



Santander Scrip Dividend Scheme

Information Booklet

 **Santander Shareholders**

**THIS DOCUMENT IS IMPORTANT AND
REQUIRES YOUR IMMEDIATE ATTENTION**

Please keep hold of this document as it applies to all future scrip dividend schemes unless we inform you otherwise.

Extra copies can be downloaded at www.santandershareview.com.

The value of shares and the income from them can go down as well as up. Past performance is not a reliable indicator of future results.

If you are in any doubt about the action you should take in relation to a scrip dividend or whether further Santander shares are an appropriate or suitable investment for you, you should immediately seek independent financial advice from your stockbroker, accountant or other independent financial adviser regulated by the Financial Conduct Authority pursuant to the Financial Services and Markets Act 2000.

This document provides information regarding the Santander Scrip Dividend Scheme and is relevant to shareholders who hold their Santander shares through the Santander Nominee Service.

For the avoidance of doubt, the default option or any subsequent choice you make will be applied in respect of future scrip dividends that may be implemented unless you give a different instruction by the relevant Election Date.

A timetable of expected key dates for each scrip dividend will be published at www.santandershareview.com (or can be requested by calling the Shareholder Helpline).

A glossary of terms used in this document can be found on pages 18 and 19.

What is the Scrip Dividend Scheme?

Santander has historically paid both “cash” dividends and “scrip” dividends.

As its name suggests, a cash dividend is paid in cash in the normal manner. However, the Santander Scrip Dividend Scheme provides shareholders with the option to receive further newly issued Santander shares or to receive cash instead.

When Santander intends to implement a scrip dividend, information will be published at www.santandershareview.com. This scheme offers flexibility and enables shareholders to choose according to their personal situation.

This document should be read together with all relevant information made available at www.santandershareview.com about a particular scrip dividend when the scheme is implemented.

Please note that we will not be selling your existing shares and this scheme does not apply to cash dividends.

Further details regarding the scrip dividend scheme (as they become available) will be published at www.santandershareview.com.

What are my options?

As part of a scrip dividend scheme, each shareholder will receive one “right” for every share held. As a shareholder you have three options.

IMPORTANT: SPANISH TAX REPORTING

Although we are not currently required to impose Spanish withholding tax on Options 1 or 2, under Spanish tax law, any cash you receive in respect of the sale of rights or an entitlement to a fraction of a share may create a Spanish tax reporting obligation for you under these two options. You should read the Taxation section starting on page 15 before deciding which option you would like to have applied.

Option 1 Hold your rights and receive shares

Shareholders can choose to receive, in exchange for their rights and otherwise free of charge, a certain number of newly issued Santander shares to which they are entitled. The number of shares received will depend on the number of rights held and the Santander share price on or around the Record Date for the scrip dividend. This option currently has no Spanish withholding tax liability, unless you are resident in Spain. See further information on page 7.

Option 2 Sell your rights on market and receive cash

Shareholders can sell their rights on market (through the Spanish Stock Exchanges) and receive cash. The value of the rights will fluctuate depending on market prices and, accordingly, there can be no guarantee of the price received. This option currently has no Spanish withholding tax liability, unless you are resident in Spain, but you will incur a brokerage fee of 0.3%. Shareholders choosing this option will be required to provide additional mandatory information before rights can be sold. See further information on page 8.

Option 3 Sell your rights off-market and receive a fixed amount of cash

Shareholders can sell their rights off-market to Santander at a fixed price and instead receive cash like a normal dividend. This option has the same Spanish withholding tax treatment as a normal dividend paid in cash (tax withheld at 19%). See further information on page 9.

What do I do next?

We will automatically apply a default option to your shareholding. The option applied to you, or the choice you have made can be viewed by logging in to your Santander Shareview portfolio. You do not need to do anything if you want to receive your scrip dividend in accordance with the option currently applied to your shareholding. However, you can change the default option applicable to you if you feel that another option would better suit you.

