' Meeting, regarding matters within the purview of the shareholders acting at the General Shareholders' Meeting, as regard to the bylaw provisions relating to the issuance of debentures by the Company, it is hereby resolved to amend subsection VI of section 2, without changing the other sections and subsections of such article (without prejudice to the proposal made under item Six B), such that said subsection VI of section 2 shall hereafter read as follows:

*"VI. Resolutions on the issuance of debentures or other fixed-income securities that are convertible into shares of the Company, any capital increase or decrease, the transformation, merger or split-off, the overall assignment of assets and liabilities, the relocation of the registered office abroad and the dissolution of the Company and, in general, any amendment to the Company's Bylaws, unless the Law assigns power to the directors regarding any of the foregoing matters."*

**Item Six B**

In relation to article 2 of the Rules and Regulations for the General Shareholders' Meeting, regarding matters within the purview of the shareholders acting at the General Shareholders' Meeting, as regard to the bylaw provisions relating to the compensation linked to shares of the Company, it is hereby resolved to amend subsection XII of section 2, without changing the other sections and subsections of such article (without prejudice to the proposal made under item Six A), such that said subsection XII of section 2 shall hereafter read as follows:

*"XII. Approving the director remuneration policy as provided by Law and deciding on the application of consistent compensation systems for the delivery of shares or rights thereto, as well as any other compensation system referencing the value of the shares, when the beneficiaries of such compensation systems are directors of the Bank."*

**Item Six C**

In relation to article 8 of the Rules and Regulations for the General Shareholders' Meeting, regarding proxies granted by shareholders prior to the holding of a general meeting, it is

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<sup>1</sup> Each of the proposals made under items Six A, Six B, Six C, Six D and Six E will be submitted to a separate vote.

hereby resolved to amend the text thereof, such that article 8 shall hereafter read as follows:

**"Article 8. Proxies**

*Without prejudice to the provisions of the Bylaws, the right to attend the General Shareholders' Meeting may be delegated to any individual or legal person. Individual shareholders not enjoying full rights under civil law, and legal entities holding shares, may be represented by legal representatives who have been duly verified. In such cases, as well as in the event a shareholder delegates his right to attend, no shareholder may have more than one representative at the Shareholders' Meeting, except as provided in article 22.*

*Proxy representation conferred upon one who is legally ineligible to hold such proxy shall be null and void. A proxy is always revocable. Attendance at the Shareholders' Meeting, whether physically or by casting a distance vote, shall be equivalent to the revocation of such proxy, regardless of the date thereof. A proxy shall also be rendered void by any transfer of shares of which the Company becomes aware.*

*In cases where the directors of the Company make a public solicitation for proxies, the rules contained in the Spanish Capital Corporations Law and rules and regulations further elaborating upon the provisions thereof shall apply. In particular, the document evidencing the proxy must contain or attach the agenda, as well as the solicitation of instructions for the exercise of voting rights and the way in which the proxy-holder will vote in the event that specific instructions are not given, subject in all cases to the provisions of Law.*

*The delegation may also include those matters that the law allows to be dealt with at the General Shareholders' Meeting even when not provided for in the agenda. If the delegation does not include them, it shall be understood that the shareholder represented instructs his representative to abstain from voting on those items.*

*Without prejudice to the provisions of Section 187 of the Spanish Capital Corporations Law, proxies shall be conferred pursuant to the provisions of Sections 184.2 and 522 et seq. thereof.*

*When a proxy is granted by remote means of communication, it shall only be deemed valid if the grant is made:*

- a) by hand-delivery or postal correspondence, sending the Company the duly signed attendance card and proxy, or by other written means that, in the judgment of the Board of Directors recorded in a resolution adopted for such purpose, allows for due confirmation of the identity of the shareholder granting the proxy and of the representative being appointed, or*
- b) by electronic correspondence or communication with the Company, including an electronic copy of the attendance card and the proxy; such electronic copy shall specify the representation being granted and the identity of the party represented, and shall*

*include the digital signature or other form of identification of the shareholder being represented, in accordance with the conditions set by the Board of Directors recorded in a resolution adopted for such purpose, to ensure that this system of representation includes adequate assurances regarding authenticity and the identity of the shareholder represented. Electronic correspondence or communication may include telephone communication, when the corresponding announcement of the call to meeting provides so.*

*In order to be valid, a proxy granted by any of the foregoing means of remote communication must be received by the Company before midnight of the third working day prior to the date the Shareholders' Meeting is to be held on first call, with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office. In the resolution approving the call to the Shareholders' Meeting in question, the Board of Directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting.*

*Pursuant to the provisions of Article 34.5 of the Bylaws and 20.4 of these Rules and Regulations, the Board may also expand upon the foregoing provisions regarding proxies granted by remote means of communication."*

#### **Item Six D**

In relation to article 20 of the Rules and Regulations for the General Shareholders' Meeting, regarding voting by distance means of communication, it is hereby resolved to amend section 1, without changing the other sections of such article, such that section 1 of article 20 shall hereafter read as follows:

- "1. Shareholders having the right to attend the Meeting may cast their vote regarding proposals relating to the items included in the agenda of any General Shareholders' Meeting by the following means:*
  - a) hand-delivery or postal correspondence, sending the Company the duly signed attendance card and ballot (together with the ballot form provided by the Company, if any), or other written means that, in the judgment of the Board of Directors recorded in a resolution adopted for such purpose, allows for due verification of the identity of the shareholder exercising his voting rights, or*
  - b) electronic correspondence or communication with the Company, including an electronic copy of the attendance card and ballot (together with the ballot form provided by the Company, if any); such electronic copy shall include the digital signature or other form of identification of the shareholder, in accordance with the conditions set by the Board of Directors recorded in a resolution adopted for such purpose, to ensure that this system of voting includes adequate assurances*

*regarding authenticity and the identity of the shareholder exercising his vote. Electronic correspondence or communication may include telephone communication, when the corresponding announcement of the call to meeting provides so.*

*In order to be valid, a vote cast by any of the foregoing means must be received by the Company before midnight of the third working day prior to the date the Shareholders' Meeting is to be held on first call, with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office. In the resolution approving the call to the Shareholders' Meeting in question, the Board of Directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting."*

### **Item Six E**

In relation to article 26 of the Rules and Regulations for the General Shareholders' Meeting, regarding the publication of resolutions approved by the shareholders at a general shareholders' meeting, it is hereby resolved to amend the text thereof such that it shall hereafter read as follows:

#### **"Article 26. Publication of Resolutions**

*Without prejudice to registration with the Commercial Registry of recordable resolutions and applicable legal provisions regarding the publication of corporate resolutions, the same day the Shareholders' Meeting is held or the next business day, the Company shall send the text of the approved resolutions to the National Securities Market Commission, by means of a timely notice. The approved resolutions and the result of the votes shall also be accessible through the website of the Company within five days of the end of the General Shareholders' Meeting. In addition, at the request of any shareholder or their representative at the General Shareholders' Meeting, the Secretary shall issue a certification of the resolutions or of the notarial minutes."*

## **Item Seven**

**Delegation to the board of directors of the power to issue all kinds of fixed-income securities, preferred interests (*participaciones preferentes*) or debt instruments of a similar nature (including certificates (*cédulas*), promissory notes and warrants) that are not convertible, depriving of effect, to the extent of the unused amount, the delegation in such respect conferred by resolution Eight II) approved by the shareholders acting at the ordinary general meeting of 3 April 2020.**

PROPOSAL SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING ITEM SEVEN OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

It is proposed to authorise the board of directors to issue all kinds of fixed-income securities, preferred interests (*participaciones preferentes*) or debt instruments of a similar nature (including certificates (*cédulas*), promissory notes and warrants) that are not convertible, depriving of effect, to the extent of the unused amount, the delegation in such respect conferred by resolution Eight II) approved by the shareholders acting at the ordinary general meeting of 3 April 2020.

This proposal is made without prejudice to those made under items Five A and Six A of the agenda, which are intended to amend certain provisions of the Bylaws and of the Rules and Regulations for the General Meeting of the Bank, respectively, in order to hereafter give to the board of directors the power to issue non-convertible debentures, and in view of the fact that, if said proposals are approved, the bylaw amendment proposed under item Five A of the agenda would not be immediately effective, as it is subject to the applicable regulatory approval pursuant to the provisions of section 4.2.c) of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, and of section 10 of Royal Decree 84/2015 of 13 February implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions.

### Proposal:

- I) To rescind and deprive of effect, to the extent unused, resolution Eight II) approved at the ordinary general shareholders' meeting of 3 April 2020.
- II) To authorise the board of directors such that, in accordance with the general rules and regulations on the issuance of debentures and pursuant to the provisions of article 319 of the Regulations of the Commercial Registry, it may issue, on one or more occasions, up to 50,000 million euros, or the equivalent thereof in another currency, in fixed-income securities in any of the forms admitted by Law, including bonds, certificates (*cédulas*),

promissory notes, debentures and preferred interests (*participaciones preferentes*) or debt instruments of a similar nature (including warrants payable by physical delivery or set-off). This power may be exercised by the board of directors within a maximum period of five years from the date of adoption of this resolution by the shareholders, at the end of which period it shall be cancelled to the extent of the unused amount.

In the exercise of the delegated powers granted herein, and by way of example and not of limitation, the board of directors shall be responsible for determining the amount of each issue, always within the stated overall quantitative limit; the place of issue (in Spain or abroad) and the currency, and in the case of foreign currency, the equivalence thereof in euros; the denomination, whether bonds (*bonos*), debentures (*obligaciones*), preferred interests (*participaciones preferentes*) or any other denomination permitted by Law (including equity instruments among those contemplated by articles 51 to 55 or 62 to 65 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, or of any other type or origin; the issuance date(s); the possibility of the securities being totally or partially exchanged for shares or other existing securities of the Bank or of other entities (and if they are exchangeable, whether they are mandatorily, contingently or voluntarily exchangeable, and if voluntarily, whether at the option of the holder of the securities or the issuer) or the inclusion of a call option on such shares; the interest rate, dates and procedures for payment of the coupon; whether they are to be callable or not, with or without return of the principal and, if applicable, the redemption periods and events of redemption (in whole or in part), as well as, if applicable, whether they are to be mandatorily callable with or without return of the principal and interest, including contingently, and any events of return of principal; whether the issuance is with or without a maturity date and, in the former case, the maturity date; the type of repayment, premiums and tranches; guarantees, including mortgages; form of representation, whether certificated or as book entries; the number of securities and the nominal value thereof; the subscription procedure; the applicable law, whether domestic or foreign; the application, if any, for admission to trading on regulated or unregulated, organised or unorganised, domestic or foreign markets of the securities that are issued in compliance with the requirements in each case established by applicable laws and regulations; and, in general, any other condition applicable to the issuance, and, if applicable, appointing the Examiner (*Comisario*) and approving the basic rules that are to govern the legal relations between the Bank and the syndicate, if any and allowed, of holders of the securities that are issued.

The delegation also includes the grant to the board of directors of the power, in each case, to decide the conditions for repayment of the fixed-income securities issued in reliance on this authorisation, and the power to use, to the extent applicable, the redemption means referred to in section 430 of the Spanish Capital Corporations Law or any other means that



may be appropriate. In addition, the board of directors is authorised, whenever it deems appropriate, and subject to the necessary official authorisations being obtained, as well as, if required, approval at the Meetings of the respective syndicates or bodies representing the holders of the securities, to modify the conditions for repayment of the fixed-income securities issued and the maturity thereof, as well as the interest rate, if any, of those included in each of the issuances made pursuant to this authorisation.

As to the limits on the delegation, the aforementioned amount of 50,000 million euros is the maximum overall limit that may be reached at any time by the outstanding nominal balance of the promissory notes or similar securities issued, added to the nominal amount issued of other securities also issued under this authorisation granted to the board of directors. In the case of warrants, the sum of the premiums of the warrants from each issuance approved in accordance with this delegation shall be taken into account for the calculation of the above-mentioned limit (or in the case of warrants payable by physical delivery, the sum of premiums and exercise prices).

The board of directors is authorised to delegate in turn (with the power of substitution when appropriate) to the executive committee or to any director with delegated powers those delegable powers granted pursuant to this resolution, all without prejudice to the representative powers that currently exist or may be granted in relation to this resolution.

## **Item Eight**            **Director remuneration policy.**

REASONED PROPOSAL SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING ITEM EIGHT OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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Under item Eight of the agenda, the director remuneration policy of Banco Santander, S.A. (the "**Bank**" or the "**Company**"), formulated as provided by section 529 *novodecies* of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*) (the "**Remuneration Policy**"), is submitted to the shareholders for approval at the general shareholders' meeting.

The board has approved submitting to the shareholders at the general meeting the aforementioned Remuneration Policy, the text of which appears in section 6.4 of the "Corporate governance" chapter of the consolidated directors' report included in the 2020 annual report available on the corporate website ([www.santander.com](http://www.santander.com)) since the date of the call to meeting and is also available to the shareholders for delivery or mailing free of charge. The text of said policy derives from the report and proposal received from the remuneration committee, which report and proposal the board adopts as its own as to all the terms thereof.

Although the aforementioned section 529 *novodecies* would allow the approval of a policy applicable until 2024, the period covered by the Remuneration Policy only includes financial years 2021 (with respect to which the policy approved at the ordinary general shareholders' meeting held on 3 April 2020 is completed and updated), 2022 and 2023. Consequently, the board shall be required to propose to the shareholders at the general meeting the approval of a new remuneration policy no later than financial year 2023.

The remuneration of the directors in their capacity as such included in the Remuneration Policy is consistent with the remuneration system contemplated in article 58 of the Bylaws and article 33 of the rules and regulations of the board and with the proposed establishment of the maximum amount of such remuneration submitted to the shareholders at the general shareholders' meeting under item Nine of the agenda.

In addition, the remuneration for performance of executive duties that is also described in the Remuneration Policy complies with the requirements provided by the Spanish Capital Corporations Law and with the principles and rules set forth in the Company's Bylaws and rules and regulations of the board, as well as with such existing provisions as are especially applicable to the directors of the Company because of the status thereof as a credit institution (primarily, Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions –which transposes in Spain the content of Directive

2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms—, Circular 2/2016 of 2 February from Banco de España to credit institutions on supervision and solvency, which completes the adjustment of the Spanish legal system to Directive 2013/36/EU and to Regulation (EU) no 575/2013, and other related provisions).

The board believes that the Remuneration Policy proposed for approval is reasonably in proportion to the importance of the Company, is in line with the financial situation thereof and is consistent with market standards at comparable companies. Furthermore, the factors that affect the various components of remuneration for the performance of executive duties are compatible with an appropriate and effective management of risks, without offering the executive directors incentives to assume risks that exceed the level tolerated by the Company, and with the Company's strategy, objectives, values and interests over the long term.

Proposal:

To approve, pursuant to the provisions of section 529 *novodecies* of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*), the director remuneration policy of Banco Santander, S.A. for financial years 2021, 2022 and 2023, the text of which has been made available to the shareholders within the framework of the call to the general meeting, which appears in section 6.4 of the "Corporate governance" chapter of the consolidated directors' report included in the 2020 annual report and which, regarding the variable components of the remuneration of executive directors for 2021 and to the extent that they make up a remuneration system that includes the delivery of shares of the Bank or of rights thereto, is also submitted to the shareholders at the general shareholders' meeting under Items Eleven A and, if appropriate, Eleven C.

**Item Nine**

**Director remuneration system: setting of the maximum amount of annual remuneration to be paid to all of the directors in their capacity as such.**

**Proposal:**

To approve, for purposes of the provisions of section 2 of article 58 of the Bylaws, the fixed annual amount of remuneration of the directors acting as such at 6,000,000 euros, which amount shall be applicable to remuneration corresponding to financial year 2021 and shall remain effective for so long as the shareholders acting at a general shareholders' meeting do not resolve to amend it, the board of directors being able to reduce it on the terms established in the aforementioned provision of the Bylaws.

## Item Ten

**Remuneration system: approval of maximum ratio between fixed and variable components of total remuneration of executive directors and other employees belonging to categories with professional activities that have a material impact on the risk profile.**

DETAILED PROPOSAL AND RECOMMENDATION SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING ITEM TEN OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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Under item Ten of the agenda, the establishment of the maximum limit for the variable components of the total remuneration of a certain group within Banco Santander, S.A. (the "**Bank**" or the "**Company**") and its Group is submitted to the shareholders for approval at the general shareholders' meeting, such limit being stated as the maximum percentage that the variable components of remuneration represent with respect to the fixed components thereof (the "**Maximum Variable Remuneration Ratio**").

Article 58.6 of the Bylaws and Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions ("**Law 10/2014**"), which transposes in Spain the content of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD Directive**"), provide for the need to submit to the shareholders for approval at a general meeting the establishment of a Maximum Variable Remuneration Ratio in excess of 100%, which, in any event, shall not exceed 200%.

The group with respect to which such approval is required is made up of certain persons included within the scope of application of section 32.1 of Law 10/2014, i.e. persons belonging to "*categories of staff whose professional activities have a material impact on the risk profile of the institution, its group, parent company or subsidiaries*" (the group defined by said provision, the "**Identified Staff**" or "**Material Risk Takers**"). This definition, –which includes the executive directors of the Bank, among others–, derives from article 92(2) of the CRD Directive and has been further developed by Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile (the "**Delegated Regulation**")<sup>1</sup>. The proposal submitted to the shareholders at the meeting

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<sup>1</sup> It is noted that the Delegated Regulation is in the process of being amended or replaced under the final draft of the "*Draft regulatory technical standards on criteria to define managerial responsibility and*

entails renewing the authorisation of a Maximum Variable Remuneration Ratio of 200% for a portion of the Identified Staff of the Santander Group and not for all members thereof.

