

# ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

## **A** REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

**A.1** Explain the company's remuneration policy. This section will include information regarding

- General principles and foundations of the remuneration policy.
- Most significant changes made to the remuneration policy from the policy applied during the prior financial year, as well as changes made during the financial year to the terms for exercising options already granted.
- Standards used to establish the company's remuneration policy.
- Relative significance of the variable items of remuneration as compared to fixed items and standards used to determine the various components of the director remuneration package (remunerative mix).

### **Explain the remuneration policy**

During 2016, the principles of the director remuneration policy are similar to those applied in 2015, which were approved by the board of directors and submitted for a binding vote of the shareholders at the general shareholders' meeting of 27 March 2015 as part of the director remuneration policy, receiving 91.659% votes in favour.

Nevertheless, as we explain below, for 2016 certain amendments have been made to the variable components of the remuneration of executive directors to adhere to remuneration principles.

Such principles governing director remuneration are the following:

#### **a) Remuneration of directors in their capacity as such**

The individual remuneration of directors, whether executive or not, for the performance of supervisory and collective decision-making duties, shall be determined by the board of directors, within the maximum set by the shareholders, based on the positions held by the directors on the collective decision-making body itself and membership on and attendance at the various committees, as well as any other objective circumstances that the board may take into account.

#### **b) Remuneration of executive directors**

Independently of the directors' right to receive remuneration for their status as such, they are also entitled to receive other compensation (salaries, incentives, bonuses, pensions, insurance and severance payments) as, following a proposal made by the remuneration committee and upon resolution by the board of directors, may be deemed appropriate in consideration for the performance of other duties in the company, whether they are the duties of an executive director or otherwise, other than the supervisory and collective decision-making duties that they discharge in their capacity as members of the board.

The principles of the remuneration policy for executive directors of the Bank are as follows:

- Remuneration must be compatible with rigorous risk management, without favouring an inappropriate assumption thereof, and must be in line with the interests of the shareholders, fostering the long-term creation of value.
- Fixed remuneration must represent a significant proportion of total compensation.
- Variable remuneration must compensate directors' performance in achieving the Group's objectives.
- The overall remuneration package and the structure thereof must be competitive, facilitating the attraction, retention, and appropriate remuneration of the directors and executives.

Banco Santander performs an annual comparative review of the total compensation of the executive directors and senior executives.

The most significant changes in 2016 compared to the remuneration policy for 2015 is the amendment of the variable components of total remuneration. In summary, and without prejudice to the more detailed description in section A.5:

- the structure of the variable components of remuneration has been simplified by integrating the bonus and the long-term incentive for executive directors in the previous policy into a single component;
- the adjustment for ex-ante risk of the variable remuneration has been improved, using a single group of short-term quantitative and qualitative metrics which reflect the opportune decisions taken within the appropriate risk framework and strengthen alignment of the variable remuneration with the Bank's interests and long-term objectives;
- the impact of the long-term factors and the multiyear performance measures have been increased and there is a more efficient combination of the short- and long-term objectives as meeting the short-term objectives will determine the maximum long-term amount and this may only be reduced, never increased.

In addition, the board of directors, upon a proposal of the remuneration committee, has approved a corporate shareholding policy for the company's executive directors (and other senior Group executives), whereby, after a transitional period, they will be obliged to retain ownership of a number of shares equivalent to twice their annual fixed remuneration, under the terms of recommendation 62 of the Good Governance Code of Listed Companies.

*Remunerative mix:*

- The variable components of remuneration include the new sole incentive, and, if applicable, the portion of contributions to the benefits system that are calculated on the variable remuneration of the related director (described in sections A.4. and A.5.).
- The fixed components of remuneration include the other items of remuneration that each director receives for the performance of executive duties (described in section A.3.), including contributions to the benefits system calculated based on fixed remuneration (described in section A.5), as well as all bylaw-stipulated emoluments that the related director is entitled to receive in his capacity as such. The executive directors do not receive variable remuneration.

The variable components of the remuneration may not exceed 200% of the fixed components thereof.

As of the date of this report, there are no remunerations systems based on options on shares for the directors of the Bank.

**A.2** Information regarding preparatory work and the decision-making process followed to determine the remuneration policy, and any role played by the remuneration committee and other control bodies in the configuration of the remuneration policy. This information shall include any mandate given to the remuneration committee, the composition thereof, and the identity of external advisors whose services have been used to determine the remuneration policy. There shall also be a statement of the nature of any directors who have participated in the determination of the remuneration policy.