To change the default option applied to your shareholding, you can make an election online at www.santandershareview.com (see page 11 for further details) or by completing a scrip dividend mandate form which you can obtain by calling the Shareholder Helpline, and returning it to the Santander Nominee Service. You should ensure that your choice is received by the Santander Nominee Service before 5 p.m. on the Election Date for a scrip dividend.

Please note that if the choice that you make is not clear on the form that you complete or if your form is not validly completed, the form will be disregarded.

How do you determine the default which applies to my shareholding?

If you are resident in the EEA and have not previously returned a scrip dividend mandate form in respect of a previous scrip dividend scheme, the default applied to your shareholding will generally be Option 1 (hold your rights and receive shares).

If you are resident outside of the EEA and have not previously returned a scrip dividend mandate form, the default applied to your shareholding will generally be Option 3 (sell your rights off-market and receive a fixed amount of cash).

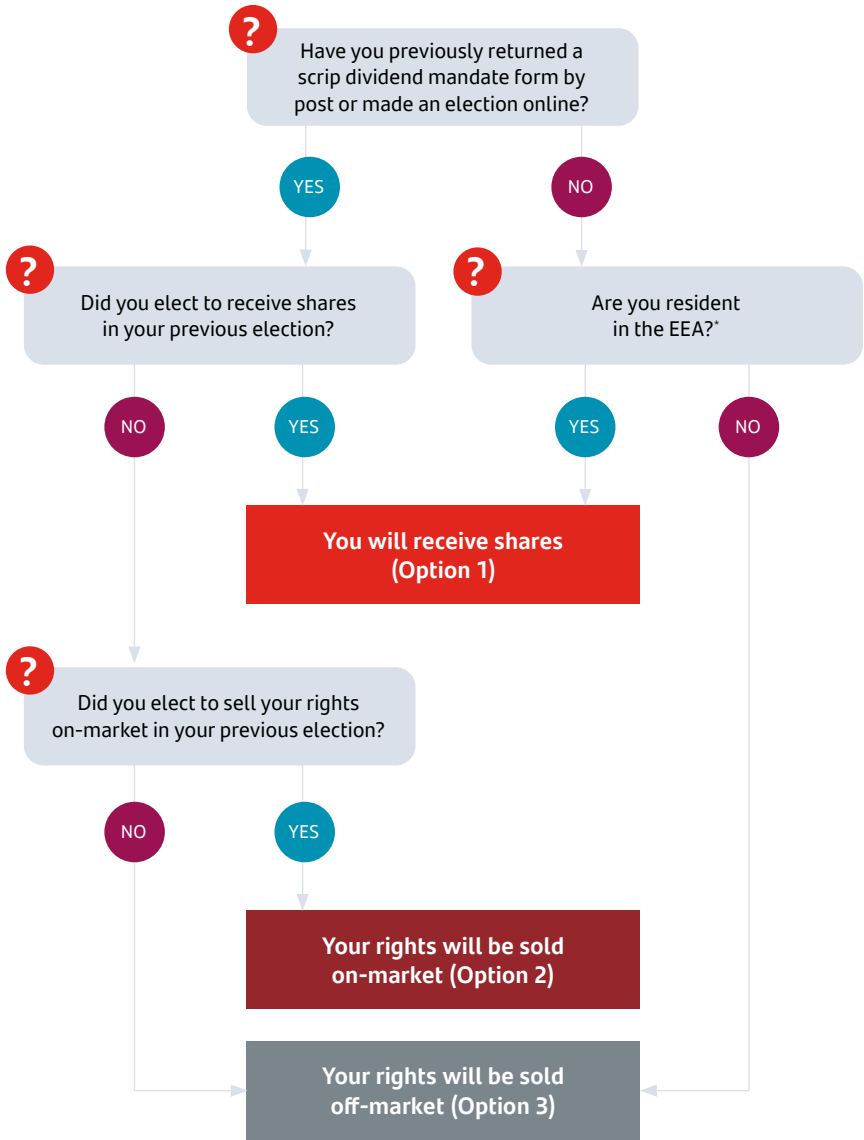
The chart on the next page shows how the default applied to your shareholding will be calculated. This process will be followed for each scrip dividend scheme that Santander implements unless you are informed otherwise. However, please note that:

- a different default may apply if, as at 22 February 2013, you were registered as a “gone-away” shareholder on the shareholder register we maintain (in which case you would not have been receiving our regular shareholder communications at that time) and had not previously returned a scrip dividend mandate form in respect of a previous scrip dividend scheme; and
- a different default may apply if, as at 22 February 2013, we had received notification of a shareholder’s death but were awaiting details of the associated grant of probate and such shareholder had not previously returned a scrip dividend mandate form in respect of a previous scrip dividend scheme.

For more information, please see questions 12, 18 and 19 of the Q&As at the back of this document, the scrip dividend Q&A at www.santandershareview.com or call the Shareholder Helpline.

YOU CAN CHANGE THE DEFAULT OPTION WHICH WILL APPLY TO YOU BY MAKING AN ELECTION ONLINE AT WWW.SANTANDERSHAREVIEW.COM OR BY COMPLETING A SCRIP DIVIDEND MANDATE FORM AND RETURNING IT TO THE SANTANDER NOMINEE SERVICE.

Option flowchart



* A list of countries in the EEA (as at December 2019) is shown on page 18.

Option 1

HOLD YOUR RIGHTS AND RECEIVE SHARES

Under Option 1, at the end of the Trading Period your rights will automatically convert into a number of new shares which is calculated as follows:

$$\text{Number of rights} \div \text{Conversion Ratio.}$$

If you hold a number of rights which would result in an entitlement to a fraction of a share, the rights representing that fractional entitlement will be aggregated with the fractions of other shareholders and sold on the Spanish Stock Exchanges during the Trading Period. Any cash amounts in respect of fractions will be paid to you less brokerage fees of 0.3% in Sterling by cheque or in accordance with your usual instructions which apply to the payment of your dividends.

The date that new shares are expected to be added to your holding (subject to necessary approvals) will be published at www.santandershareview.com (or can be requested by calling the Shareholder Helpline).

Spanish withholding tax does not currently apply to this option, unless you are resident in Spain. For information on the tax implications of this option and any potential Spanish tax reporting obligations that may apply to you, please refer to the taxation section of this document starting on page 15.

Option 1 Example

- I hold 200 shares.
- I receive 200 rights.
- The Conversion Ratio for the purposes of this example only is 103.
- The number of new shares I will receive is 1 (being $200 \div 103$ rounded down to the nearest whole number).
- I receive 1 new Santander share which accounts for 103 of my rights (being 1 multiplied by the Conversion Ratio). My remaining 97 rights are sold on the Spanish Stock Exchanges for €0.05* each.

I now hold 201 shares and I receive the Sterling equivalent of €4.85 (97 rights × €0.05) in cash less brokerage fees of 0.3% = €4.83.

* This price is for illustrative purposes only.

Option 2

SELL YOUR RIGHTS ON MARKET AND RECEIVE CASH

Under Option 2, your rights (along with those of the other shareholders who have chosen this option) will be delivered to a broker and sold on the Spanish Stock Exchanges before the rights are converted into shares. These rights will not necessarily be sold on the day that you make the election but will be sold during the Trading Period.

The amount you receive per right will depend on the market prices on the Spanish Stock Exchanges. This amount may be more or less than the amount you would have received under Option 3. There is no guarantee of the price that you will receive for your rights.

Following settlement of the sale of your rights, we will arrange to pay you the proceeds of the sale of your rights in Sterling less brokerage fees of 0.3%. This amount will be paid to you in Sterling by cheque or in accordance with your usual instructions which apply to the payment of your dividends.

Important: In order for your rights to be sold on market under this option we need to collect additional information about you. If you choose Option 2 and do not provide the mandatory information required we will not be able to register your choice for this option (see Q18 on page 13 for more information).

Spanish withholding tax does not currently apply to this option, unless you are resident in Spain. For information on the tax implications of this option and any potential Spanish tax reporting obligations that may apply to you, please refer to the taxation section of this document starting on page 15.