The remuneration policy for the Identified Staff within the Santander Group is guided by principles similar to those described in connection with executive directors in the director remuneration policy, which is submitted to the shareholders for approval under item Eight of the agenda. Therefore, the purpose of variable remuneration of the Identified Staff<sup>2</sup> is to reward employee performance consistently with rigorous risk management, without encouraging inappropriate risk-taking and seeking an alignment with the interests of the shareholders and with the Group's strategic objectives, thus fostering the creation of value over the long term.

Without prejudice to the foregoing, the total remuneration package for each employee and the structure thereof must be competitive, such that it facilitates attracting and retaining, as well as adequately remunerating, the persons included in the Identified Staff, taking into account the duties and responsibilities assigned to each of them. In this regard, the following considerations are in order:

- Compliance with the regulatory provisions mentioned above (Law 10/2014 and the CRD Directive) is required of European credit institutions regardless of where they operate, whereas non-European Community institutions are required to comply with them only with respect to their activities in Europe. As a consequence, global institutions like the Santander Group must compete in terms of talent attraction and retention with institutions that are not subject to the same regulations, such that it is advisable to have maximum flexibility in remuneration matters within applicable legal limits.
- Even in the European banking sector, the Bank has verified that its main competitors approved Maximum Variable Remuneration Ratios in excess of 100% in financial year 2020, as they did in prior years. Therefore, the proposal submitted to the shareholders at the general meeting under item Ten of the agenda will allow Banco Santander to

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*control functions, a material business unit and a significant impact on its risk profile, and categories of staff whose professional activities have a material impact on an institution's risk profile"* published by the European Banking Authority (EBA) on 18 June 2020, and that also contemplated is the amendment of Section 32.1 of Law 10/2014 as a result of the transposition in Spain of Directive 2019/878/EU, amending Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms. However, the Bank's process for arranging the Identified Staff has taken these future amendments into account.

<sup>2</sup> In accordance with the standards established by the Delegated Regulation, certain persons that do not currently receive variable remuneration, such as the Bank's non-executive directors, are included in the Identified Staff (or Material Risk Takers) at the Santander Group.

compete on similar terms with the European institutions whose activities and size are similar to those of Banco Santander.

- The renewal of the resolution for a portion of the Identified Staff is due to the advisability of maintaining the Bank's flexibility to compete in the international markets, without provision being made for the ratios to exceed 100% in all cases, whilst at the same time taking into account the remuneration structure for each group of employees when more precisely defining the group benefiting from the resolution being proposed at the general meeting.
- In practice, the average ratio of variable components to fixed components of the remuneration for all of the categories of management or employees within the Identified Staff during the past financial year is far less than the approved maximum percentage of 200%. Specifically, on average in 2020, the variable components of remuneration of the Identified Staff represented 87% of the fixed components (63% for the executive directors). Approximately 25% of members of the Identified Staff exceeded the ratio of 100% in 2020, the median being a 54% ratio and percentile 75 reaching a 99% ratio. Only 2% of the Identified Staff reached ratios over 195%.
- In addition, the renewal of Maximum Variable Remuneration Ratios of 200% for certain members of the Identified Staff continues to allow for simpler and more efficient payroll management. The annual adjustment of the components of remuneration of the members of the Identified Staff with a view to maintaining an appropriate level of motivation, the high level of internal mobility within the Group, and the remuneration structure that is peculiar to each business area<sup>3</sup> make it advisable to have as much flexibility as possible.
- Moreover, the authorisation of higher Maximum Variable Remuneration Ratios within legal limits is more efficient as a tool to retain talent in view of possible competitor moves than increasing the amount of the fixed components of remuneration, which, if it occurred, might entail an increase in the Group's fixed costs.
- Finally, without prejudice to all other regulations applicable in the area of remuneration in order to avoid excessive risk-taking by Group employees, a Maximum Variable Remuneration Ratio of up to 200% would also allow, in certain positions that are key to the prudent achievement of results and business objectives, for a more significant portion of total remuneration to be subject to the achievement of such results and

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<sup>3</sup> For example, a feature of the wholesale business is that it adopts remuneration structures in which the weight of variable remuneration over fixed remuneration is more significant than in other businesses. Talent attraction and retention in this business requires maintaining remuneration structures that are aligned with market practices, and therefore, it is particularly desirable to obtain the authorisation to pay a Maximum Variable Remuneration Ratio in excess of 100% to those who perform duties in this area. In this regard, approximately 21% of the Identified Staff performs duties in the Group's wholesale business.

objectives, thus making it possible to reward outstanding performance where appropriate.

The foregoing constitutes the rationale for the proposal submitted to the shareholders for approval at the general shareholders' meeting under item Ten of the agenda. In addition, as stated above, the authorisation of a Maximum Variable Remuneration Ratio for certain categories of employees that is higher than that generally provided gives the Bank greater flexibility to adapt the remuneration schemes applicable to each employee profile, without jeopardising the general objectives of bringing the remuneration policy into line with the Group's risk profile, as such ratio is subject in all cases to the legal limit of 200%, to the remuneration policy approved by the Company, and to all other legal restrictions applicable to variable remuneration.

In this regard, and as stated above, the remuneration policy for the members of the Identified Staff follows standards that are similar to those included with respect to the executive directors in the director remuneration policy that is submitted to the shareholders at the general meeting for approval under item Eight of the agenda. Thus, the variable components of remuneration of this group for 2021 include, inter alia, an Award (whether Award A or Award B, according to the definition of these terms in the directors' report and the proposed resolutions included under item Eleven below), to be received partly in cash and partly in shares, with collection of a portion of such Award being deferred over a period of three to five or even seven years (depending on the beneficiary's profile and any local regulations that might apply). The accrual of the Award is subject to metrics that allow for the alignment thereof with the Group's strategic plan and which take into account, among other aspects, the quality of the results achieved, the shareholder return or the efficient use of capital, in addition to the accrual of part of the deferred remuneration in the case of Award A being subject to the achievement of specific long-term metrics allowing for confirmation, if applicable, that the decisions initially made have resulted in sustainable long-term results<sup>4</sup>.

For purposes of calculating the Maximum Variable Remuneration Ratio in compliance with the aforementioned provisions, the total remuneration of the relevant members of the Identified Staff for all items has been taken into account, with a breakdown into variable components (i.e. those the accrual of which is subject to the achievement of results or specific objectives) and fixed components (all other remuneration items), as described in more detail in the director remuneration policy.

For purposes of this resolution, the persons for which approval is requested for a Maximum Variable Remuneration Ratio of 200% have been selected on the grounds described above

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<sup>4</sup> Further information on the metrics and conditions to which the Award is subject can be found in the report of the remuneration committee and in the directors' report regarding item Eleven of the agenda.



from among all persons making up the Identified Staff as at 31 December 2020. The Exhibit to this report includes a breakdown of the aforementioned number of beneficiaries at 31 December 2020 and the respective positions thereof. The customary changes in membership of the Identified Staff, the possibility of additional regulatory changes to the definition thereof, and the possibility that new persons may be included in this group, make it advisable to ask approval from the shareholders at the general meeting for up to a maximum of 50 new persons not included in the Exhibit also to be beneficiaries of a Maximum Variable Remuneration Ratio of 200%, for which reason the maximum number of members of the Identified Staff for which the approval is requested, including those listed in the Exhibit, is 1,052 (0.55% of the total staff).

The reasoning behind this additional provision is the advisability of having an adequate degree of flexibility that allows combining the application of remuneration policies with the incorporation of new businesses to the Group, as well as with the rigorous process of determining the Identified Staff during each financial year.

As stated, the ratio of 200% is not expected to be reached for all the members of the Identified Staff for whom this limit is requested, taking into account their benchmark awards and the variable remuneration policy established for this financial year. In fact, under a standard scenario of fulfilment of targets, the total amount of the variable components of the remuneration would be similar to the total amount of the fixed components thereof (i.e. an average ratio of 101%). Assuming a scenario where targets are fulfilled at 125%, the excess of the variable components of remuneration over 100% of the fixed components would be 108 million euros, considering only those who would exceed a ratio of 100%. Not all the members of the Identified Staff benefiting from a 200% ratio would have reached a ratio in excess of 100% in such estimate, not being possible to estimate the number of persons that in fact would, since this will depend on the level of achievement of the objectives of the Group and its units in 2021, among other circumstances.

The hypothetical maximum amount in 2021 of the excess of the variable components of remuneration over 100% of the fixed components for the 1,002 persons benefiting from this proposal at 31 December 2020, if all such persons reached the Maximum Variable Remuneration Ratio of 200%, would be 356 million euros.

In view of this data and of the considerations set forth above regarding the alignment of remuneration with the Group's long-term interests, it is noted that the decision to approve a maximum level of variable remuneration for the persons indicated above would not affect the Bank's maintenance of a solid equity base or its obligations under the solvency rules. Specifically, the impact on both the total phase-in and fully loaded capital ratios of the Santander Group at 31 December 2020 in the aforementioned circumstances estimated by the Bank (108 million euros of excess of variable remuneration over 100% of the fixed components) would amount to 2 basis points, considering only those who would

exceed a ratio of 100%, and, in a scenario in which the ratio for all members of the Identified Staff for which approval is requested reached 200%, it would amount to 6 basis points. Furthermore, for purposes of the provisions of rule 39, section 6 of Circular 2/2016 of 2 February from Banco de España to credit institutions on supervision and solvency, which completes the adjustment of the Spanish legal system to Directive 2013/36/EU and to Regulation (EU) no 575/2013, it is noted that the board has especially taken into consideration the current Recommendation of the European Central Bank regarding distributions of dividends<sup>5</sup>, as well as the levels of and changes in the solvency of the Group.

Moreover, the proposed resolution is understood without prejudice to the need for the companies of the Group in which the members of the Identified Staff to which the resolution refers provide services to comply with the obligations that correspond thereto in each case for purposes of permitting the 100% ratio to be exceeded.

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<sup>5</sup> Recommendation of the European Central Bank of 15 December 2020 on dividend distributions during the COVID-19 pandemic and repealing Recommendation ECB/2020/35 (ECB/2020/62).

## EXHIBIT

### MEMBERS OF THE IDENTIFIED STAFF AT 31 DECEMBER 2020 WITH RESPECT TO WHICH APPROVAL IS REQUESTED FOR A MAXIMUM VARIABLE REMUNERATION RATIO OF 200%

POSITION	No.	POSITION	No.
<b>ARGENTINA</b>			<b>9</b>
GERENTE GENERAL	1	GERENTE PRINCIPAL	8
<b>BRAZIL</b>			<b>138</b>
DIR PRESIDENTE	1	SUPTe EXEC CRED CONSIGNADO	1
DIR VICE PRESIDENTE EXEC	10	SUPTe EXEC DESENV CORP (CS)	1
DIRETOR	25	SUPTe EXEC EMPRESAS (CS)	2
DIRETOR EXECUTIVO	2	SUPTe EXEC FINANCEIRO (CS)	2
DIRETOR PRESIDENTE	4	SUPTe EXEC JURIDICO (CS)	2
EXEC PROD MANAGER II	1	SUPTe EXEC OPERACOES (CS)	1
EXEC PROD MANAGER II (CS)	1	SUPTe EXEC PARCERIAS (CS)	1
EXEC SALES MANAGER II (CS)	1	SUPTe EXEC PRIVATE BKG (CS)	1
EXEC TRADER MANAGER II	4	SUPTe EXEC PROD CARTOES (CS)	1
EXEC TRADER SPECIALIST I	1	SUPTe EXEC PRODUTOS (CS)	1
EXECUTIVE IB II	1	SUPTe EXEC REDE (CS)	14
EXECUTIVE IB II (CS)	1	SUPTe EXEC SECURITIZACAO (CS)	1
SENIOR EXECUTIVE (CS)	18	SUPTe EXEC SEGMENTO (CS)	1
SENIOR EXECUTIVE IB (CS)	8	SUPTe EXECUTIVO (CS)	9
SENIOR PRIVATE BANKER	2	SUPTe FINANCEIRO	1
SUPTe EXEC COMERCIAL (CS)	1	SUPTe FINANCEIRO (CS)	1
SUPTe EXEC COML PRIV BKG (CS)	1	SUPTe OUVIDORIA (CS)	1
SUPTe EXEC CORPORATE (CS)	9	SUPTe PRODUTO PRIVATE BKG	1
TRADER V	1	VP SUPERGET	1
VP TI	1	CEO GETNET	1
SUPTe EXEC NEGOCIOS DIGITAIS	1		

POSITION	No.	POSITION	No.
<b>CORPORATE CENTRE</b>			<b>217</b>
ANALYSIS & CONTROL VICE-PRESIDENT	1	GLOBAL CIO	1
BANKER DIRECTOR	1	GOVERNANCE GROUP VP	2
BRANCH MANAGER	1	GROUP EXECUTIVE VICE-PRESIDENT	2
BUS/CORPBANKING GROUP VP	1	GROUP SENIOR EXECUTIVE VICE-PRESIDENT	1
CEO	1	GROUP SENIOR EXECUTIVE VP	5
CHIEF OPERATING OFFICER, ASIA PACIFIC	1	HEAD	1
COMMERCIAL DEV. VICE-PRESIDENT	2	HEAD (WHL) (CERT)	3
COMMUNICATION GROUP VP	1	HEAD OF BANKING & CORPORATE FINANCE, CHINA	1
COMP&BEN HR SPEC. GROUP VP	2	HEAD OF CORPORATE FINANCE, ASIA PACIFIC	1
CONSEJERO DELEGADO	1	HEAD OF EXPORT & AGENCY FINANCE, GLOBAL TRANSACTION BANKING, ASIA PACIFIC	1
DC RECURSOS HUMANOS	1	HEAD OF FINANACIAL MANAGEMENT, ASIA PACIFIC	1
DIGITAL TRANSF GROUP VP	1	HEAD OF GLOBAL MARKETS, ASIA PACIFIC	1
DIGITAL TRANSFORMATION GROUP VICE-PRESIDENT	3	HEAD OF INSTITUTIONAL BUSINESS GLOBAL	1
DTOR. BANCO MADESANT	1	HEAD OF LEGAL, ASIA PACIFIC	1
ESP SANCO PRODUCT DIRECTOR	1	HEAD OF TRADING, ASIA PACIFIC	1
EXECUTIVE DIRECTOR, GLOBAL MARKETS SALES	4	HR MANAGEMENT GROUP VP	2
EXECUTIVE VICE PRESIDENT	45	LEGAL GROUP VP	2
EXECUTIVE VICE-PRESIDENT	8	MANAGING DIRECTOR, BANKING & CORPORATE FINANCE	1
FINANCE GROUP VP	5	MANAGING DIRECTOR, CORPORATE SALES, GLOBAL MARKETS	1
MANAGING DIRECTOR, GLOBAL MARKETS SALES	1	MANAGING DIRECTOR, HEAD OF BANKING & CORPORATE FINANCE, NORTH EAST ASIA	1
MANAGING DIRECTOR, HEAD OF BANKING & CORPORATE FINANCE, ASIA PACIFIC	1	MANAGING DIRECTOR, HEAD OF GLOBAL DEBT FINANCING, ASIA	1

POSITION	No.	POSITION	No.
MANAGING DIRECTOR, HEAD OF GLOBAL TRANSACTION BANKING, ASIA	1	SENIOR BANKER I (WHL) (CERT)	1
MANAGING DIRECTOR, REGIONAL HEAD OF HUMAN RESOURCES	1	SENIOR BANKER II (WHL) (CERT)	1
MANAGING DIRECTOR, TREASURY SALES	1	SENIOR EXECUTIVE VICE-PRESIDENT	2
MGT & CONTR IT GROUP VP	2	SENIOR EXECUTIVE VP	2
MGT & CONTR IT VICE-PRESIDENT	3	SLB STAFF (CERT)	9
OPERATIONS GROUP VP	1	STRATEG&CORPDEV GROUP VP	1
OPERATIONS VICE-PRESIDENT	1	STRATEGY&CORPORATE DEV VICE - PRESIDENT	1
PRESIDENTA	1	STRCTRDPRDCTSMNGR II-WHL CERT	2
PRODUCT DIRECTOR	5	TOP MGT/EXEC GROUP VP	7
PRODUCT MANAGER II	1	TRADER GROUP VP	2
PRODUCT SPECIALIST - M2	1	TWA - EXEMPT	1
PRODUCT VICE - PRESIDENT	11	UK DIRECTOR (WHL)	2
PROJECT GROUP VP	2	VICE PRESIDENT	1
PROJECT VICE-PRESIDENT	1	VICE-PRESIDENT	9
REGIONAL HEAD FOR ASIA PACIFIC OF GRUPO SANTANDER	1	VICEPRESIDENTE	1
RELATIONSHIP LEADERSHIP	1	DIR, PROJECT & ACQ FINANCE	1
SALES MANAGER II (WHL) (CERT)	1	PRODUCT VP	1
SANCO BANKER VICE - PRESIDENT	1	DTOR ASUNTOS INSTITUCIONALESUE	1
SANCO EXECUTIVE VICE-PRESIDENT	1	SANCO TRADER VICE - PRESIDENT	11
SANCO LEGAL VICE-PRESIDENT	1		
SANCO OPERATIONS VICE-PRESIDENT	1		
SANCO PRODUCT GROUP VICE-PRESIDENT	1		
SANCO QUANTITATIVE ANALYSIS VICE-PRESIDENT_899	2		
SANCO RESEARCH VICE-PRESIDENT	1		
SANCO SALES VICE-PRESIDENT	4		