Option 2 Example

- I hold 200 shares.
- I receive 200 rights.
- Those rights are sold on the Spanish Stock Exchanges for €0.05* each.

I still hold 200 shares and I receive the Sterling equivalent of €10.00 (200 rights × €0.05) in cash less brokerage fees of 0.3% = €9.97.

* This price is for illustrative purposes only.

Option 3

SELL YOUR RIGHTS OFF-MARKET TO SANTANDER AND RECEIVE A FIXED AMOUNT OF CASH

Option 3 leaves you in broadly the same position as if Santander had paid a cash dividend in the usual way.

Under Option 3, your rights will be sold off-market to Santander at a fixed price, being the Purchase Price.

For each scrip dividend, Santander will announce the Purchase Price at which it will purchase each right. The Purchase Price will be made available on or around the Record Date when a scrip dividend is being implemented, at www.santandershareview.com or by calling the Shareholder Helpline.

Following settlement of the sale of your rights, we will arrange to pay you the Purchase Price in respect of each right. This amount less Spanish withholding tax will be paid to you in Sterling by cheque or in accordance with your usual instructions which apply to the payment of your dividends.

Spanish withholding tax will apply to this option. For information on the current tax implications of this option please refer to the taxation section of this document starting on page 15.

Option 3 Example

- I hold 200 shares.
- I receive 200 rights.
- Those rights are sold to Santander for €0.05* each.

**I still hold 200 shares and I receive the Sterling equivalent of €10.00
(200 rights × €0.05 in cash less Spanish withholding tax of 19% = €8.10.**

* This price is for illustrative purposes only.

Questions and answers

This section contains the answers to some of the questions that you may have. If once you have read through this section you have any further questions, please see the scrip dividend Q&A at www.santandershareview.com or call the Shareholder Helpline.

1 What is a scrip dividend?

Through a scrip dividend a shareholder can choose to receive, in exchange for their rights and otherwise free of charge, new shares issued by a company or a cash amount. When the scrip dividend scheme is made available to shareholders, Santander will offer shareholders the option to choose to receive a cash amount instead.

2 I want to receive shares – what do I do?

If the default option applied to you is Option 1 then you do not need to do anything – your rights will automatically convert into a number of new shares.

If the default option applied to your shareholding is Option 2 or 3, you will need to make an election online or complete and return a scrip dividend mandate form confirming you wish to hold your rights and convert them into shares (as described on page 4).

3 I want to receive cash – what do I do?

If the default option applied to you is Option 2 or Option 3 then you do not need to do anything - your rights will be sold and you will receive the cash proceeds (although please see question 4 of this Q&A).

If the default option applied to your shareholding is Option 1, you will need to make an election online or complete and return a scrip dividend mandate form authorising the sale of your rights either on or off-market (as described on page 4).

4 I want to receive cash. Is it better for me to sell on market or to sell off-market to Santander?

This is a decision you need to make for yourself. If you are in any doubt about the action you should take, or whether further Santander shares are an appropriate or suitable investment for you, you should seek independent financial advice from your stockbroker, accountant or other appropriately authorised financial adviser.

5 How do I change my choice?

You can change your choice by making an election online at www.santandershareview.com or by completing a scrip dividend mandate form which you can obtain by calling the Shareholder Helpline. Please note that you must update your choice online or return the form so it is received by the Santander Nominee Service by no later than 5 p.m. on the Election Date for the scrip dividend for which you would like to choose a different option.

6 How do I make my choice online?

If you wish to choose any option or change your mind about your choice at any time before 5 p.m. on the Election Date for a scrip dividend you can do so online at www.santandershareview.com. Please note that only the last choice received by the Santander Nominee Service will be honoured and that all previously submitted choices received by the Santander Nominee Service will be ignored.

To change your choice online at www.santandershareview.com, if you have already registered and activated your Santander Shareview Portfolio, simply log in and enter the 'My Investments' section, then click on 'View' and 'Dividend Election', completing any mandatory information as requested to make your choice.

If you haven't already registered for online access to your Santander Shareview Portfolio, it's simple to do so. Just click on 'Register' and then follow the three easy steps to registration.

Please note that you will need your shareholder reference number shown on either your tax voucher or Nominee statement. After registering, and, if you don't already have an activation code, when you have received your activation code through the post, just log in and follow the directions above.

7 How will the Conversion Ratio and Purchase Price be calculated?

Conversion Ratio = $(A \times B) \div C$
rounded up to the nearest whole number

Purchase Price = $B \div (\text{Conversion Ratio} + 1)$
rounded up or down to the nearest Euro Thousandth

Where:

- A = the number of Santander shares in issue on the date the Board of Directors or the Executive Committee agrees to execute the capital increase (the "Calculation Day");
- B = the average price of a Santander share on the Spanish Stock Exchanges in the five business days prior to the Calculation Day, rounded up or down to the nearest Euro thousandth;

and

- C = the amount of money available for distribution.

Further information on how the Conversion Ratio and Purchase Price are calculated (along with a worked example) can be found in the scrip dividend Q&A at www.santandershareview.com.

8 Can I change my mind once Santander publishes the Conversion Ratio and Purchase Price?

Yes, you can change your existing choice online at www.santandershareview.com or by completing a scrip dividend mandate form. Any new choice that you make must reach the Santander Nominee Service by no later than 5 p.m. on the Election Date to be effective for that scrip dividend.

9 Will my new shares have the same rights as my existing shares?

Yes.

10 I have joined the Santander Dividend Re-investment Plan (DRIP) - how will you deal with any cash payments due to me?

If you have joined the Santander DRIP, any cash amounts due to you in respect of any scrip dividend scheme will be paid to you in cash using the payment method that you have set up on your shareholding for cash payments.

11 What are the benefits of the scheme?

The benefits of the scheme depend upon the personal circumstances of each individual shareholder, although it is intended that the scheme will offer greater flexibility to shareholders.

12 Can I participate even if I am resident outside the United Kingdom?

Subject to Santander's shareholders approving the relevant scrip dividend scheme, you may treat this booklet as an invitation to receive new shares if such an invitation could lawfully be made to you in the jurisdiction in which you reside without compliance, either by you, Santander, or Equiniti Financial Services Limited (as nominee), with any registration or other legal or regulatory requirements. If it could not, you must elect to receive cash (less Spanish withholding tax) under Option 3. It is your responsibility to inform yourself about and ensure compliance with all applicable laws and regulations in your country of residence.

In addition, shareholders resident in certain jurisdictions will not be able to receive any information on the scrip dividend scheme due to local securities laws. Shareholders in these jurisdictions will have Option 3 applied as the default option to their shareholding.

If you are in any doubt as to the action you should take, you are recommended to seek your own independent advice from an adviser who is suitably qualified and appropriately authorised in your country of residence.

13 Will I receive new shares for every cash dividend if I choose to receive shares under the current Santander Scrip Dividend Scheme?

No. New shares will only be issued under the Santander Scrip Dividend Scheme when Santander makes this scheme available. However, if you have joined the Santander Dividend Re-investment Plan (the DRIP), the money that you receive from your cash dividend will automatically re-invest into Santander shares. If you have not joined the DRIP and would like to receive shares for every cash dividend, you are welcome to join the DRIP. You can sign up online at www.santandershareview.com through your Santander Shareview Portfolio, or you can obtain an application form by calling the Shareholder Helpline.

14 How is the Scrip Dividend Scheme different from the DRIP?

This Scrip Dividend Scheme only applies to dividend payments where Santander makes the scheme available. The DRIP applies to cash dividend payments.

15 I have an SSA - how will you deal with any cash payments due to me?

If you have an SSA, any cash amounts due to you in respect of any scrip dividend scheme will be paid into your SSA (unless your SSA is no longer registered against your shareholding). Cash dividends paid into your SSA are no longer used to purchase additional Santander shares on your behalf. Any cash dividend paid into your SSA will accrue interest and can only be withdrawn on closure of your SSA. If you have any questions about the changes to your SSA, just give Santander a call on 0800 389 1389.