POSITION	No.	POSITION	No.
<b>CHILE</b>			<b>22</b>
GERENTE GENERAL	1	JEFE DIVISION PRODUCTOS	1
HEAD BANKING-CORPORATE FINANCE	1	JEFE DIVISION TECNOLOGIA Y OPERACIONES	1
HEAD CORPORATE INVESTMENT BANKING	1	JEFE GESTION DE LA CAPACIDAD Y EXC. OPE.	1
HEAD FS Y A	1	JEFE GESTION FINANCIERA	1
HEAD GLOBAL MARKETS	1	JEFE INNOVACION Y ALIANZAS ESTRATEGICAS	1
JEFE CDO	1	JEFE RED BANCO	1
JEFE DIVISION ADMINISTRACION	1	JEFE RELACION CON INVERSIONISTAS	1
JEFE DIVISION BEI	1	JEFE RRLL Y SERVICIO A PERSONAS	1
JEFE DIVISION CLIENTES EXP Y CALIDAD	1	JEFE SERVICIOS	1
JEFE DIVISION COMERCIAL	1	PRESIDENTE EJECUTIVO	1
JEFE DIVISION FINANCIERA	1	<b>COLOMBIA</b>	<b>2</b>
JEFE DIVISION PERSONAS Y COMUNICACIÓN	1	PRESIDENTE	1
		VICEPRESIDENTE CIB	1
<b>SPAIN</b>			<b>79</b>
ASSET & LIABILTY MANAGER II	1	DIRECTOR COMERCIAL EMPRESAS	1
BANKER SENIOR III	1	DIRECTOR COMERCIAL UNIVERSAL	1
CONSEJERO DELEGADO	1	DIRECTOR DE AREA	12
DIR BANCA COMERCIAL	1	DIRECTOR GRANDES EMPRESAS	1
DIR BCA DIGITAL E INNOVACIÓN	1	DIRECTOR MARKETING	1
DIR SANTANDER PERSONAL & CC	1	DIRECTOR ORGANIZACION	1
DIRECTOR CAPITAL	1	DIRECTOR PRODUTOS EMPRESAS	1
DIRECTOR SANTANDER TECNOLOGÍA	1	DTOR ASESORÍA FISCAL	1
DTOR ADJUNTO	2	DTOR ASESORÍA JCA MAYORISTA	2
DTOR AS JURIDICA BCA COMERCIAL	1	DTOR ASESORÍA JCA PROCESAL	1
DTOR ATENCIÓN AL CLIENTE	1	DTOR TECNOLOGÍA	2
DTOR COMPENSACIÓN Y BENEFICIOS	1	DTOR TECNOLOGÍA Y OPERACIONES	1
DTOR COSTES	1	DTOR TERRITORIAL	13
DTOR DESARROLLO NEGOCIO	3	DTOR TERRITORIAL INSTITUCIONAL	1
DTOR DISTRIBUCIÓN	1	DTOR UCR	1
DTOR ESTRATEGIA	1	ESP GRUPO DTOR SANTANDER OPERA	1

POSITION	No.	POSITION	No.
DTOR GESTIÓN FINANCIERA	1	EXECUTIVE VICE-PRESIDENT	1
DTOR NEGOCIO HIPOTECARIO	1	HEAD	5
DTOR OPERACIONES	1	PRODUCT MANAGER I	1
DTOR PLANES NEGOCIOS	2	SALES MANAGER II	2
DTOR PLANIFICACIÓN Y CONTROL	1	DTOR RECUPERACIONES	2
DTOR PROYECTO	1	DTOR RED DE EMPRESAS	1

POSITION	No.	POSITION	No.
<b>MEXICO</b>			<b>46</b>
BANQUERO DIR UHNW	1	DIR EJEC UHNW	1
DE OPERACIONES Y PROCESOS	1	DIR GRAL ADJ BCA EMP E INST	1
DGA CHIEF FINANCIAL OFFICER	1	DIR GRAL ADJ ETRATEGIA NEGOCIO	1
DGA ESTR ASU PUB JEF GAB PR EJ	1	DIR GRAL ADJ GLOBAL CORP BANK	1
DGA RECURS CORPOR RECUPERACION	1	DIR GRAL ADJ NEGOCIOS ESPECIALIZADOS	1
DIR EJEC ACPM ESTRUCTURACION	1	DIR GRAL ADJ RED COMERCIAL	1
DIR EJEC BCA DIGIT Y SPOTLIGHT	1	DIR GRAL ADJ SANT CORP&INVES B	1
DIR EJEC CHIEF OPERA OFFI SCIB	1	EXECUTIVE DIRECTOR	5
DIR EJEC CIB CORPOR INVEST BAN	2	MANAGING DIRECTOR	3
DIR EJEC CREDITO PARTICULARES	1	PRESIDENTE EJEC DIR GRAL GF	1
DIR EJEC DE CAPITAL	1	VICEPRESIDENTE BANCA COMERCIAL	1
DIR EJEC DE ESTRATEGIA	1	DIR EJEC SOLUCIONES FINANCIERA	1
DIR EJEC EQUITY	1	DIR EJEC TEC INFORMACION CIO	1
DIR EJEC ESTRATEGIA CLIENTES	1	<b>PERU</b>	<b>3</b>
DIR EJEC GESTION FINANCIERA	1	DIRECTOR COMERCIAL	1
DIR EJEC GLOB TRANSACT BANKING	1	DIRECTOR GENERAL DE NEGOCIOS RETAIL	1
DIR EJEC HEAD REGIONAL RESE AM	1	GERENTE GENERAL	1
DIR EJEC MERCADOS	1		
DIR EJEC NEGOCIO RECUPERACIONE	1		
DIR EJEC PDM & SOLUTIONS	1		
DIR EJEC PLANEACION COMERCIAL	1		
DIR EJEC RECUPERACIONES	1		
DIR EJEC RECURSOS HUMANOS	1		
DIR EJEC RED BCA PRIVADA	1		
DIR EJEC RELACION INVERSIONIST	1		
DIR EJEC SEGMENTO PRIVADA	1		



POSITION	No.	POSITION	No.
<b>POLAND</b>	<b>26</b>	<b>PORTUGAL</b>	<b>41</b>
CHIEF CORPORATE CLIENTS OFFICER	1	ADJ ADM AR RECUP DESINVESTIM	1
CHIEF CUSTOMER OFFICER	1	ADJ ADM REDE PART E NEG NORTE	1
CHIEF INFORMATION OFFICER	1	ADJUNTO ADM.PEL COMERCIAL PN	1
CHIEF OPERATIONS OFFICER	1	ADMINISTRADOR EXECUTIVO	4
CHIEF TECHNOLOGY OFFICER	1	D NEGÓCIO INTERNACIONAL	1
CISO	1	D PARTIC.E NEGOCIOS ACORES	1
CZŁONEK ZARZĄDU	3	D PLANEAMENTO GESTAO BALANCO	1
DYR. DEP. OBSŁUGI PRAWNEJ BIZNESU	1	DIRETOR	4
DYR. DEP. PARTNERSTWA BIZNESOWEGO	1	DIRETOR ADJUNTO ADMINISTRAÇÃO	5
DYR. DEP. TRANSAKCJI NA RYNKACH FINANS.	1	DIRETOR EXECUTIVO	13
DYR. DEP. ZARZ. I TRANSFORMACJI PROCESÓW	1	PRESIDENTE ASSET MANAGEMENT	1
DYR. OBSZ. KOMUNIK. KORPORAC. I MARKET.	1	PRESIDENTE CE SEGURADORA	1
DYR. OBSZ. STRAT. I TRANSF. MODELU BIZN.	1	PRESIDENTE COMISSÃO EXECUTIVA	1
DYR. OBSZARU BANKOWOŚCI BIZNES. I KORP.	1	RESPONSÁVEL DE ÁREA 1	1
DYREKTOR CENTRUM ARCHITEKTURY IT	1	RESPONSÁVEL DE ÁREA 2	1
DYREKTOR DEPARTAMEN. CYBERBEZPIECZEŃSTWA	1	VICE PRESIDENTE COMISSÃO EXEC.	1
DYREKTOR OBSZARU INFORMACJI ZARZĄDCZEJ	1	VOGAL CONSELHO ADMINISTRACAO	3
DYREKTOR OBSZARU PRAWNEGO	1		
DYREKTOR OBSZARU RYNKÓW FINANSOWYCH	1		
P.O. DYREKTORA DEPARTAMEN. CYBERBEZPIECZEŃSTWA	1		
WICEPREZES ZARZĄDU	3		
PREZES ZARZADU	1		

POSITION	No.	POSITION	No.
<b>SANTANDER ASSET MANAGEMENT</b>	<b>20</b>	<b>SANTANDER CONSUMER FINANCE (SCF)</b>	<b>34</b>
CEO LOCAL	1	EXECUTIVE VICE-PRESIDENT	10
CHIEF INVESTMENT OFFICER	1	BEREICHSLEITER	2
FINANCE DIRECTOR	1	CEO	3
HUMAN RESOURCES DIRECTOR	1	CEO SANTANDER CONSUMER FINANCE	1
LEGAL DIRECTOR	1	CHIEF EXECUTIVE OFFICER	2
MGT & CONTR IT DIRECTOR	1	CONSUMER FINANCING SERVICES VICE - PRESIDENT	1
PRODUCT DIRECTOR	1	DIRECTOR UNIDAD SCF	1
SALES DIRECTOR	4	EXECUTIVE	1
VICE-PRESIDENT	1	GENERAL MANAGEMENT	1
HEAD OF FIXED INCOME LATAM	1	GENERAL MANAGER	1
HEAD OF GMAS	1	HUMAN RESOURCES VICE - PRESIDENT	1
HEAD OF INVESTMENT TEAM	1	HUMAN RESOURCES VICE-PRESIDENT	1
SENIOR FUNDS EXECUTIVE	1	LEGAL VICE-PRESIDENT	1
SENIOR PORTFOLIO MANAGER	1	MANAGEMENT OFFICE	1
CEO LOCAL	1	OPERATIONS VICE-PRESIDENT	1
CEO, UK	1	PROJECT MANAGER I	1
GCHRO	1	TOP MANAGEMENT/EXECUTIVES VICE-PRESIDENT	1
		VORSTAND	4

POSITION	No.	POSITION	No.
<b>SANTANDER LONDON BRANCH (SLB)</b>			<b>34</b>
DIRRED (WHL) (CERT)	2	SENIOR BANKER I (WHL) (CERT)	1
ED SPONSORS, INFRA & UTILITIES	1	SENIOR BANKER II (WHL) (CERT)	3
PRODUCT MANAGER I (WHL) (CERT)	1	TRADING MANAGER I (WHL) (CERT)	4
PRODUCT MANAGER II (WHL)(CERT)	1	TRADING MGR II (WHL) (CERT)	4
RESEARCH MGR II (WHL) (CERT)	1	UK DIRECTOR (CERT)	2
SALES MANAGER I (WHL) (CERT)	3	UK DIRECTOR (WHL) (CERT)	8
SALES MANAGER II (WHL) (CERT)	3		
<b>SWITZERLAND</b>			<b>7</b>
COMMERCIAL DIRECTOR, EXECUTIVE BANKER	1	SENIOR BANKER	3
GENERAL MANAGER	1	TEAM LEADER III	1
REGIONAL HEAD, EXECUTIVE BANKER	1		
<b>UK</b>			<b>153</b>
AFM STAFF	3	CHIEF OF STAFF TO THE CHIEF OPERATING OFFICER	1
CEO - PSA FINANCE	1	CHIEF OPERATING OFFICER	2
CEO CHIEF OF STAFF, UNIVERSITIES, SUSTAINABILITY AND CSR	1	CHIEF OPERATING OFFICER, CCB	1
CEO OF INSURANCE AND PROTECTION	1	CHIEF OPERATING OFFICER, SANTANDER CORPORATE BANK UK	2
CEO, RETAIL & BUSINESS BANKING	1	CHIEF TRANSFORMATION OFFICER	1
CHANGE AND EXECUTION DIRECTOR, CHIEF OPERATING OFFICE	1	COMMERCIAL DIRECTOR - SANTANDER CONSUMER FINANCE	1
CHIEF CUSTOMER AND INNOVATION OFFICER	1	COO AND LEGAL COUNSEL	1
CHIEF EXECUTIVE OFFICER	1	DEPUTY CEO	1
CHIEF HR OFFICER	1	DEPUTY CEO - PSAF	1
CHIEF INFORMATION & CHANGE OFFICER	1	DEPUTY MLRO	1
CHIEF INFORMATION TECHNOLOGY OFFICER	1	DIRECTOR CUSTOMER ENGAGEMENT SQUADS & DIGITAL INTERMEDIARIES	1
CHIEF LEGAL & REGULATORY OFFICER	1	DIRECTOR FINANCIAL CRIME CENTRE OF EXCELLENCE	1
CHIEF MARKETING OFFICER	1	DIRECTOR MORTGAGE MARKETING	1
DIRECTOR OF ALM	1	DIRECTOR, ENTERPRISE PORTFOLIO MANAGEMENT OFFICE	1

POSITION	No.	POSITION	No.
DIRECTOR OF CHANGE & TRANSFORMATION - RETAIL & BUSINESS BANKING	1	DIRECTOR, LEGAL - LITIGATION, CONTENTIOUS REGULATORY & COMPETITION	1
DIRECTOR OF COPORATE COMMUNICATIONS	1	DIRECTOR, SIMPLIFICATION	1
DIRECTOR OF COPORATE COMMUNICATIONS (INTERIM HEAD)	1	DIRECTOR, TRANSFORMATION (CONTROLS)	1
DIRECTOR OF CORPORATE DEVELOPMENT	1	DIRECTOR, YORKSHIRE & NE	1
DIRECTOR OF CUSTOMER INSIGHT & NEEDS	1	ED CONSUMER, RETAIL & HEALTHCARE	1
DIRECTOR OF CUSTOMER OPERATIONS, RETAIL & BUSINESS BANKING	1	ED METALS & MINING/INDISTRIALS & ATS	1
DIRECTOR OF FINANCIAL CRIME (UK MRLO)	1	ED MULTI-NATIONALS	1
DIRECTOR OF FORENSIC INVESTIGATION	1	ED OIL & GAS	1
DIRECTOR OF FUNDING & COLLATERAL MANAGEMENT	1	HEAD OF ASSET FINANCE	1
DIRECTOR OF GOVERNANCE & REGULATORY AFFAIRS	1	HEAD OF BRANCH INTERACTIONS	1
DIRECTOR OF HR BUSINESS PARTNERS & HR OPERATIONS	1	HEAD OF BUSINESS DEVELOPMENT - SANTANDER SERVICES	1
DIRECTOR OF INVESTORS RELATIONS AND STRATEGIC INITIATIVES	1	HEAD OF CCB BUSINESS DEVELOPMENT	1
DIRECTOR OF OPERATIONAL EXCELLENCE & CONTROL SERVICES	1	HEAD OF CONTACT CENTRE TRANSFORMATION	1
DIRECTOR OF ORGANISATIONAL CAPABILITIES AND SOLUTIONS	1	HEAD OF CUSTOMER INTERACTIONS	1
DIRECTOR OF PENSIONS	1	HEAD OF CUSTOMER SOLUTIONS	1
DIRECTOR OF REMEDIATION AND REGULATORY PROJECTS	1	HEAD OF DEPARTMENT (CERT)	1
DIRECTOR OF TRANSFORMATION & SUPPORT, RETAIL DISTRIBUTION	1	HEAD OF EXTERNAL COMMUNICATIONS	1
DIRECTOR OF WEALTH MANAGEMENT	2	HEAD OF GTB UK	1
DIRECTOR, COMMUNITIES	1	HEAD OF HOTELS	1
DIRECTOR, CULTURE & CAPABILITY	1	HEAD OF INNOVATION SERVICES	1
HEAD OF INTERNATIONAL & TRANSACTIONAL BANKING, CCB	1	HEAD OF STRATEGY, CORPORATE DEVELOPMENT, NEW BUSINESS DEVELOPMENT & CHIEF HR OFFICER	1

POSITION	No.	POSITION	No.
HEAD OF INTERNATIONAL AND SECTOR SOLUTIONS	1	HEAD OF STRUCTURED FINANCE, CCB	1
HEAD OF INTERNATIONAL CLIENT	1	HEAD OF TRADE & SUPPLIER FINANCE	1
HEAD OF INVOICE FINANCE	1	HEAD OF WORKPLACE TRANSFORMATION	1
HEAD OF LEGAL (WHOLESALE MARKETS)	1	HEAD, TRANSACTIONAL BANKING & LIQUIDITY SOLUTIONS	1
HEAD OF LOAN & RESTRUCTURED FINANCE	1	HR COO	1
HEAD OF MORTGAGES	1	INTERIM HEAD OF FINANCIAL CRIME PREVENTION	1
HEAD OF OPERATIONS & LEAN AUTOMATION - SANTANDER SERVICES	1	IT & OPERATIONS DIRECTOR - SANTANDER CONSUMER FINANCE	1
HEAD OF ORGANISATION AND COSTS	1	LENDING & BANKING OPERATIONS DIRECTOR	1
HEAD OF ORIGINATION & CLIENT COVERAGE, CCB	1	MANAGING DIRECTOR - NORTH EAST, SCOTLAND & NI	1
HEAD OF PORTFOLIO MANAGEMENT	1	MANAGING DIRECTOR, COMMUNITIES & WEST MIDLANDS	1
HEAD OF PRODUCTS	1	MANAGING DIRECTOR, EAST OF ENGLAND	1
HEAD OF PRODUCTS & CHANNELS, TRANSACTIONAL BANKING	1	MANAGING DIRECTOR, LONDON & SE	1
HEAD OF PROJECT & SPECIALISED FINANCE	1	MANAGING DIRECTOR, MORTGAGES	1
HEAD OF SANTANDER BUSINESS SOLUTIONS	1	MANAGING DIRECTOR, NORTH WEST	1
HEAD OF SANTANDER CORPORATE AND COMMERCIAL BANKING	1	MANAGING DIRECTOR, REAL ESTATE	1
HEAD OF SANTANDER CORPORATE AND INVESTMENT BANKING UK (RING FENCED BANK)	1	MD SANTANDER INTERNATIONAL	1
HEAD OF SECURITY AND PRIVACY SERVICES AND CHIEF INFORMATION SECURITY OFFICER	1	MD, CATER ALLEN	1
HEAD OF SMALL BUSINESS	1	MD, CUSTOMER INTERACTIONS CONTACT CENTRES	1
HEAD OF SPECIALIST BUSINESS UNITS	1	HEAD OF STRATEGIC FUTURE TECH	1
MD, HEAD OF SHORT TERM MARKETS & CO-HEAD EUROPEAN SECURITIES FINANCE	1	SECTOR HEAD, SOCIAL HOUSING	1

POSITION	No.	POSITION	No.
NATIONAL HEAD OF FINANCIAL SPONSORS	1	SENIOR BANKER I (WHL) (CERT)	1
NATIONAL HEAD OF GROWTH CAPITAL	1	SENIOR BANKER II	1
NATIONAL HEAD SF CORPORATES	1	SENIOR MANAGER	1
PEOPLE DIRECTOR AND DEPUTY CHIEF HR OFFICER	1	STRATEGY, HR AND SPECIAL PROJECTS DIRECT - SANTANDER CONSUMER FINANCE	1
PEOPLE TRANSFORMATION DIRECTOR	1	STRCTRDPRDCTSMNGR II-WHL CERT	1
POLICY, EMPLOYEE RELATIONS & CHANGE DIRECTOR	1	STRUCTURED FINANCE	1
PRODUCT MANAGER I (WHL) (CERT)	1	TRADE ORIGINATION	1
PROJECT INVICTUS - CLIENT JOURNEY LEAD	1	TRADING MGR II (WHL) (CERT)	1
QUANTATIVE ANALYSISMGR I (WHL)	1	UK CIB	1
RATES SOLUTIONS	1	UK DIRECTOR (CERT)	3
REAL ESTATE & LEISURE	1	XVA/LINK DESK	2
REGIONAL DIRECTOR, L&SE - BUSINESS SERVICES	1	SCF GLOBAL ACCOUNT DIRECTOR	1
REGIONAL DIRECTOR, L&SE - CONSUMER SERVICES	1	REGIONAL DIRECTOR, REAL ESTATE NORTH & SCOTLAND	1
REGIONAL DIRECTOR, L&SE - INDUSTRIALS	1	REGIONAL DIRECTOR, SCOTLAND & NI	1
REGIONAL DIRECTOR, REAL ESTATE MIDLANDS & SOUTH WEAT	1	REGIONAL DIRECTOR, SOUTH WEST & SOUTH WALES	1
REGIONAL DIRECTOR, WEST MIDLANDS	1	REGIONAL MD, SOUTH WEST & WEST MIDS	1
REGIONAL MANAGING DIRECTOR, SOUTH WEST	1	RETAIL CFO	1
REWARD & PERFORMANCE MANAGEMENT DIRECTOR	1		

POSITION	No.	POSITION	No.
<b>URUGUAY</b>			<b>2</b>
GERENTE GENERAL	1	GERENTE GENERAL - COUNTRY HEAD	1
<b>USA</b>			<b>169</b>
CEO	2	COMMERCIAL BANKING RELATIONSHIP MANAGER - IC3	1
CFO	1	COMMERCIAL DIRECTOR	1
CHIEF COMMUNICATIONS OFFICER	1	CORPORATE BANKING RELATIONSHIP MANAGER - M2	5
CHIEF EXEC OFFICER SHUSA	1	CLO	1
CHIEF EXECUTIVE OFFICER	1	CTO	1
CHIEF FINANCIAL OFFICER	2	DIRECTOR OF PRODUCTS	1
CHIEF FINANCIAL OFFICER - SC	1	DIRECTOR, PROGRAM MANAGEMENT	1
CHIEF HUMAN RESOURCES OFFICER - SC	1	EXECUTIVE BANKER	2
CHIEF INFO SECURITY OFFICER US	1	EXECUTIVE BANKER - TEAM LEADER	1
CHIEF INFORMATION OFFICER	2	EXECUTIVE DIRECTOR, ASSET BASED LENDING & RESTUCTURING FINANCE	1
CHIEF LEGAL OFFICER	1	EXECUTIVE DIRECTOR, BENEFITS	1
CHIEF OPERATING OFFICER - GCB	1	EXECUTIVE DIRECTOR, BUSINESS MANAGEMENT	1
CHIEF OPERATING OFFICER - SBNA	1	EXECUTIVE DIRECTOR, COMPENSATION, BENEFITS, & PAYROLL	1
CHIEF OPERATION OFFICER - CIB	1	EXECUTIVE DIRECTOR, CORPORATE SECRETARY	1
CHIEF STRATEGY OFFICER	1	EXECUTIVE DIRECTOR, CORPORATE SERVICES	1
CHIEF TECHNOLOGY OFFICER - SC	1	EXECUTIVE DIRECTOR, FINANCIAL PLANNING & ANALYSIS	4
CHRO	1	EXECUTIVE DIRECTOR, GOVERNANCE & REGULATORY RELATIONS	1
CIO	2	EXECUTIVE DIRECTOR, GOVERNMENT RELATIONS & PUBLIC POLICY	1
CIO OF DATA & CORPORATE FUNCTIONS	1		
EXECUTIVE DIRECTOR, HEAD OF ANALYTICS AND DECISION SCIENCE	1	HEAD OF DIGITAL AND SERVICE FOR OTHERS - SC	1

POSITION	No.	POSITION	No.
EXECUTIVE DIRECTOR, HEAD OF BRANCH NETWORK	1	HEAD OF FINANCE, COSTS, ORG. & GRAL. SERVICES	1
EXECUTIVE DIRECTOR, HEAD OF BUSINESS BANKING	1	HEAD OF GLOBAL DEBT FINANCE	1
EXECUTIVE DIRECTOR, HEAD OF CONSUMER LENDING AND DEPOSIT PRODUCTS	1	HEAD OF GLOBAL TRANSACTION BANKING	1
EXECUTIVE DIRECTOR, HEAD OF CUSTOMER EXPERIENCE	1	HEAD OF INFRASTRUCTURE SHUSA	1
EXECUTIVE DIRECTOR, HEAD OF HOME LOANS	1	HEAD OF OPERATIONS	1
EXECUTIVE DIRECTOR, HEAD OF WEALTH	2	HEAD OF STRATEGIC RETAIL OPERATIONS	1
EXECUTIVE DIRECTOR, HUMAN RESOURCES BUSINESS PARTNER	1	HEAD OF U.S. CORPORATE & INVESTMENT BANKING	1
EXECUTIVE DIRECTOR, MIDDLE MARKET	2	IT CHIEF OPERATIONS OFFICER	1
EXECUTIVE DIRECTOR, PRODUCT & CAPABILITIES	1	MANAGING DIRECTOR	1
EXECUTIVE DIRECTOR, PROGRAM MANAGEMENT	1	MANAGING DIRECTOR, BUSINESS MGMT & FRONT OFFICE TRANSFORMATION	1
EXECUTIVE DIRECTOR, STRATEGY, UNDERWRITING & PORTFOLIO MANAGEMENT	1	MARKET DIRECTOR - M3	5
EXECUTIVE DIRECTOR, TREASURY	2	NATIONAL BUSINESS DIRECTOR - INVESTMENTS	1
EX-PR CEO	1	PREMIER BANKING DIRECTOR	1
GTB PRODUCT SPECIALIST - M2	1	PRODUCT INTELLIGENCE DIRECTOR	1
HEAD OF BRANCH OPERATIONS	1	PRODUCT SPECIALIST - IC3	17
HEAD OF CBB INITIATIVES ENABLEMENT	1	PRODUCT SPECIALIST - IC4	1
HEAD OF CHRYSLER CAPITAL AND AUTO RELATIONSHIPS	1	PRODUCT SPECIALIST - M2	12
HEAD OF CIB BUSINESS MANAGEMENT	1	PRODUCT SPECIALIST - M3	3
HEAD OF COMMERCIAL REAL ESTATE AND VEHICLE FINANCE	1	REGIONAL DIRECTOR	4
HEAD OF CONSUMER & BUS BANKING	1	SBNA HEAD OF COMMERCIAL BANKING	1
HEAD OF DATA & ANALYTICS	1	SBNA HEAD OF CONSUMER & BUS BANKING	1



POSITION	No.	POSITION	No.
HEAD OF DECISION SCIENCES AND MODEL DEVELOPMENT	1	SR. DIRECTOR, MARKETING	1
SC CEO	1	SR. DIRECTOR, MODEL DEVELOPMENT	1
SC CLO	1	SR. DIRECTOR, PRODUCT DEVELOPMENT	1
SENIOR BANKER	2	SR. DIRECTOR, PRODUCT MANAGEMENT	1
SENIOR EXECUTIVE, CHIEF MARKETING OFFICER AND US HEAD OF DIGITAL, INNOVATION AND PAYMENT STRATEGY	1	SR. DIRECTOR, QUALITY MANAGEMENT	1
SHUSA CHIEF DATA OFFICER	1	SR. DIRECTOR, RESEARCH	1
SR. DEPUTY GENERAL COUNSEL	5	SR. DIRECTOR, TECHNICAL PROJECT MANAGEMENT	1
SR. DIRECTOR, BUSINESS INTELLIGENCE & REPORTING	1	SR. DIRECTOR, TREASURY	1
SR. DIRECTOR, CHIEF INFORMATION OFFICER - SC	1	SR. EXECUTIVE, HEAD OF MID-CORPORATE BANKING	1
SR. DIRECTOR, CHIEF INFORMATION SECURITY OFFICER - SC	1	UNDERWRITING - IC3	1
SR. DIRECTOR, COLLECTIONS	1	UNDERWRITING & PORTFOLIO MANAGEMENT - M2	1
SR. DIRECTOR, CREDIT	1	UNDERWRITING & PORTFOLIO MANAGEMENT - M3	2
SR. DIRECTOR, CUSTOMER AND EMPLOYEE EXPERIENCE	1	US CHIEF OF STAFF & HEAD OF TRANSFORMATION - SHUSA	1
SR. DIRECTOR, CUSTOMER SERVICE	1		
SR. DIRECTOR, DEALER QUALITY	1		
SR. DIRECTOR, LEASE END & AUCTION ACCOUNTS	1		
SR. DIRECTOR, LOAN OPERATIONS	2		
<b>OVERALL TOTAL</b>			<b>1002</b>



Proposal:

To approve a maximum ratio of 200% between the variable and fixed components of the total remuneration of the executive directors and of certain employees belonging to categories with professional activities that have a material impact on the risk profile of the Group upon the terms set forth below:

- (i) Number of affected persons: certain members of the Identified Staff (1,002 at 31 December 2020, as itemised in the Exhibit to the detailed recommendation prepared by the board of directors), and up to 50 additional beneficiaries, up to a total maximum of 1,052 persons.

The beneficiaries of this resolution include the executive directors of Banco Santander and other employees of Banco Santander or other companies of the Group belonging to the “**Identified Staff**” or “**Material Risk Takers**”, i.e. to categories with professional activities that have a material impact on the risk profile of the Bank or of the Group, including senior executives, risk-taking employees or employees engaged in control functions, as well as other workers whose total remuneration places them within the same remuneration bracket as that of the foregoing categories. However, it is noted that the categories of personnel who engage in control duties are generally excluded from the scope of this resolution. The members of the Identified Staff have been selected pursuant to the standards established in Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014, supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify the categories of staff whose professional activities have a material impact on an institution’s risk profile and those of the policy for determining the Group’s Identified Staff. Likewise, the amendments that would derive from the final draft of the “Draft regulatory technical standards on criteria to define managerial responsibility and control functions, a material business unit and a significant impact on its risk profile, and categories of staff whose professional activities have a material impact on an institution’s risk profile” published by the European Banking Authority (EBA) on 18 June 2020 have also been taken into account for these purposes.

- (ii) Authorisation.

Without prejudice to the general provisions set forth in item Twelve or to the powers of the board of directors in remuneration matters under the Bylaws and the rules and regulations of the board, the board of directors of the Bank is hereby authorised, to the extent required, to implement this resolution, with the power to elaborate, as necessary, on the content hereof and that of the agreements and other documents to be used or adapted for such purpose. Specifically, and merely by way of example, the board of directors shall have the following powers:

- (a) To determine any modifications that should be made in the group of Identified Staff members that benefit from the resolution, within the maximum limit established by the shareholders at the general meeting, as well as the composition and amount of the fixed and variable components of the total remuneration of said persons.
- (b) To approve the basic contents of the agreements and of such other supplementary documentation as may be necessary or appropriate.
- (c) To approve all such notices and supplementary documentation as may be necessary or appropriate to file with the European Central Bank, Banco de España or any other public or private entity.
- (d) To take any action, carry out any procedure or make any statement before any public or private entity or agency to secure any required authorisation or verification.
- (e) To interpret the foregoing resolutions, with powers to adapt them to the circumstances that may arise at any time without affecting their basic content, including any regulations or provisions or supervisory body recommendations that may prevent their implementation upon the terms approved or that require the adjustment thereof.
- (f) In general, to take any actions and execute all such documents as may be necessary or appropriate.

The board of directors is authorised to delegate (with the power of substitution when appropriate) to the executive committee or to any director with delegated powers, those delegable powers granted pursuant to this resolution, all without prejudice to the representative powers that currently exist or may be granted in relation to this resolution.

The Company shall communicate the approval of this resolution to all Group companies engaging executives or employees belonging to the Identified Staff and who are beneficiaries of this resolution, without prejudice to the exercise by such of the Bank's subsidiaries as may be appropriate in each case of the powers they hold to implement the remuneration policy with respect to those executives and employees and, if applicable, to adjust such policy to regulations or to the requirements of competent authorities in the respective jurisdiction, as well as to comply with the obligations that bind them for such purpose.

<b><u>Item Eleven</u></b>	<b>Approval of the application of remuneration plans involving the delivery of shares or share options:</b>
<b>Eleven A.</b>	<b>Deferred Multiyear Objectives Variable Remuneration Plan.</b>
<b>Eleven B.</b>	<b>Deferred and Conditional Variable Remuneration Plan.</b>
<b>Eleven C.</b>	<b>Digital Transformation Award.</b>
<b>Eleven D.</b>	<b>Application of the Group's buy-out regulations.</b>
<b>Eleven E.</b>	<b>Plan for employees of Santander UK Group Holdings plc. and other companies of the Group in the United Kingdom by means of options on shares of the Bank linked to the contribution of periodic monetary amounts and to certain continuity requirements.</b>

REPORT AND PROPOSALS SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING ITEMS ELEVEN A, ELEVEN B, ELEVEN C, ELEVEN D AND ELEVEN E OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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Within the framework of its policy on remuneration tied to the delivery of shares, Banco Santander, S.A. (the "**Bank**" or the "**Company**") has maintained the Deferred and Conditional Variable Remuneration Plan (*Plan de Retribución Variable Diferida y Condicionada*) in effect since 2011, which plan conformed at that time to Directive 2010/76/EU of 24 November, and to the Guidelines on Remuneration Policies and Practices approved by the Committee of European Banking Supervisors (CEBS), published on 10 December 2010, and which since financial year 2014 has conformed to Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD Directive**").

The CRD Directive, which was transposed into Spanish law by Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions ("**Law 10/2014**"), entailed a revision of the rules previously in effect in two ways: (i) there was a tightening of the rules governing the variable remuneration of a certain group of employees of the relevant institutions (for example, by setting limits on the amount of the variable components of remuneration; see the report on item Eleven of the agenda), and (ii) the group to which such rules apply (hereinafter, the "**Identified Staff**" or "**Material Risk Takers**") was redefined in more stringent terms. As stated above, such changes were reflected by the Bank in the policies on variable remuneration for the Identified Staff or Material Risk Takers from financial year 2014 onwards.

In addition, for financial year 2016, changes were made to the policy on variable remuneration of the Identified Staff taking into account changes in the best international practices as regards remuneration and the recommendations issued in this respect by the competent authorities, including the Guidelines on Sound Remuneration Policies under articles 74(3) and 75(2) of Directive 2013/36/EU and Disclosures under article 450 of Regulation (EU) No 575/2013, published by the European Banking Authority (EBA) on 21 December 2015 and which have applied since 1 January 2017, superseding the aforementioned Guidelines on Remuneration Policies and Practices of 2010.

The main new features of said policy were intended to: (i) simplify the beneficiary remuneration structure, by integrating the variable components of the total remuneration within a single plan<sup>1</sup>; (ii) improve the *ex ante* risk adjustment of the variable remuneration, using a single group of annual quantitative and qualitative metrics that allow appropriate decisions within the appropriate risk framework to be compensated and strengthen the alignment of the variable remuneration with the long-term interests and objectives of the Bank and its shareholders; and (iii) increase the impact of the long-term elements and the multiyear performance measures, particularly for those members of the Identified Staff who have the largest impact on the institution's risk profile, and combine more effectively the short-term and long-term objectives (since fulfilment of short-term objectives would determine the maximum amount of the long-term amount and such amount could only be reduced, but not increased).