16 Will Santander offer a scrip dividend alternative in the future?

Santander will publish details of which dividends the scrip dividend scheme is being offered for online at www.santander.com, and information will also be made available at www.santandershareview.com on the Scrip Dividend Scheme page. Please note that under Spanish law, a scrip dividend must be approved by shareholders every year.

17 I have previously made an election under the scrip dividend scheme.

Do I need to make another election in respect of this scrip dividend?

Unless we inform you otherwise, any choice that you have previously made will be kept on record and, unless changed by you, will be applied to your shareholding in relation to any future scrip dividend schemes.

You are advised to check your dividend election details recorded online in your Santander Shareview portfolio to ensure that this reflects the choice you would like to make for a scrip dividend. If it does, you do not need to take any further action. However, if you would like to choose a different option, you can do so, either online at www.santandershareview.com or by requesting a scrip dividend mandate form from the Shareholder Helpline. Your choice must be received before 5 p.m. on the Election Date for the scrip dividend for which you would like to choose a different option.

18 Are there any circumstances in which you will disregard my choice?

If the choice that you make is not clear on the form that you complete or if your form is not validly completed, and any mandatory information (when choosing Option 2) has not been provided, the form will be disregarded.

19 Are there any circumstances where you will apply a different default?

“Gone-away” shareholders. If:

- as at 22 February 2013 you were registered as a “gone-away” shareholder on the shareholder register we maintain (in which case you would not have been receiving our regular shareholder communications at that time);
- you have not subsequently contacted the Santander Nominee Service to reactivate your account; and
- you have not previously returned a scrip dividend mandate form,

we will apply the default of Option 3 until you notify us that you want to change this. If you have previously returned a scrip dividend mandate form, we will apply the default in accordance with the procedure set out on page 4.

Deceased shareholders. If:

- as at 22 February 2013, we had received notification of a shareholder’s death but were awaiting details of the associated grant of probate;
- we have not subsequently been provided with details of the associated grant of probate; and
- such shareholder had not previously returned a scrip dividend mandate form,

we will apply the default of Option 3 until you notify us that you want to change this. If such shareholder had previously returned a scrip dividend mandate form prior to his/her death, we will apply the default in accordance with the procedure set out on page 4.

Taxation

The implementation of the scrip dividend scheme will not alter the UK tax treatment of cash dividends received by holders of Santander shares.

This section of the document summarises certain tax consequences of the scrip dividend scheme for holders of Santander shares. It is based on current law and on what is understood to be current HM Revenue & Customs practice, in each case as at May 2020. It is not advice. It applies only to holders of Santander shares who are resident (and, in the case of individuals, domiciled) for tax purposes in the UK, who hold their Santander shares as an investment, and who are the absolute beneficial owners of their Santander shares. Special rules may apply to certain classes of shareholder, including insurance companies, collective investment schemes, individuals who are resident but not domiciled in the UK, and shareholders who have acquired (or are deemed for tax purposes to have acquired) their Santander shares by reason of an office or employment.

The Spanish tax authorities are considering whether changes in taxation of Spanish legal persons and/or non-Spanish resident taxpayers acting through a permanent establishment in Spain should apply in the context of scrip dividends. Should any changes eventually apply and affect holders of Santander shares to which this section refers, it will be updated and made available at www.santandershareview.com. You are encouraged to check periodically for any updates.

Shareholders who are in any doubt as to their tax position or who are resident or domiciled in, or subject to tax in, a jurisdiction other than the UK should consult their own professional advisers immediately. Remember that your tax position depends on your own particular circumstances and may be subject to change in the future.

Option **1**

HOLD YOUR RIGHTS AND RECEIVE SHARES

For UK tax purposes, your receipt of additional Santander shares should not give rise to taxable income or to a disposal for the purposes of taxation of chargeable gains. Spanish withholding tax will also not be deducted if you receive shares. Your new shares should be treated as part of the same asset as your existing holding of Santander shares for the purposes of taxation of chargeable gains, with any base cost in your existing Santander shares being apportioned between your existing shares and your new Santander shares.