Furthermore, as a result of the approval and entry into force of Circular 2/2016 of 2 February from Banco de España to credit institutions on supervision and solvency, which completes the adjustment of the Spanish legal system to the CRD Directive and to Regulation (EU) no 575/2013, recovery or "clawback" clauses were introduced into the variable components of remuneration for financial year 2016, with a new *malus* and clawback policy being approved as part of the Group's remuneration policies.

Finally, the update of the Group's remuneration policies in 2020 has taken into consideration Directive 2019/878/EU, which amends Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD V Directive**"), although the transposition thereof into Spanish law has not been completed, after which the full implementation thereof in the Group's policies in view of the legal texts ultimately approved will be verified. In addition, the draft Guidelines on Sound Remuneration Policies under Directive 2013/36/EU published by the European Banking Authority (EBA) on 29 October 2020 within the

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<sup>1</sup> Except, where applicable, for contributions to benefits schemes that are calculated based on the variable remuneration and are therefore considered a variable component of total remuneration.

framework of the update to the guidelines published on 21 December 2015 have also been taken into consideration, also with a view to aligning them with the CRD V Directive.

Although the variable remuneration policy for the Identified Staff for financial year 2021 (hereinafter, the “**2021 Variable Remuneration Policy**”) is a continuation of the policy applied since financial year 2016, the short-term quantitative metrics used to determine variable remuneration have been simplified, with the seven used in 2020 and prior years being reduced to a total of four<sup>2</sup>. The Digital Transformation Award included in the policy for financial year 2019 has also been maintained in the 2021 Variable Remuneration Policy. This award is aimed at a limited number of beneficiaries within the Santander Group and is intended to attract and retain the best talent to advance, accelerate and deepen the digital transformation of the Santander Group, which is one of its strategic priorities.

The main features of the 2021 Variable Remuneration Policy are described below.

#### I. Purpose and Beneficiaries

The 2021 Variable Remuneration Policy, which is applicable to all of the Identified Staff<sup>3</sup> or Material Risk Takers (and which, regarding the 2021 Digital Transformation Award, may also apply to some of the Identified Staff and to non-Identified Staff), establishes the provisions for the payment and, where applicable, quantification of the variable remuneration of said Identified Staff in line with the objectives of the Bank’s remuneration policies and in compliance with applicable laws and regulations.

Taking into account the varying impacts that different members of the Identified Staff may have on the Santander Group’s risk profile, the variable remuneration for financial year 2021 is implemented as follows:

- (i) for executive directors, senior management, country heads, other key executives of the main countries in which the Group operates, and, in general, Faro executives of the Group, through the sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan (the variable remuneration calculated through this plan, “**Award A**”), to which item Eleven A of the agenda refers;
- (ii) for the rest of the Identified Staff, through the eleventh cycle of the Deferred and Conditional Variable Remuneration Plan (the variable remuneration calculated

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<sup>2</sup> Detailed quantitative metrics, together with the qualitative evaluation and weightings, are set out in Section 6.4 of the “Corporate Governance” chapter of the consolidated directors’ report, which is part of the 2020 annual report.

<sup>3</sup> It is noted that pursuant to the standards established in Commission Delegated Regulation (EU) No 604/2014, the Identified Staff or Material Risk Takers include certain persons who do not receive any variable remuneration. Therefore, such persons do not form part of the group of beneficiaries of the 2021 Variable Remuneration Policy.

through this plan, “**Award B**” and, together with Award A, the “**Award**”), to which item Eleven B of the agenda refers; and

- (iii) for certain members of the Identified Staff whose performance is essential to the growth and digital transformation of the Santander Group, through the 2021 Digital Transformation Award (the variable remuneration calculated through this award, the “**Digital Award**”), to which item Eleven C of the agenda refers. The Digital Award may also be awarded to employees of the Santander Group who are not part of the Identified Staff.

The beneficiaries of Award A will not receive Award B, and vice versa.

The envisaged number of beneficiaries of Award A is approximately 300 persons, the number of beneficiaries of Award B is approximately 1,200 persons and the number of beneficiaries of the Digital Award is approximately 250 persons (without prejudice to the specific number of hires, departures and promotions that finally occur during financial year 2021).

## II. General Features of the Variable Remuneration of the Identified Staff (including non-Identified Staff regarding the Digital Award)

- *Components of variable remuneration.* The variable components of the total remuneration of the beneficiaries of the 2021 Variable Remuneration Policy will include:
  - (a) an Award (Award A or Award B, as appropriate), to be received partly in cash and partly in shares, while deferring collection of a portion thereof over a period of three or five years, as applicable, according to the beneficiary’s profile<sup>4</sup>; and
  - (b) the Digital Award (applicable to certain members of the Identified Staff and other employees of the Santander Group who are not part of the Identified Staff). This award is to be received partly in shares and partly in share options, whose payment (or, in the case of the share options, exercise period) will be fully deferred in line with the current deferral policy for Identified Staff.
- *Scope of application.* As stated, the 2021 Variable Remuneration Policy will apply to all of the members of the Identified Staff who receive variable remuneration (at 31 December 2020, the Identified Staff is comprised of 1,394 persons, without prejudice to the final number of persons making up this group in 2021), plus the non-Identified

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<sup>4</sup> In relation to certain members of the Identified Staff, the variable components of their remuneration include contributions to benefits schemes calculated based on the variable remuneration of the respective member.

In certain countries, the deferral period or percentage may be longer to comply with applicable local regulations or with the requirements of the competent authority in each case.



Staff beneficiaries of the Digital Award, and provides for the delivery of shares, share options or similar instruments of Banco Santander or, if applicable, of shares, share options or similar instruments of its listed subsidiaries. Specifically, the possibility of total or partial delivery of securities, share options or equivalent instruments of the respective listed subsidiary, such as the ones in Mexico, Chile, Brazil, Poland or Santander Consumer USA is contemplated. The board of directors, upon a proposal of the remuneration committee, may approve the total or partial payment in shares of Banco Santander and/or of the corresponding subsidiary in the proportion that it deems appropriate in each case and subject, in any case, to the maximum number of Santander shares that the shareholders at the meeting resolve to deliver and to any regulatory restrictions that may be applicable in each jurisdiction.

Taking the foregoing into account, regarding the authorisation for the delivery of shares and share options of the Company (and not of the respective subsidiaries), the proposals submitted to the shareholders at the general meeting under:

- (a) item Eleven A contemplates a decision on the application of a sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan;
- (b) item Eleven B contemplates a decision on the application of an eleventh cycle of the Deferred and Conditional Variable Remuneration Plan; and
- (c) item Eleven C contemplates a decision on the application of the Digital Award.

The foregoing is without prejudice to the fact that, if the amendments to the bylaws and the rules and regulations submitted to the shareholders' meeting under items Five B and Six B are approved, the board of directors may develop, amend, alter or adapt the corresponding terms and conditions regarding matters that become part of its area of authority.

- *Limitations on variable remuneration.* Any variable components of total remuneration that will be paid to each member of the Identified Staff in connection with financial year 2021 shall not exceed 100% of the fixed components or, for some members of this group, 200% of such fixed components if the resolution contemplated in item Ten of the agenda is approved.
- *Buy-out regulations.* Pursuant to the provisions of the remuneration policy and as established in prior years, there are buy-out regulations aimed at establishing homogeneous rules applicable to hiring by any entity of the Santander Group in which such hiring entity assumes, as a part of the offer to the corresponding executive or employee (whether or not he or she belongs to the Identified Staff), the cost of the variable remuneration that such persons would have been paid by their previous company and that they would lose as a consequence of accepting the offer from the Group. These types of rules are compatible with the regulations and recommendations applicable to the Company and are widespread in the market; their

purpose is to maintain a degree of flexibility to be able to attract the best talent and to be fair with respect to the loss of rights that an executive or employee incurs due to joining the Group.

Before the approval of the buy-out regulations, the Group generally paid the executive or employee the corresponding amounts in cash. However, the new buy-out regulations introduced the possibility of paying such amounts in Santander shares, which permits a better alignment with the Company's long-term interests.

The delivery of shares of the Bank within the framework of the application of the aforementioned regulations with respect to hiring during financial year 2021 and during financial year 2022, until the holding of the ordinary general meeting in 2022 (whether or not the person hired will be included within the Identified Staff), is submitted for the approval of the shareholders at the general meeting under item Eleven D of the agenda. Therefore, the application of these buy-out regulations will be regardless of the possible inclusion of the executive or employee hired among the beneficiaries of Award A or of Award B, as applicable and depending on the category to which they are assigned within the Group, or, as the case may be, among the beneficiaries of the Digital Award.

### III. Award A and Award B

- *Determination of the Award.* At the beginning of 2022 and following a proposal of the remuneration committee, the board of directors will verify if the targets on which the maximum amount of the 2021 Award is contingent have been met. Subsequently, if applicable, the 2021 Award for each member of the Identified Staff will be established based on the target award for such financial year. The Award setting will take into account the quantitative metrics and qualitative factors applicable to the Award and which have been revised with respect to those corresponding to previous financial years.
- *Form of payment of the Award.* The Award will be paid 50% in cash and 50% in shares, part in 2021 and part on a deferred basis over three or five years, as follows:

Beneficiaries of Award A:

- 40% to 60% of Award A, depending on the category to which the beneficiary belongs, will be paid in 2022, in halves and net of taxes (after applying the corresponding withholdings or payments on account), in cash and in shares (this part of the total amount of Award A, the “**Immediate Payment Amount**”).
- The amount corresponding to the remaining percentage (the “**Deferred Amount**”) will be deferred by thirds or fifths, as applicable, and will be paid, if applicable, in the following financial years (until financial year 2025 or 2027, as applicable). Each year the respective amount will be paid, net of taxes (after

applying the corresponding withholdings or payments on account), half in cash and half in shares.

These deferral periods and the deferred amount may be increased (but not reduced) in certain territories to conform them to applicable legal provisions in the relevant jurisdiction or to the requirements of the competent authority.

Beneficiaries of Award B:

- 40% to 60% of Award B, depending on the remuneration level of the beneficiary, will be paid in 2022, in halves and net of taxes (after applying the corresponding withholdings or payments on account), in cash and in shares (this part of the total amount of Award B, the “**Immediate Payment Amount**”).
- The amount corresponding to the remaining percentage (the “**Deferred Amount**”) will be deferred by thirds or fifths, as applicable, and will be paid, if applicable, in the following financial years (until financial year 2025 or 2027, as applicable). Each year the respective amount will be paid, net of taxes (after applying the corresponding withholdings or payments on account), half in cash and half in shares.

This deferral period may be extended (but not reduced) in certain territories to conform it to applicable legal provisions in the relevant jurisdiction or to the requirements of the competent authority.

By way of exception, if the regulations so allow, it is possible that payment of Awards of less than 50,000 euros (or, if less, than the thresholds ultimately established in the legal provisions transposing the CRD V Directive) will not be deferred.

- *Conditions for the accrual of the deferred portion of the Award.* In addition to the beneficiary remaining within the Santander Group, the accrual of the deferred portion of both Award A and Award B is conditional upon the non-existence of “bad actor” (*malus*) provisions revealing improper risk-taking in accordance with the Group’s *malus* and clawback policy.

Furthermore, pursuant to applicable legal provisions, the amounts paid for the Award shall be subject to clawback clauses in the instances provided for in the applicable policy of the Bank.

Additionally, the accrual of the deferred portion of Award A to be paid in financial years 2025 and, if applicable, 2026 and 2027 (the “**Deferred Portion Subject to Objectives**”) is subject to the achievement of certain targets for the 2021-2023

period (the “**Multiyear Objectives**”) and to the metrics and achievement scales associated with such Multiyear Objectives, which are those set forth below:

- (a) Achievement of the underlying consolidated earnings-per-share (“**EPS**”) growth target of Banco Santander for 2023 compared to 2020<sup>5</sup>. The coefficient corresponding to this target (the “**EPS Coefficient**”) will be obtained from the following table:

EPS growth in 2023 (% over 2020)	EPS Coefficient
≥ 125%	1.5
≥ 100% but < 125%	1 – 1.5 <sup>(*)</sup>
≥ 70% but < 100%	0 – 1 <sup>(*)</sup>
< 70%	0

(\*) Straight-line increase in EPS Coefficient based on the specific percentage of growth of 2023 EPS with respect to 2020 EPS within this bracket of the scale.

- (b) Relative performance of total shareholder return (“**TSR**”) of the Bank for the 2021-2023 period compared to the TSRs of a group of 9 credit institutions (the “**Peer Group**”), assigning the corresponding TSR Coefficient depending on the Bank’s TSR position within the Peer Group.

TSR position of Santander	“TSR Coefficient”
Exceeding percentile 66	1
Between percentiles 33 and 66 (both inclusive)	0 – 1 <sup>(*)</sup>
Below percentile 33	0

(\*) Proportional increase in TSR Coefficient according to the number of positions moved up in the ranking within this bracket of the scale.

TSR measures a shareholder’s return on investment as the sum of the change in the share price plus dividends and other similar items (including the *Santander Dividendo Elección* scrip dividend scheme) that the shareholder may receive during the period under consideration.

The Peer Group will be made up of the following institutions: BBVA, BNP Paribas, Citi, Credit Agricole, HSBC, ING, Itaú, Scotiabank and Unicredit.

<sup>5</sup> The EPS’ growth target is notably higher than in previous financial years, as the base value, which is the 2020 EPS, has significantly decreased as a result of extraordinary circumstances that are beyond the group’s management, as is the crisis caused by the covid-19 pandemic. This is why such ambitious targets have been set for the coming years.

- (c) Compliance with the fully-loaded common equity tier 1 (“**CET1**”) ratio target of the Santander Group for financial year 2023. The coefficient corresponding to this target (the “**CET1 Coefficient**”) will be obtained from the following table:

CET1 in 2023	CET1 Coefficient
≥12%	1
≥11% but <12%	0 - 1 (*)
<11%	0

(\*) Straight-line increase in CET1 Coefficient based on 2023's CET1 within this bracket of the scale.

In order to verify if this target has been met, any potential increase in CET1 deriving from share capital increases (other than those implemented under the Santander Dividendo Elección scrip dividend scheme) will be disregarded. Moreover, the CET1 ratio at 31 December 2023 may be adjusted to remove the effects of any regulatory change to its calculation rules or any extraordinary circumstance (such as impairments, corporate transactions or restructuring procedures) that may arise in relation to its calculation until such date.

The following formula will be applied to determine the annual amount of the Deferred Portion Subject to Objectives, if any, for each beneficiary in financial years 2025 and, if applicable, 2026 and 2027 (each of these payments, a “**Final Annual Payment**”), without prejudice to any adjustments that may result from “bad actor” (*malus*) clauses:

$$\text{Final Annual Payment} = \text{Amt.} \times (1/3 \times A + 1/3 \times B + 1/3 \times C)$$

where,

- “**Amt.**” corresponds to a fifth or a third, as applicable based on the beneficiary's profile (and therefore, on the applicable deferral period of five or three years), of the Deferred Amount of Award A.
- “**A**” is the EPS Coefficient according to the scale and terms and conditions in paragraph (a) above based on EPS growth in 2023 compared to 2020.
- “**B**” is the TSR Coefficient according to the scale in paragraph (b) above based on the relative performance of the TSR of the Bank for the 2021-2023 period with respect to the Peer Group.
- “**C**” is the CET1 Coefficient resulting from compliance with the CET1 target for 2023 described in paragraph (c) above.
- Assuming in any case that if “ $(1/3 \times A + 1/3 \times B + 1/3 \times C)$ ” yields a figure greater than 1, 1 shall be applied as the multiplier.

Finally, and in relation to the Deferred Multiyear Objectives Variable Remuneration Plan, provision is made to include within the board's powers the ability to adjust positively or negatively, following a proposal of the remuneration committee, the level of achievement of the Multiyear Objectives when inorganic transactions, material changes to the Group's composition or size or other extraordinary circumstances (such as impairments, legal changes or restructuring procedures) have occurred which affect the suitability of the metric and achievement scale established in each case and resulting in an impact not related to the performance of the executive directors and executives being evaluated.

#### IV. Digital Award

The financial sector is undergoing a profound transformation. With the move towards digital solutions, the Santander Group is taking firm steps towards transforming its culture, people and business in line with a new paradigm.

Now more than ever, the need to attract and retain the best talent to advance, accelerate and deepen the digital transformation of the Santander Group is essential. The Digital Award, already in place since financial year 2019, is designed to provide the Santander Group with a tool to attract and retain resources that drive long-term share value creation through the achievement of key digital milestones.

Key elements of this Digital Award include:

- An objective to attract and retain the best talent to advance, accelerate and deepen the digital transformation of the Santander Group.
- Provide compensation elements that are competitive with remuneration systems being offered by companies competing with the Santander Group for digital talent.
- Participation is restricted to a maximum of 250 people that are critical to drive the digital transformation.
- The total amount of the award is limited to €30 million in the aggregate.
- The award is subject to achieving specific milestones connected with digital transformation while also aiming at fostering long-term share value creation.
- The award will be paid out in restricted shares and share options of Banco Santander (both 50%) and is subject generally to *malus* and clawback provisions.
- Shares and share options will vest in three tranches (third, fourth and fifth anniversaries) in line with the Identified Staff deferral schemes currently in place within the Santander Group (or in full at the third anniversary for the least restrictive deferral scheme), thus driving emphasis on fostering long-term share value creation (the least restrictive scheme in this regard will be followed with respect to non-Identified Staff).

- The award design is aligned with the regulatory, internal risk and governance frameworks and does not entail improper risk-taking. Deferral, *malus* and clawback clauses, and other regulatory elements are aligned and consistent with existing Santander Group policy on these matters.

V. Plan for employees of Group companies in the United Kingdom

Finally, and as is customary, included under item Eleven E is a proposal regarding the Plan for employees of Santander UK Group Holdings plc. and other companies of the Group in the United Kingdom by means of options on shares of the Bank linked to the contribution of periodic monetary amounts and to certain continuity requirements.

Proposals<sup>1</sup>:

### **Item Eleven A**

#### Deferred Multiyear Objectives Variable Remuneration Plan

To approve the implementation of the sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan, inasmuch as it is a remuneration system that includes the delivery of shares of the Bank or rights thereon, which has been approved by the board of directors on the terms and conditions described below:

##### I. Purpose and Beneficiaries

The sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan will be implemented in connection with the variable remuneration or award (hereinafter, "**Award A**") for financial year 2021 that is approved by the board of directors or the appropriate body in each case, for executive directors of Banco Santander, senior management, country heads, other key executives from the main countries in which the Group operates and, in general, the Faro executives of the Group, all of them belonging to the "**Identified Staff**" or "**Material Risk Takers**" (i.e. to categories of staff whose professional activities have a material impact on the risk profile of the institution or its Group in accordance with section 32.1 of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, and the regulations in implementation thereof).

The number of beneficiaries of Award A is expected to be 300 persons, though this resolution does not affect those persons whose Award A is not paid, either in whole or in part, in shares or similar instruments of Banco Santander, but rather in shares or similar instruments of subsidiaries of Banco Santander. Taking into account possible changes in the workforce, the number of beneficiaries of this resolution may change. The board of directors, or the executive committee acting by delegation therefrom, may approve inclusions (through promotion or hiring at the Santander Group) or exclusions, without changing the maximum total number of shares authorised to be delivered at any time.

The purpose of this sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan is (a) to defer a portion of Award A over a period of three to five years, depending on the beneficiary, subject to the non-occurrence of certain circumstances, (b) in turn, to link a portion of such amount to the performance of the Bank over a multiyear period, (c) for its payment, if applicable, in cash and in Santander shares, and (d) also paying the other portion of such variable remuneration, in cash and in Santander shares at the outset, all in accordance with the rules set forth below.

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<sup>1</sup> Each of the proposals made under items Eleven A to Eleven E will be submitted to a separate vote.



## II. Operation

Award A of the beneficiaries for financial year 2021 will be paid according to the following percentages, depending on the time of payment and on the group to which the beneficiary belongs (the “**Immediate Payment Percentage**”, to identify the portion for which payment is not deferred, and the “**Deferred Percentage**”, to identify the portion for which payment is deferred):

	<b>Immediate Payment Percentage</b>	<b>Deferred Percentage (*)</b>	<b>Deferral Period (*)</b>	<b>Deferred Portion Subject to Objectives (*)</b>
Executive directors and members of the Identified Staff whose total target <sup>(**)</sup> variable remuneration is ≥ €2.7 mill. <sup>(***)</sup>	40%	60%	5 years	Last 3 years (3/5 of Deferred Percentage)
Senior management, country heads of countries representing at least 1% of the Group's financial capital and other Faro executives whose total target variable remuneration <sup>(**)</sup> is ≥ €1.7 mill. (< €2.7 mill.). <sup>(***)</sup>	50%	50%	5 years	Last 3 years (3/5 of Deferred Percentage)
Rest of Faro executives who are beneficiaries of Award A <sup>(***)</sup>	60%	40%	3 years	Last year (1/3 of Deferred Percentage)

(\*) In certain countries, the deferred percentage and the deferral period may be different to comply with applicable local regulations or with the requirements of the competent authority in each case. Likewise, the deferred portion subject to objectives may apply to years that are not the last years, but not before the third year.

(\*\*) Benchmark variable remuneration for standard achievement (100% of objectives).

(\*\*\*) The average closing exchange rates for the fifteen trading days prior to Friday, exclusive, of the week prior to the date on which the board of directors approved the variable remuneration of the executive directors of the Bank for financial year 2020 (2 February 2021), shall be used to assign a beneficiary to the corresponding category for variable remuneration not denominated in euros.

Taking the foregoing into account, Award A for financial year 2021 will be paid as follows:

- (i) Each beneficiary will receive in 2022, depending on the group to which such beneficiary belongs, the Immediate Payment Percentage applicable in each case, in halves and net of taxes (after applying the corresponding withholdings or payments on account), in cash and in Santander shares (the “**Initial Date**”, meaning the specific date on which the Immediate Payment Percentage is paid).

- (ii) Payment of the Deferred Percentage of Award A applicable in each case depending on the group to which the beneficiary belongs will be deferred over a period of 3 or 5 years (the “**Deferral Period**”) and will be paid in thirds or fifths, as applicable, within thirty days of the anniversaries of the Initial Date in 2023, 2024 and 2025 and, if applicable, 2026 and 2027 (the “**Anniversaries**”), provided that the conditions described below are met.
- (iii) The deferred portion will be divided into thirds or fifths (each one, an “**Annual Payment**”), which will determine the maximum amount to be paid, if applicable, on each of the Anniversaries.
- (iv) Each of the payments to be made on the Anniversaries will be made 50% in cash and the other 50% in Santander shares, after applying any withholding or payment on account applicable at any time.
- (v) The beneficiaries receiving Santander shares pursuant to paragraphs (i) to (iv) above may not directly or indirectly hedge them before delivery thereof. They may likewise not transfer them or directly or indirectly hedge the shares for one year as from the delivery thereof. Furthermore, pursuant to the Group’s share holding policy, the executive directors of Banco Santander may not transfer Santander shares that they receive pursuant to paragraphs (i) to (iv) above for three years from the date of delivery thereof, unless the director holds an amount in Santander shares equal to two times the director’s annual fixed remuneration.
- (vi) On occasion of each payment of the deferred amount in cash, and subject to the same requirements, the beneficiary may be paid an amount in cash that offsets the effect of inflation on said deferred amount in cash.

In addition to continuity of the beneficiary within the Santander Group<sup>2</sup>, the accrual of all Annual Payments is subject to none of the circumstances giving rise to the application of

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<sup>2</sup> When termination of the relationship with Banco Santander or another entity of the Santander Group is due to retirement, early retirement or pre-retirement of the beneficiary, for termination judicially declared to be improper, unilateral separation for good cause by an employee (which includes, in any case, the situations set forth in section 10.3 of Royal Decree 1382/1985 of 1 August governing the special relationship of senior management, for the persons subject to these rules), permanent disability or death, or as a result of an employer other than Banco Santander ceasing to belong to the Santander Group, as well as in cases of mandatory redundancy, the right to delivery of the shares and the cash amounts that have been deferred, as well as any amounts arising from the inflation adjustment of deferred amounts in cash, shall remain under the same conditions in force as if none of such circumstances had occurred.

In the event of death, the right shall pass to the successors of the beneficiary.

In cases of justified temporary leave due to temporary disability, suspension of the contract of employment due to maternity or paternity, or leave to care for children or a relative, there shall be no change in the rights of the beneficiary.

*malus* provisions as set out in the *malus* and clawback chapter of the Group's remuneration policy having occurred during the period prior to each of the deliveries. Likewise, amounts of Award A already paid shall be subject to possible clawback by the Bank in the instances and for the period described in said policy, all upon the terms and conditions set forth therein.

The application of *malus* and clawback provisions is triggered in those events in which there is a deficient financial performance of the entity as a whole or of a specific division or area thereof or of exposures generated by the staff, and which must take into account at least the following factors:

- (i) Significant failures in risk management committed by the entity or by a business or risk control unit.
- (ii) An increase in the capital needs of the entity or a business unit that was not expected at the time the exposures were generated.
- (iii) Regulatory sanctions or court sentences for facts that might be attributable to the unit or to the staff responsible for them. Also a breach of the entity's internal codes of conduct.
- (iv) Improper conduct, whether individual or collective. Negative effects from the sale of unsuitable products and the responsibility of the persons or bodies making such decision shall be especially considered.

The individual policies of each country may also include any other standard required by legal provisions or by local regulators.

Additionally, the accrual of the third and, if applicable, fourth and fifth Annual Payments (these Annual Payments, together, the "**Deferred Portion Subject to Objectives**") is subject to the achievement of certain targets referring to the 2021-2023 period (the "**Multiyear**

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If the beneficiary goes to another company of the Santander Group (including through international assignment and/or expatriation), there shall be no change in the rights thereof.

If the relationship terminates by mutual agreement or because the beneficiary obtains a leave not referred to in any of the preceding paragraphs, the terms of the termination or temporary leave agreement shall apply.

None of the above circumstances shall give any right to receive the deferred amount in advance, except where necessary to comply with mandatory regulations or, where appropriate, to avoid a conflict of interest. If the beneficiary or the successors thereof maintain the right to receive deferred remuneration in shares and in cash, such remuneration shall be delivered within the periods and upon the terms set forth in the plan rules.

**Objectives**) and to the metrics and achievement scales associated with such Multiyear Objectives, which are those set forth below:

(a) Achievement of the underlying consolidated earnings-per-share (“**EPS**”) growth target of Banco Santander for 2023 compared to 2020<sup>3</sup>. The coefficient corresponding to this target (the “**EPS Coefficient**”) will be obtained from the following table:

EPS growth in 2023 (% over 2020)	EPS Coefficient
≥ 125%	1.5
≥ 100% but < 125%	1 – 1.5 <sup>(*)</sup>
≥ 70% but < 100%	0 – 1 <sup>(*)</sup>
< 70%	0

(\*) Straight-line increase in EPS Coefficient based on the specific percentage of growth of 2023 EPS with respect to 2020 EPS within this bracket of the scale.

(b) Relative performance of total shareholder return (“**TSR**”) of the Bank for the 2021-2023 period compared to the TSRs of a peer group of 9 credit institutions.

For these purposes:

- “**TSR**” means the difference (expressed as a percentage) between the final value of an investment in ordinary shares of Banco Santander and the initial value of that investment, taking into account that for the calculation of such final value, dividends or other similar items (such as the *Santander Dividendo Elección* scrip dividend scheme) received by the shareholder due to such investment during the corresponding period of time will be considered as if they had been invested in more shares of the same class on the first date on which the dividend or similar item is owed to the shareholders and at the average weighted listing price on said date. To calculate TSR, the average weighted daily volume of the average weighted listing prices corresponding to the fifteen trading sessions prior to 1 January 2021 (excluded) (for the calculation of the initial value) and of the fifteen trading sessions prior to 1 January 2024 (excluded) (for the calculation of the final value) will be taken into account.

<sup>3</sup> The EPS’ growth target is notably higher than in previous financial years, as the base value, which is the 2020 EPS, has significantly decreased as a result of extraordinary circumstances that are beyond the group’s management, as is the crisis caused by the covid-19 pandemic. This is why such ambitious targets have been set for the coming years.

- “Peer Group” means the group made up of the following 9 financial institutions: BBVA, BNP Paribas, Citi, Credit Agricole, HSBC, ING, Itaú, Scotiabank and Unicredit.

For this TSR metric, the following achievement scale is established:

TSR position of Santander	“TSR Coefficient”
Exceeding percentile 66	1
Between percentiles 33 and 66 (both inclusive)	0 – 1 <sup>(*)</sup>
Below percentile 33	0

(\*) Proportional increase in TSR Coefficient according to the number of positions moved up in the ranking within this bracket of the scale.

- (c) Compliance with the fully-loaded common equity tier 1 (“CET1”) ratio target of the Santander Group for financial year 2023. The coefficient corresponding to this target (the “CET1 Coefficient”) will be obtained from the following table:

CET1 in 2023	CET1 Coefficient
≥12%	1
≥11% but <12%	0 – 1 <sup>(*)</sup>
<11%	0

(\*) Straight-line increase in CET1 Coefficient based on 2023’s CET1 within this bracket of the scale.

In order to verify if this target has been met, any potential increase in CET1 deriving from share capital increases (other than those implemented under the Santander Dividendo Elección scrip dividend scheme) will be disregarded. Moreover, the CET1 ratio at 31 December 2023 may be adjusted to remove the effects of any regulatory change to its calculation rules or any extraordinary circumstance (such as impairments, corporate transactions or restructuring procedures) that may arise in relation to its calculation until such date.

Thus, the following formula will be applied to determine the annual amount of the Deferred Portion Subject to Objectives, if any, for each beneficiary in financial years 2025 and, if applicable, 2026 and 2027 (each of these payments, a “Final Annual Payment”), without prejudice to any adjustments that may result from “bad actor” (*malus*) clauses:

$$\text{Final Annual Payment} = \text{Amt.} \times (1/3 \times A + 1/3 \times B + 1/3 \times C)$$

where,

- “Amt.” corresponds to a fifth or a third, as applicable based on the beneficiary’s profile (and therefore on the applicable deferral period of five or three years), of the Deferred Amount of Award A.

- “A” is the EPS Coefficient according to the scale and terms and conditions in paragraph (a) above based on EPS growth in 2023 compared to 2020.
- “B” is the TSR Coefficient according to the scale in paragraph (b) above based on the relative performance of the TSR of the Bank for the 2021-2023 period with respect to the Peer Group.
- “C” is the CET1 Coefficient resulting from compliance with the CET1 target for 2023 described in paragraph (c) above.
- Assuming in any case that if “ $(1/3 \times A + 1/3 \times B + 1/3 \times C)$ ” yields a figure greater than 1, 1 shall be applied as the multiplier.

### III. Maximum Number of Shares to Be Delivered

The final number of shares delivered to each beneficiary, including both those for immediate payment and those for deferred payment, shall be calculated taking into account: (i) the amount resulting from applying applicable taxes (or withholdings or payments on account), and (ii) the average weighted daily volume of the average weighted listing prices of the shares of Santander for the fifteen trading sessions prior to the Friday (exclusive) of the previous week to the date on which the board of directors approves Award A for the executive directors of the Bank for financial year 2021 (hereinafter, the “**2022 Listing Price**”).

Taking into account that the board of directors has estimated that the maximum amount of Award A to be delivered in shares to the beneficiaries of the sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan will come to 147 million euros (the “**Maximum Amount of Award A Distributable in Shares**” or “**MAAADS**”), the maximum number of Santander shares that may be delivered to such beneficiaries under this plan (the “**Limit of Award A in Shares**” or “**LAAS**”) will be determined, after deducting any applicable taxes (including withholdings and payments on account), by applying the following formula:

$$LAAS = \frac{MAAADS}{2022 \text{ Listing Price}}$$

Included in the Maximum Amount of Award A Distributable in Shares is the estimated maximum amount of Award A to be delivered in shares to the executive directors of the Bank, which comes to 11.5 million euros (the “**Maximum Amount Distributable in Shares for Executive Directors**” or “**MADSED**”). The maximum number of Santander shares that may be delivered to the executive directors under this plan (the “**Limit on Shares for Executive Directors**” or “**LSED**”) will be determined, after deducting any applicable taxes (including withholdings and payments on account), by applying the following formula:

$$LSED = \frac{MADSED}{2022 \text{ Listing Price}}$$

#### IV. Other rules

In the event of a change in the number of shares due to a decrease or increase in the par value of the shares or a transaction with an equivalent effect, the number of shares to be delivered will be modified so as to maintain the percentage of the total share capital represented by them.

Information from the stock exchange with the largest trading volume will be used to determine the listing price of the share.

If necessary or appropriate for legal, regulatory or similar reasons, the delivery mechanisms provided for herein may be adapted in specific cases without altering the maximum number of shares linked to the plan or the basic conditions upon which the delivery thereof is made contingent. Such adaptations may include the substitution of the delivery of shares with the delivery of equivalent amounts in cash, or vice versa.

The shares to be delivered may be owned by the Bank or by any of its subsidiaries, be newly-issued shares, or be obtained from third parties with whom agreements have been signed to ensure that the commitments made will be met.

#### V. Authorisation

Without prejudice to the general provisions set forth in item Twelve or in preceding sections or to the powers of the board of directors in remuneration matters under the Bylaws and the rules and regulations of the board, the board of directors of the Bank is hereby authorised, to the extent required, to implement this resolution, with the power to elaborate, as necessary, on the rules set forth herein and on the content of the agreements and other documents to be used. Specifically, and merely by way of example, the board of directors shall have the following powers:

- (i) To approve the basic content of the agreements and of such other supplementary documentation as may be necessary or appropriate.
- (ii) To approve all such notices and supplementary documentation as may be necessary or appropriate to file with any public or private agency or entity, including, if required, the respective prospectuses.
- (iii) To take any action, carry out any procedure or make any statement before any public or private entity or agency to secure any required authorisation or verification.
- (iv) To determine the specific number of shares to be received by each of the beneficiaries of the plan to which this resolution refers, observing the established maximum limits.
- (v) To specify which executives or employees are beneficiaries of Award A and to determine the assignment of the beneficiaries of the plan to one category or another of those described in this resolution, without altering the maximum amount of Award A to be delivered in shares, except in the event that Faro executives or executives in a

similar category initially assigned to the remuneration plan to which item Eleven B refers are finally assigned to this plan implementing Award A, in which case the board will be entitled to use for Award A the excess of the maximum amount set under item Eleven B (so that, altogether, the maximum amount set under items Eleven A and Eleven B is under no circumstances exceeded). Likewise, the Limit of Award A in Shares shall be deemed to include the shares or equivalent instruments to be used for meeting the contractual remuneration commitments of the Bank or its subsidiaries with payment in shares or equivalent instruments of the Bank.