If you receive any cash in respect of the sale of an entitlement to a fraction of a share, this receipt should be treated as a capital distribution for UK tax purposes. The amount of the capital distribution will be equal to the cash payment which you receive. The receipt of such an amount will also be treated as a disposal by you of a Spanish asset for Spanish tax purposes, giving rise to the Spanish tax reporting obligations discussed below.

The capital distribution may give rise to a liability to UK capital gains tax or (for companies) corporation tax; whether you are liable to tax will depend on your particular circumstances (including what you paid for your Santander shares), and on whether any exemptions or reliefs are available. For example, individuals are entitled to an annual exempt amount of up to £12,300 of chargeable gains in any tax year before becoming liable to pay capital gains tax.

If you purchased your Santander shares and the capital distribution is “small” for UK tax purposes, currently the capital distribution will not give rise to a chargeable gain or allowable loss, but will be deducted from the base cost of your Santander shares. HM Revenue & Customs treats a capital distribution as “small” if it amounts to £3,000 or less, or if it represents 5 per cent or less of the market value of your Santander shares at the time the capital distribution was made.

To the extent that the capital distribution exceeds any base cost in your Santander shares (as reduced by any previous “small” capital distributions), then the capital distribution will be treated as a part disposal of your Santander shares for UK tax purposes. As noted above, this may, depending on your particular circumstances, result in a liability to UK capital gains tax or (for companies) corporation tax.

Please note that the base cost of your Santander shares will be nil for UK tax purposes if they derive from an allocation that you received on the demutualisation of Abbey National plc or Alliance & Leicester plc.

For Spanish tax purposes, any cash which you receive in respect of a sale of an entitlement to a fraction of a share will be treated as a disposal of rights to Santander shares. As a result, Spanish withholding tax will not be deducted from the payment, but the amount obtained will be treated, for Spanish tax purposes, as a capital gain derived from a disposal of your Santander shares. In that scenario, you would be required to file a tax return with the Spanish tax authorities in order to claim, if applicable, an exemption either under the UK-Spain double tax treaty or under the Spanish Non Resident Income Tax Law from Spanish tax on the disposal, as the case may be. Further details are provided at www.santandershareview.com in the “Dividends” section.

Option 2

SELL YOUR RIGHTS ON-MARKET AND RECEIVE CASH

The cash payment you receive should be treated for UK tax purposes as a capital distribution rather than as dividend income. The amount of the capital distribution will be equal to the cash payment you receive. For more information on the taxation of capital distributions, please refer to paragraphs 3 and 4 of the tax summary for Option 1 above.

Spanish tax law currently treats Option 2 as a disposal by you of rights to Santander shares and therefore Spanish withholding tax will not be deducted from your cash payment.

The Spanish tax consequences of a disposal of rights to Santander shares are included in the final paragraph of the tax summary for Option 1 on page 1516.

Option 3

SELL YOUR RIGHTS OFF-MARKET TO SANTANDER AND RECEIVE A FIXED AMOUNT OF CASH

Spanish company law currently treats this scrip dividend scheme as an increase in Santander's share capital, rather than as a cash dividend paid by Santander. As a result of the Spanish company law treatment, the cash payment you receive should generally be treated for UK tax purposes as a capital distribution rather than as dividend income. The amount of the capital distribution will be equal to the sum of the cash payment you receive and the Spanish withholding tax deducted from the payment.

For more information on the taxation of capital distributions, please refer to paragraphs 3 and 4 of the tax summary for Option 1 beginning on page 1515.

Spanish withholding tax will be deducted from the cash payment at a rate of 19%. If you are liable to pay UK capital gains tax or corporation tax on the cash receipt, you should generally be able to credit approximately 52.6% of the Spanish withholding tax against your UK tax liability. However, the credit cannot reduce your UK tax liability on the payment below zero. Depending on your circumstances, you may be able to claim a full or partial refund of the Spanish withholding tax from the Spanish tax authorities; further details are provided at www.santandershareview.com in the "Dividends" section.