Additionally, the board of directors will be entitled to apply the measures and mechanisms that may be appropriate to compensate for the dilution effect, if any, that may occur as a result of corporate transactions and shareholder distributions for so long as the shares are not delivered to the beneficiaries; and, in the event that the maximum amount distributable in shares to be delivered is exceeded in relation to any of the three groups to which the plan is directed, to authorise the deferral and payment of the excess in cash.

- (vi) Extend the deferral period in the jurisdiction or jurisdictions where so required and in respect of all or part of the beneficiaries of Award A in order to adapt to the applicable regulations in force at any given time or to the requirements of the competent authority, making such adjustments as may be necessary to adapt Award A to the new deferral period.
- (vii) To approve, where applicable, the engagement of one or more internationally recognised third parties to verify the achievement of the Multiyear Objectives. In particular, and merely by way of example, it may ask such third parties: to obtain, from appropriate sources, the data upon which the calculations of TSR are to be based; to perform the calculations of the TSR of the Bank and the TSRs of the entities within the Peer Group; to compare the Bank's TSR with the TSRs of the entities within the Peer Group; to recalculate CET1 removing the effects of share capital increases and regulatory changes; and to provide advice on the decision as to how to act in the event of unexpected changes in the Peer Group that may require adjustments to the rules for comparison among them or on the amendment of the Peer Group in light of objective circumstances that justify such amendment (such as inorganic transactions or other extraordinary circumstances).
- (viii) To interpret the foregoing resolutions, with powers to adapt them, without affecting their basic content, to the circumstances that may arise at any time, including, in particular, adapting the delivery mechanisms, without altering the maximum number of shares linked to the plan or the basic conditions upon which the delivery thereof is made contingent, which may include the substitution of the delivery of shares with the delivery of equivalent amounts in cash, or the alteration of the mechanisms for net delivery of shares under the procedures that are established for



the payment of taxes, or when so required for regulatory, tax, operational or contractual reasons. In addition, the board may adapt the aforementioned plan (including the adjustment or removal of any metrics and achievement scales for the Multiyear Objectives, the inclusion of additional targets for the delivery of any deferred amount of Award A or the increase of the Deferred Percentages or of the Deferral Period) to any mandatory regulations or administrative interpretation that may prevent the implementation thereof on the approved terms.

- (ix) To adjust positively or negatively, following a proposal of the remuneration committee, the level of achievement of the Multiyear Objectives when inorganic transactions, material changes to the Group's composition or size or other extraordinary circumstances (such as impairments, legal changes or restructuring procedures) have occurred which affect the suitability of the metric and achievement scale established in each case and resulting in an impact not related to the performance of the executive directors and executives being evaluated.
- (x) To develop and specify the conditions upon which the receipt by the beneficiaries of the corresponding shares or deferred amounts is contingent, as well as to determine whether, according to the plan to which this resolution refers, the conditions upon which the receipt by the beneficiaries of the respective shares or cash amounts is made contingent have been fulfilled, with the power to modulate the cash amounts and the number of shares to be delivered depending on the existing circumstances, all following a proposal of the remuneration committee.
- (xi) In general, to take any actions and execute all such documents as may be necessary or appropriate.

Furthermore and as regards matters that are or become part of its area of authority, the board of directors has the power to develop, amend, alter or adapt the terms and conditions of the sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan and of the other cycles of the referred plan that remain in force.

The board of directors is also authorised to delegate (with the power of substitution when appropriate) to the executive committee or to any director with delegated powers those delegable powers granted pursuant to this resolution, all without prejudice to the representative powers that currently exist or may be granted in relation to this resolution.

The provisions of this resolution are deemed to be without prejudice to the exercise by such of the Bank's subsidiaries as may be appropriate in each case of the powers they hold to implement the variable remuneration policy, the plan and the cycles thereof with respect to their own executives and employees and, if applicable, to adjust them to regulations or to the requirements of competent authorities in the respective jurisdiction.

## **Eleven B**

### **Deferred and Conditional Variable Remuneration Plan**

To approve the implementation of the eleventh cycle of the Deferred and Conditional Variable Remuneration Plan, inasmuch as it is a remuneration system that includes the delivery of shares of the Bank or of rights thereon, which has been approved by the board of directors on the terms and conditions described below:

#### **I. Purpose and Beneficiaries**

The eleventh cycle of the Deferred and Conditional Variable Remuneration Plan will be implemented with respect to the variable remuneration or award (hereinafter, "**Award B**") to be approved by the board of directors, or by the appropriate body in each case, for financial year 2021 for categories of staff whose professional activities have a material impact on the risk profile of the institution or its Group (all of them together, the "**Identified Staff**" or "**Material Risk Takers**" and identified under section 32.1 of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, and the regulations in implementation thereof), or other persons included in this group under regulatory or corporate standards in a specific country, and who are not beneficiaries of the plan to which item Eleven A above refers.

The number of members of the Identified Staff who would be beneficiaries of this plan comes to approximately 1,200 persons, though this resolution does not affect those whose Award is not paid, either in whole or in part, in shares or similar instruments of Banco Santander, but rather in shares or similar instruments of subsidiaries of Banco Santander. Taking into account possible changes in the workforce, the number of beneficiaries of this resolution may change. The board of directors, or the executive committee acting by delegation therefrom, may approve inclusions (through promotion or hiring at the Group) in or exclusions from the members of the Identified Staff that are beneficiaries of this plan, without changing the maximum total number of shares authorised to be delivered at any time.

The purpose of this eleventh cycle of the Deferred and Conditional Variable Remuneration Plan is to defer a portion of Award B for a period of three years (or five years in the case of beneficiaries with award levels comparable to those of certain categories of Award A) for its payment, if applicable, in cash and in Santander shares (subject to the non-occurrence of certain circumstances), also paying the other portion of such variable remuneration in cash and in Santander shares at the outset, all in accordance with the rules set forth below.

#### **II. Operation**

Award B of the beneficiaries for financial year 2021 will be paid according to the following percentages, depending on the time of payment and the remuneration level of the

beneficiary (the “**Immediate Payment Percentage**”, to identify the portion for which payment is not deferred, and the “**Deferred Percentage**”, to identify the portion for which payment is deferred):

	<b>Immediate Payment Percentage</b>	<b>Deferred Percentage <sup>(*)</sup></b>	<b>Deferral Period <sup>(*)</sup></b>
Beneficiaries of Award B whose total target variable remuneration <sup>(**)</sup> is ≥ €2.7 mill. <sup>(***)</sup>	40%	60%	5 years
Beneficiaries of Award B whose total target variable remuneration <sup>(**)</sup> is ≥ €1.7 mill. (< €2.7 mill.). <sup>(***)</sup>	50%	50%	5 years
Other beneficiaries of Award B. <sup>(***)</sup>	60%	40%	3 years

(\*) In certain countries, the deferred percentage or the deferral period may be different to comply with applicable local regulations or with the requirements of the competent authority in each case.

(\*\*) Benchmark variable remuneration for standard achievement (100% of objectives).

(\*\*\*) The average closing exchange rates for the fifteen trading days prior to Friday, exclusive, of the week prior to the date on which the board of directors approved the variable remuneration of the executive directors of the Bank for financial year 2020 (2 February 2021), shall be used to assign a beneficiary to the corresponding category for variable remuneration not denominated in euros.

Taking the foregoing into account, Award B for financial year 2021 will be paid as follows:

- (i) Each beneficiary will receive the Immediate Payment Percentage of Award B in 2022, in halves and net of taxes (after applying the corresponding withholdings or payments on account), in cash and in Santander shares (the “**Initial Date**”, meaning the specific date on which said percentage of Award B is paid).
- (ii) Payment of the Deferred Percentage of Award B will be deferred over a period of 3 or 5 years (the “**Deferral Period**”) and will be paid in thirds or fifths, as applicable, within thirty days of the anniversaries of the Initial Date in 2023, 2024, 2025 and, if applicable, 2026 and 2027 (the “**Anniversaries**”), provided that the conditions described below are met.
- (iii) The deferred portion will be divided into thirds or fifths (each one, an “**Annual Payment**”), which will determine the maximum amount to be paid, if applicable, on each of the Anniversaries.
- (iv) Each of the payments that are to be made on the Anniversaries will be made 50% in cash and the other 50% in Santander shares, after applying any withholding or payment on account applicable at any time.

- (v) The beneficiaries receiving Santander shares pursuant to paragraphs (i) to (iv) above may not directly or indirectly hedge such shares before the delivery thereof. They may likewise not transfer them or directly or indirectly hedge the shares for one year as from the delivery thereof.
- (vi) On occasion of each payment of the deferred amount in cash, and subject to the same requirements, the beneficiary may be paid an amount in cash that offsets the effect of inflation on said deferred amount in cash.

In addition to continuity of the beneficiary within the Santander Group,<sup>4</sup> the accrual of all Annual Payments is subject to none of the circumstances giving rise to the application of *malus* provisions as set out in the *malus* and clawback chapter of the Group's remuneration policy having occurred during the period prior to each of the deliveries. Likewise, amounts of Award B already paid shall be subject to possible clawback by the Bank in the instances and for the period described in said policy, all upon the terms and conditions set forth therein.

The application of *malus* and clawback provisions is triggered in those events in which there is a deficient financial performance of the entity as a whole or of a specific division or

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<sup>4</sup> When termination of the relationship with Banco Santander or another entity of the Santander Group is due to retirement, early retirement or pre-retirement of the beneficiary, for termination judicially declared to be improper, unilateral separation for good cause by an employee (which includes, in any case, the situations set forth in section 10.3 of Royal Decree 1382/1985 of 1 August governing the special relationship of senior management, for the persons subject to these rules), permanent disability or death, or as a result of an employer other than Banco Santander ceasing to belong to the Santander Group, as well as in cases of mandatory redundancy, the right to delivery of the shares and the cash amounts that have been deferred, as well as any amounts arising from the inflation adjustment of deferred amounts in cash, shall remain under the same conditions in force as if none of such circumstances had occurred.

In the event of death, the right shall pass to the successors of the beneficiary.

In cases of justified temporary leave due to temporary disability, suspension of the contract of employment due to maternity or paternity, or leave to care for children or a relative, there shall be no change in the rights of the beneficiary.

If the beneficiary goes to another company of the Santander Group (including through international assignment and/or expatriation), there shall be no change in the rights thereof.

If the relationship terminates by mutual agreement or because the beneficiary obtains a leave not referred to in any of the preceding paragraphs, the terms of the termination or temporary leave agreement shall apply.

None of the above circumstances shall give any right to receive the deferred amount in advance, except where necessary to comply with mandatory regulations or, where appropriate, to avoid a conflict of interest. If the beneficiary or the successors thereof maintain the right to receive deferred remuneration in shares and in cash, such remuneration shall be delivered within the periods and upon the terms set forth in the plan rules.

area thereof or of exposures generated by the staff, and which must take into account at least the following factors:

- (i) Significant failures in risk management committed by the entity or by a business or risk control unit.
- (ii) An increase in the capital needs of the entity or a business unit that was not expected at the time the exposures were generated.
- (iii) Regulatory sanctions or court sentences for facts that might be attributable to the unit or to the staff responsible for them. Also a breach of the entity's internal codes of conduct.
- (iv) Improper conduct, whether individual or collective. Negative effects from the sale of unsuitable products and the responsibility of the persons or bodies making such decision shall be especially considered.

The individual policies of each country may also include any other standard required by legal provisions or by local regulators.

If the foregoing requirements are met on each Anniversary, the beneficiaries shall receive the cash and shares, in thirds or fifths, as applicable, within thirty days of the first, second, third and, if applicable, fourth and fifth Anniversary.

### III. Maximum Number of Shares to Be Delivered

The final number of shares delivered to each beneficiary, including both those for immediate payment and those for deferred payment, shall be calculated taking into account: (i) the amount resulting from applying applicable taxes (or withholdings or payments on account), and (ii) the average weighted daily volume of the average weighted listing prices of the shares of Santander for the fifteen trading sessions prior to the Friday (exclusive) of the previous week to the date on which the board of directors approves Award A for the executive directors of the Bank for financial year 2021 (hereinafter, the "**2022 Listing Price**").

Taking into account that the board of directors has estimated that the maximum amount of Award B to be delivered in shares to the beneficiaries of the tenth cycle of the Deferred and Conditional Variable Remuneration Plan comes to 187 million euros (the "**Maximum Amount of Award B Distributable in Shares**" or "**MAABDS**"), the maximum number of Santander shares that may be delivered to such beneficiaries under this plan (the "**Limit of Award B in Shares**" or "**LABS**") will be determined, after deducting any applicable taxes (including withholdings and payments on account), by applying the following formula:

$$LABS = \frac{MAABDS}{2022 \text{ Listing Price}}$$

#### IV. Other rules

In the event of a change in the number of shares due to a decrease or increase in the par value of the shares or a transaction with an equivalent effect, the number of shares to be delivered will be modified so as to maintain the percentage of the total share capital represented by them.

Information from the stock exchange with the largest trading volume will be used to determine the listing price of the share.

If necessary or appropriate for legal, regulatory or similar reasons, the delivery mechanisms provided for herein may be adapted in specific cases without altering the maximum number of shares linked to the plan or the basic conditions upon which the delivery thereof is made contingent. Such adaptations may include the substitution of the delivery of shares with the delivery of equivalent amounts in cash, or vice versa.

The shares to be delivered may be owned by the Bank or by any of its subsidiaries, be newly-issued shares, or be obtained from third parties with whom agreements have been signed to ensure that the commitments made will be met.

#### V. Authorisation

Without prejudice to the general provisions set forth in item Twelve or in preceding sections or to the powers of the board of directors in remuneration matters under the Bylaws and the rules and regulations of the board, the board of directors of the Bank is hereby authorised, to the extent required, to implement this resolution, with the power to elaborate, as necessary, on the rules set forth herein and on the content of the agreements and other documents to be used. Specifically, and merely by way of example, the board of directors shall have the following powers:

- (i) To approve the basic content of the agreements and of such other supplementary documentation as may be necessary or appropriate.
- (ii) To approve all such notices and supplementary documentation as may be necessary or appropriate to file with any public or private agency or entity, including, if required, the respective prospectuses.
- (iii) To take any action, carry out any procedure or make any statement before any public or private entity or agency to secure any required authorisation or verification.
- (iv) To determine the specific number of shares to be received by each of the beneficiaries of the plan to which this resolution refers, observing the established maximum limits.
- (v) Without altering the maximum amount of Award B to be delivered in shares, to specify which executives or employees are beneficiaries of the plan; to apply the measures and mechanisms that may be appropriate to compensate for the dilution effect, if any, that may occur as a result of corporate transactions and shareholder

distributions for so long as the shares are not delivered to the beneficiaries; and, in the event that the maximum amount distributable in shares to be delivered to the beneficiaries of the plan is exceeded, to authorise the deferral and payment of the excess in cash.

- (vi) Extend the deferral period in the jurisdiction or jurisdictions where so required and in respect of all or part of the beneficiaries of Award B in order to adapt to the applicable regulations in force at any given time or to the requirements of the competent authority, making such adjustments as may be necessary to adapt Award B to the new deferral period.
- (vii) To interpret the foregoing resolutions, with powers to adapt them, without affecting their basic content, to the circumstances that may arise at any time, including, in particular, adapting the delivery mechanisms, without altering the maximum number of shares linked to the plan or the basic conditions upon which the delivery thereof is made contingent, which may include the substitution of the delivery of shares with the delivery of equivalent amounts in cash, or the alteration of the mechanisms for net delivery of shares under the procedures that are established for the payment of taxes, or when so required for regulatory, tax, operational or contractual reasons. In addition, the board may adapt the aforementioned plan (including the introduction of new conditions for the delivery of any deferred amount of Award B or the amendment of existing conditions and, if applicable, the increase of the deferred percentages or the deferral period) to any mandatory regulations or administrative interpretation that may prevent the implementation thereof on the approved terms.
- (viii) To develop and specify the conditions upon which the receipt by the beneficiaries of the corresponding shares or deferred amounts is contingent, as well as to determine whether, according to the plan to which this resolution refers, the conditions upon which the receipt by the beneficiaries of the respective shares or cash amounts is made contingent have been fulfilled, with the power to modulate the cash amounts and the number of shares to be delivered depending on the existing circumstances, all following a proposal of the remuneration committee.
- (ix) In general, to take any actions and execute all such documents as may be necessary or appropriate.

Furthermore and as regards matters that are or become part of its area of authority, the board of directors has the power to develop, amend, alter or adapt the terms and conditions of the eleventh cycle of the Deferred and Conditional Variable Remuneration Plan and of the other cycles of the referred plan that remain in force.

The board of directors is also authorised to delegate (with the power of substitution when appropriate) to the executive committee or to any director with delegated powers those

delegable powers granted pursuant to this resolution, all without prejudice to the representative powers that currently exist or may be granted in relation to this resolution.

The provisions of this resolution are deemed to be without prejudice to the exercise by such of the Bank's subsidiaries as may be appropriate in each case of the powers they hold to implement the variable remuneration policy, the plan and the cycles thereof with respect to their own executives and employees and, if applicable, to adjust them to regulations or to the requirements of competent authorities in the respective jurisdiction.

## **Eleven C**

### **Digital Transformation Award**

The Digital Transformation Award for 2021 (the "**Digital Award**") is a remuneration system that includes the delivery of shares and share options of the Bank that has been approved by the board of directors on the terms and conditions described below:

#### **I. Purpose and Beneficiaries**

The Digital Award will be implemented in connection with the variable remuneration policy for financial year 2021, and the specific award will be approved by the board of directors or the appropriate body as detailed below.

The purpose of the Digital Award is to attract and retain talent that will advance, accelerate and deepen the digital transformation of the Santander Group. With this programme, the Santander Group offers a remuneration element that is competitive with remuneration systems being offered by other market players competing for digital talent.

The number of beneficiaries of the Digital Award is limited to a maximum of 250 persons, and the total amount of the award is limited to €30 million. The beneficiaries will be nominated by senior management of the Santander Group. Subsequently, nominations will be reviewed and finally approved by the remuneration committee or the board of directors, as appropriate. Notwithstanding the above, the inclusion of beneficiaries (through promotion, mobility or hiring at the Group) may be approved at any given time, without in any event changing the authorised maximum number of shares or share options to be delivered.

#### **II. Operation**

The qualifier for the Digital Award is meeting important milestones that are aligned with the Group's digital roadmap and determined by the board of directors, taking into account the digitalisation strategy of the Group.

The accrual of the Digital Award is subject to the Santander Group's ability to achieve key milestones in the digital transformation of the Bank, supporting its evolution to be the best open and responsible global financial services platform. These milestones and the metrics



to evaluate the level of achievement thereof will be approved by the board of directors upon a proposal from the remuneration committee at the beginning of each financial year. Specifically, in 2021 and regarding the Digital Award, the performance conditions to be evaluated will be set against the success of the following four initiatives, to which others may be added that the board of directors deems appropriate due to the significance thereof, upon a proposal from the remuneration committee:

1. In relation to Pago Nxt Consumer payment platform: implementation of Superdigital platform in seven countries, acquisition of over 1.5 million active customer base and accelerating growth through B2B (business to business) and B2B2C (business to business to customer) partnerships, acquiring more than 50% of the new customers through these channels, which are more cost-effective.
2. In relation to Digital Consumer Bank: launching online API for checkout lending in the European Union and completion of controllable items for Openbank launch in USA.
3. In relation to One Santander strategy: implementation in Europe of One Common Mobile Experience and, specifically, implementation of Europe ONE app for individual customers in at least three of the four countries by December 2021; and be among the three-top rated entities in terms of Mobile NetPromoter Score (Mobile NPS) in at least two of the four countries by December 2021.
4. In relation to cloud adoption: host 75% of migratable virtual machines on cloud technology (either public cloud or OHE) by December 2021. For these purposes, mainframes, physical servers and servers with non-x86 operating systems will be considered non-migratable.

At the beginning of 2022 and following a proposal of the remuneration committee, the board of directors will verify if the milestones on which the amount of the Digital Award is contingent have been met. Subsequently, if applicable, the Digital Award will be granted to each beneficiary (awarding a specific number of shares and granting a specific number of share options).

The public information regarding financial year 2021 to be made available to the shareholders on occasion of the 2022 ordinary general shareholders' meeting will specify the level of achievement of the milestones on which the amount of the Digital Award depends.

The Digital Award will be implemented 50% in shares of Banco Santander and 50% in options on shares of Banco Santander, based on the fair value of the share options when they are granted.

For Identified Staff members subject to a five-year deferral period, the Digital Award (shares and share options) will vest in thirds on the third, fourth and fifth anniversary of the grant. For Identified Staff members subject to a three-year deferral period and staff

with no deferral requirement, the award will vest in full on the third anniversary of the grant (unless that, for Identified Staff members, the applicable regulation requires otherwise). In both cases, the deferral is aimed at fostering long-term share value creation. Share options vested can be exercised until maturity, with all options lapsing after eight years from granting.

Any delivery of shares or share options (whether or not paid and including settlements thereof) will be subject generally to the Santander Group's general *malus* and clawback provisions as described in the Santander Group's remuneration policy and to the continuity of the beneficiary within the Santander Group. In this regard, the board may define specific rules for non-Identified Staff.

### III. Maximum number of shares to be delivered and applicable rules

The final number of shares directly delivered to each beneficiary shall be calculated taking into account: (i) the amount resulting from applying applicable taxes (including withholdings and payments on account), and (ii) the average weighted daily volume of the average weighted listing prices of the shares of Santander for the fifteen trading sessions prior to the Friday (exclusive) of the previous week to the date on which the board of directors, or the appropriate body in each case, approves the Digital Award for financial year 2021 (the "**2022 Listing Price**").

Taking into account that the maximum amount of the Digital Award to be delivered in shares to the beneficiaries of this award amounts to 15 million euros (the "**Maximum Amount of the Digital Award Distributable in Shares**" or "**MADADS**"), the maximum number of Santander shares that may be delivered to such beneficiaries under this award (the "**Limit of Digital Award in Shares**" or "**LDAS**") will be determined, after deducting any applicable taxes (including withholdings and payments on account), by applying the following formula:

$$LDAS = \frac{MADADS}{2022 \text{ Listing Price}}$$

Consistent with Group policy for Identified Staff members, Santander shares received by the beneficiaries may not be directly or indirectly hedged prior to the delivery thereof. Nor may Beneficiaries directly or indirectly transfer or hedge said shares for a period of one year as from delivery thereof. For these purposes, personnel who are not Identified Staff shall receive the same treatment as Identified Staff who are subject to a three-year deferral period.

### IV. Maximum number of share options to be delivered and applicable rules

Each share option will have one share as underlying asset and the strike price of each option will be equal to the 2022 Listing Price. Settlement of the options upon exercise will take place by settlement of the difference between the strike price for the option and the applicable Santander share market price at the time of exercise.

The maximum number of share options to be delivered (the “**Limit of Digital Award in Share Options**” or “**LDASO**”) will be determined based on the maximum number of shares that would be delivered to each beneficiary as a result of the exercise of the share options if payment was made by delivery of Santander shares, which must be calculated taking into account: (i) the fair value (“**FV**”) calculated in accordance with generally applicable accounting standards (IFRS - International Financial Reporting Standards) for share-based payments as of the date of the options grant, which will be a fraction of the 2022 Listing Price; and (ii) the 2022 Listing Price.

Taking into account that the maximum amount of the Digital Award to be delivered in share options to its beneficiaries amounts to 15 million euros (the “**Maximum Amount of the Digital Award Distributable in Share Options**” or “**MADADSO**”), the LDASO will be determined, after deducting any applicable taxes (including withholdings and payments on account), by applying the following formula:

$$\text{LDASO} = \frac{\text{MADADSO}}{2022 \text{ Listing Price} \times \text{FV}}$$

Exercising options may only be allowed during specific timeframes within the year as determined in the relevant plan regulations.

#### V. Other rules

In the event of a change in the number of shares due to a decrease or increase in the par value of the shares or a transaction with an equivalent effect, the number of shares and the conditions of the exercise of the share options to be delivered will be modified so as to maintain the percentage of the total share capital represented by those shares or otherwise correct the effect of such change.

Information from the stock exchange with the largest trading volume will be used to determine the listing price of the share.

If necessary or appropriate for legal, regulatory or similar reasons, the delivery mechanisms provided for herein may be adapted in specific cases without altering the maximum number of shares or share options linked to the award or the basic conditions upon which the delivery thereof is made contingent. Such adaptations may include the substitution of the delivery of shares or the share options with the delivery of equivalent amounts in cash, or vice versa.

The shares to be delivered may be owned by the Bank or by any of its subsidiaries, be newly-issued shares, or be obtained from third parties with whom agreements have been signed to ensure that the commitments made will be met.

## VI. Authorisation

Without prejudice to the general provisions set forth in item Twelve or in preceding sections or to the powers of the board of directors in remuneration matters under the Bylaws and the rules and regulations of the board, the board of directors of the Bank is hereby authorised, to the extent required, to implement this resolution, with the power to elaborate, as necessary, on the rules set forth herein and on the content of the agreements and other documents to be used. Specifically, and merely by way of example, the board of directors shall have the following powers:

- (i) To approve the basic content of the agreements and of such other supplementary documentation as may be necessary or appropriate.
- (ii) To approve all such notices and supplementary documentation as may be necessary or appropriate to file with any public or private agency or entity, including, if required, the respective prospectuses.
- (iii) To take any action, carry out any procedure or make any statement before any public or private entity or agency to secure any required authorisation or verification.
- (iv) To determine the specific number of shares and shares options to be received by each of the beneficiaries of the award to which this resolution refers, observing the established maximum limits.
- (v) To postpone the date of payment of the Digital Award in one or more jurisdictions and in respect of all or some of the beneficiaries of the Digital Award in order to adjust to the remuneration deferral periods required by applicable legal provisions or arising from the requirements of the competent authority.
- (vi) To regulate any mechanisms necessary or appropriate to implement the exercise of the share option, including the procedure for determination of the applicable market price.
- (vii) Without altering the maximum amount of the Digital Award, to set the rules or criteria to specify which executives or employees are beneficiaries of the award and, when appropriate, to directly designate them; to apply the measures and mechanisms that may be appropriate to compensate for the dilution effect, if any, that may occur as a result of corporate transactions and shareholder distributions.
- (viii) To interpret the foregoing resolutions, with powers to adapt them, without affecting their basic content, to the circumstances that may arise at any time, including, in particular, adapting the delivery mechanisms, without altering the maximum number of shares and share options linked to the award or the basic conditions upon which the delivery thereof is made contingent, which may include the substitution of the delivery of shares or share options with the delivery of equivalent amounts in cash, or the alteration of the mechanisms for net delivery of shares or share options

under the procedures that are established for the payment of taxes, or when so required for regulatory, tax, operational or contractual reasons. In addition, the board may adapt the Digital Award to any mandatory regulations or administrative interpretation that may prevent the implementation thereof on the approved terms.

- (ix) To determine, develop and specify the conditions upon which the receipt by the beneficiaries of the corresponding shares and share options is subject, as well as to determine whether, according to the award to which this resolution refers, the conditions upon which the receipt by the beneficiaries of the respective shares or share options is subject have been fulfilled, with the power to modulate the number of shares and share options to be delivered depending on the existing circumstances, in particular those extraordinary that are beyond the management of the beneficiaries of the award that might have had an impact, positively or negatively, in its fulfilment, all following a proposal of the remuneration committee.
- (x) In general, to take any actions and execute all such documents as may be necessary or appropriate.

Furthermore and as regards matters that are or become part of its area of authority, the board of directors has the power to develop, amend, alter or adapt the terms and conditions of the eleventh cycle of the Digital Award and of the other remuneration plans of similar nature that remain in force.

The board of directors is also authorised to delegate (with the power of substitution when appropriate) to the executive committee or to any director with delegated powers those delegable powers granted pursuant to this resolution, all without prejudice to the representative powers that currently exist or may be granted in relation to this resolution.

The provisions of this resolution are deemed to be without prejudice to the exercise by such of the Bank's subsidiaries as may be appropriate in each case of the powers they hold to implement the variable remuneration policy and the award with respect to their own executives and employees and, if applicable, to adjust them to regulations or to the requirements of competent authorities in the respective jurisdiction.

## **Eleven D**

### **Application of the Santander Group's buy-out regulations**

To authorise, inasmuch as it is a remuneration system that includes the delivery of shares of the Bank or of rights thereon or that is linked to the price of the shares, the (immediate or deferred) delivery of shares of the Bank within the application of the Group's buy-out regulations which have been approved by the board of directors of the Bank, following a proposal of the remuneration committee.

Such buy-out regulations are an instrument to be selectively used in the engagement of executives or employees who, as a result of accepting a job offer from the Bank (or from other Santander Group's companies), lose the right to receive certain variable remuneration from their previous company. Therefore, these rules, which take into account the regulations and recommendations that apply to the Bank, allow for the maintenance of certain flexibility to be able to attract the best talent and to be fair with respect to the loss of rights that an executive or employee incurs due to joining the Group, given that the conditions of the buy-out take into account the conditions applicable to the remunerations the loss of which is compensated for.

The maximum number of shares that may be delivered under this resolution is a number such that, multiplying the number of shares delivered (or recognised) on each occasion by the average weighted daily volume of the averaged weighted listing prices of the Santander shares for the fifteen trading sessions prior to the date on which they are delivered (or recognised), does not exceed the amount of 40 million euros.

The authorisation granted hereby may be used to undertake commitments to deliver shares in relation to the engagements that occur during financial year 2021 and during financial year 2022, until the ordinary general meeting is held in 2022.

## **Eleven E**

Plan for employees of Santander UK Group Holdings plc. and other companies of the Group in the United Kingdom by means of options on shares of the Bank linked to the contribution of periodic monetary amounts and to certain continuity requirements.

To approve, inasmuch as it is a remuneration system that includes the delivery of shares of the Bank or of rights thereon or that is linked to the price of the shares, the implementation of a voluntary savings plan ("sharesave scheme") intended for the employees of Santander UK Group Holdings plc., of companies within the subgroup thereof and of the other companies of the Santander Group registered in the United Kingdom (in which the Group directly or indirectly holds at least 90% of the capital), including employees at United Kingdom branches of Banco Santander, S.A. or of companies within its Group (and in which the Group directly or indirectly holds at least 90% of the capital), which has been approved by the board of directors on the terms and conditions described below:

A plan in which between 5 and 500 pounds Sterling is deducted from the employee's net pay every month, as chosen by the employee, who may, at the end of the chosen period (3 or 5 years), choose between collecting the amount contributed, the interest accrued and a bonus (tax-exempt in the United Kingdom), or exercising options on shares of Banco Santander, S.A. in an amount equal to the sum of such three amounts at a fixed price. In

case of voluntary resignation, the employee will recover the amount contributed to that time, but will forfeit the right to exercise the options.

The exercise price in pounds Sterling will be the result of reducing by up to a maximum of 20% the average of the purchase and sale prices of Santander shares at the close of trading in London for the 3 trading days prior to the reference date. In the event that these listing prices are unavailable for any reason, such reduction will be applied to the average price weighted by average traded volumes on the Spanish *Mercado Continuo* for the 15 trading days prior to the reference date. This amount will be converted into pounds Sterling using, for each day of listing, the average exchange rate for that day as published in the Financial Times, London edition, on the following day. The reference date will be set in the final approval of the plan by the British Tax Authority ("invitation date") and will occur between 21 and 41 days following the date of publication of the consolidated results of Banco Santander, S.A. for the first half of 2021.

The employees must decide upon their participation in the plan within a period between 42 and 63 days following publication of the consolidated results of Banco Santander, S.A. for the first half of 2021.

The maximum monthly amount that each employee may assign to all voluntary savings plans subscribed by such employee (whether for the plan to which this resolution refers or for other past or future "sharesave schemes") is 500 pounds Sterling.

The maximum number of shares of Banco Santander, S.A. to be delivered under this plan, approved for 2021, is 25,025,216, equal to 0.14% of the share capital as of the date of the call to meeting.

The plan is subject to the approval of the tax authorities of the United Kingdom. Each of the subgroups and companies covered by the plan will ultimately decide whether or not to implement this plan in connection with its employees.

Without prejudice to the generality of the provisions of resolution Twelve below, and without prejudice to the powers of the board of directors in remuneration matters under the Bylaws and the rules and regulations of the board, the board of directors is hereby authorised, as required, to the broadest extent permitted by law and with the express power of delegation to the executive committee, to carry out any acts that may be necessary or merely appropriate in order to implement the aforementioned plan, as well as to further develop and elaborate, to the extent required, on the rules set forth herein. All of the foregoing will also be deemed to be without prejudice to the acts that the decision-making bodies of Santander UK Group Holdings plc., of companies within the subgroup thereof and of the other companies of the Santander Group registered in the United Kingdom or having branches therein and referred to in the first paragraph above, have already performed or may hereafter perform in the exercise of their powers, within the framework defined by this resolution of the shareholders acting at the meeting, in

order to implement the plan and to establish, develop and elaborate on the rules applicable thereto.



## **Item Twelve**

**Authorisation to the board of directors to interpret, remedy, supplement, implement and develop the resolutions approved by the shareholders at the meeting, as well as to delegate the powers received from the shareholders at the meeting, and grant of powers to convert such resolutions into notarial instruments.**

### **Proposal:**

Without prejudice to the delegations of powers contained in the preceding resolutions, it is hereby resolved:

A) To authorise the board of directors to interpret, remedy, supplement, carry out and further develop the preceding resolutions, including the adjustment thereof to conform to verbal or written evaluations of the Commercial Registry or of any other authorities, officials or institutions which are competent to do so, as well as to comply with any requirements that may legally need to be satisfied for the effectiveness thereof, and in particular, to delegate to the executive committee or to any director with delegated powers all or any of the powers received from the shareholders at this general shareholders' meeting by virtue of the preceding resolutions as well as under this Resolution Twelve.

B) To authorise Ms Ana Patricia Botín-Sanz de Sautuola y O'Shea, Mr José Antonio Álvarez Álvarez and Mr Jaime Pérez Renovales so that any of them, acting severally and without prejudice to any other existing power of attorney whereby authority is granted to record the corporate resolutions in a public instrument, may appear before a Notary Public and execute, on behalf of the Bank, any public instruments that may be required or appropriate in connection with the resolutions adopted by the shareholders at this general shareholders' meeting. In addition, the aforementioned persons are empowered, also on a several basis, to carry out the required filing of the annual accounts and other documentation with the Commercial Registry.

ITEM TO BE SUBMITTED TO A CONSULTATIVE VOTE

**Item Thirteen                      Annual director remuneration report.**

**Annual director remuneration report**

The shareholders are asked to provide a consultative vote on the annual director remuneration report, approved by the board of directors following a proposal of the remuneration committee, on the terms established by law and in Circular 4/2013 of 12 June, of the National Securities Market Commission (as amended by Circulars 7/2015 of 22 December, 2/2018 of 12 June and 1/2020 of 6 October of the National Securities Market Commission). The aforementioned annual report is included in sections 6 (except for 6.6), 9.4 and 9.5 of the “Corporate governance” chapter of the consolidated directors’ report, which is part of the 2020 annual report.