Glossary of terms used in this document

Until this document is updated, all references to “scrip dividend” in this document relate to any scrip dividend announced by Santander. All references to specific dates (e.g. the Election Date and Record Date) are references to the dates referred to in the most recent Scrip Dividend timetable and other relevant information available at www.santandershareview.com.

Conversion Ratio means the number of rights needed to receive a new Santander share on conversion of the rights and is calculated as described on page 11. The Conversion Ratio will be available by the Record Date and published at www.santandershareview.com;

EEA means the European Economic Area. As at December 2019, this comprised Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Republic of Ireland, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

Election Date means the latest date to change the default option applicable to your shareholding. The Election Date will be set out in the relevant Scrip Dividend timetable and published at www.santandershareview.com;

Purchase Price means the fixed off-market cash amount which corresponds to an amount broadly equivalent to the relevant scrip dividend and is calculated as described on page 11. The Purchase Price will be available by the Record Date and published at www.santandershareview.com;

Record Date means the final date upon which you are eligible to receive rights in connection with the scrip dividend scheme. The Record Date will be published at www.santandershareview.com;

Rights means the rights issued to you in connection with the scrip dividend scheme which will convert automatically into new Santander shares unless they are sold on or before the conversion date, being the last day of the Trading Period;

Santander Shareview Portfolio is the online service providing access to a range of information about your holding in the Santander Nominee Service via www.santandershareview.com. This includes holding details, indicative share prices, recent balance changes and dividend information. To register to activate your portfolio follow the instructions in Q6 on page 11 of this booklet.

Scrip Dividend Scheme means Santander’s scrip dividend scheme as approved from time to time by Santander’s shareholders and summarised in this document;

Shares when used in this document includes CREST Depository Interests ("CDIs") which represent an entitlement to Santander shares held through the Santander Nominee Service and corresponding references to "shareholders" are to the holders of those CDIs through the Santander Nominee Service;

SSA means the Santander Shareholder Account;

Trading Period means the period that rights will be sold on market for those shareholders that choose Option 2. The Trading Period will be set out in the timetable which will be published at www.santandershareview.com; and

we means Equiniti Financial Services Limited, the provider of the Santander Nominee Service.

Contact the Santander Nominee Service:



Email:

santandershareholders@equiniti.com



Web:

www.santandershareview.com



Post:

Santander Nominee Service, Aspect House, Spencer Road,
Lancing, West Sussex, BN99 6DA United Kingdom



Telephone:

(UK) 0371 384 2000

(International) UK +44 (0) 121 415 7188

Lines are open 8:30 am to 5:30 pm (UK time), Monday
to Friday (excluding public holidays in England and Wales)

Santander Shareholders

A document containing information in relation to the number and nature of the rights and the reasons for and detail of the offer as required under the Prospectus Directive will be made available to UK shareholders through www.santandershareview.com for each scrip dividend.

The Shareholder Helpline is open from 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding public holidays in England and Wales). Please note that the Shareholder Helpline cannot provide advice on the merits of the scrip dividend scheme or give any personal, financial, legal or tax advice.

The Santander Nominee Service is sponsored by Santander and operated by Equiniti Financial Services Limited. Equiniti Financial Services Limited is part of the Equiniti Group. Their registered offices are Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom. Equiniti Financial Services Limited is authorised and regulated by the Financial Conduct Authority. Registered in England and Wales No. 6208699. FCA No. 468631. Banco Santander, S.A. is authorised and regulated by the Bank of Spain and is regulated by the Financial Conduct Authority for the conduct of investment business in the United Kingdom under its European Economic Area Inward Branch Registration, Firm Reference Number 136261. Banco Santander S.A. - Registered Address: Paseo de Pereda 9-12, 39004 SANTANDER - Santander Mercantile Registry, Sheet 286, Fol. 64, Book 5 of Societies, 1st inscription. C.I.F.A-39000013.