**Explain the process for determining the remuneration policy**

**Preparatory work and participation of the appointments and remuneration committee in determining the remuneration policy**

Pursuant to the Bylaws and the Rules and Regulations of the Board of the Bank, the remuneration committee has the following duties, among others, relating to the remuneration of the directors:

- Propose to the board the director remuneration policy, drafting the required report on such policy pursuant to article 28.bis of the Rules and Regulations of the Board, and prepare the annual remuneration report envisaged in article 29.
- Propose to the board the individual remuneration of directors in their capacity as such.
- Propose to the board the individual remuneration of directors for carrying out any duties other than those corresponding thereto in their capacity as directors and other conditions of their contracts.
- Ensure compliance with the director remuneration policy established by the company.
- Periodically review the remuneration programmes to ensure they are up-to-date, giving weight to their adaptation and performance; that directors' remuneration is in line with the criteria of moderation and the company's results, culture and risk appetite; and that no incentives are offered to assume risk that exceeds the level tolerated by the company, such that they promote and are compatible with adequate and effective risk management. For these purposes the mechanisms and systems adopted will be revised to ensure that the remuneration programmes take into account all types of risk and all levels of capital and liquidity, and that remuneration is in line with the company's business targets and strategies, corporate culture and long-term interest.
- Ensure transparency of the remuneration and inclusion in the annual report, the annual corporate governance report, the annual report on remuneration and in other reports required by applicable legislation regarding information on director remuneration and, for such purpose, submit any information required to the board.

At its meeting of 11 February 2016, the remuneration committee prepared the annual report on director remuneration required by section 541 of the Spanish Corporate Enterprises Act, which is made available to the shareholders on occasion of the call to the ordinary general shareholders' meeting of 2016, and which shall be submitted to a consultative vote as a separate item on the agenda. At that same meeting, the remuneration committee prepared the director remuneration policy for 2016, 2017 and 2018 which shall be submitted for a binding vote of the shareholders at the meeting.

The annual director remuneration report for the financial year 2015 and the reasoned proposal on the director remuneration policy for financial years 2016, 2017 and 2018 were approved by the board at its meeting on 12 February 2016.

### **Remuneration Committee**

The Bylaws and Rules and Regulations of the Board provide that the remuneration committee comprise solely non-executive directors and that it be chaired by an independent director.

At the date of this report, the composition of the remuneration committee is as follows:

#### **Chairman:**

Mr Bruce Carnegie-Brown (vice-chairman of the board and independent Director)

#### **Members:**

Mr Guillermo de la Dehesa Romero (vice chairman of the board, external director, neither proprietary nor independent)

Mr Ignacio Benjumea Cabeza de Vaca (external director, neither proprietary nor independent)

Ms Sol Daurella Comadrán (independent)

Mr Ángel Jado Becerro de Bengoa (independent)

Ms Isabel Tocino Biscarolasaga (independent)

#### **General secretary:**

Mr Jaime Pérez Renovales

All the members of the remuneration committee have proven capacity to discharge their duties on such committee based on their experience in banking and their knowledge in the area of remuneration.

The committee, in accordance with its regulations, approves an annual meeting schedule, including at least four meetings. In any event, the committee shall meet whenever convened, either by agreement of the committee itself, or by its chairman. The committee held ten sessions in 2015.

#### **External advisors**

In all its decision-making processes, the remuneration committee and the board were able to compare the relevant data with that on the markets and comparable entities, given the size, characteristics and activities of the Group. The remuneration committee and the board of directors were assisted by Willis Towers Watson in the preparation of this report and in the formulation of the remuneration policy.

**A.3** State the amount and nature of the fixed components, with a breakdown, if applicable, of remuneration for the performance by the executive directors of the duties of senior management, of additional remuneration as chair or member of a committee of the board, of attendance fees for participation on the board and the committees thereof or other fixed remuneration as director, and an estimate of the annual fixed remuneration to which they give rise. Identify other beneficiaries that are not paid in cash and the basic parameters upon which such benefits are provided.

**Explain the fixed components of remuneration**

**A) Fixed remuneration of directors in 2016 in their capacity as such: Bylaw-stipulated emoluments**

In 2016, the directors, in their capacity as such, shall continue to receive remuneration for the performance of supervisory and collective decision-making duties for a collective amount of up to EUR 6 million as authorised by the shareholders at the 2015 annual general shareholders' meeting (and again subject to approval by the shareholders at the 2016 general shareholders' meeting), with two components: annual allotment and attendance fees.

**i) Annual allotment:** The specific amount payable for the above-mentioned items to each of the directors and the form of payment shall be determined by the board of directors. The principles described in section A.1 of this report shall be taken into account for such purpose.

**ii) Attendance fees:** The directors will also receive attendance fees in 2016 for attendance in person at meetings of the board of directors and of its committees, except for the executive committee as there are no attendance fees for this committee. The specific amount to be paid shall be approved by the board of directors, taking into account the principles described in section A.1 of this report.

In addition, in 2016 the company will pay the premium for the civil liability insurance for its directors, obtained upon customary market terms and proportional to the circumstances of the company.

**B) Fixed remuneration in 2016 for the performance of executive duties**

**i) Gross annual salary**

The executive directors' gross annual salary for 2016, approved by the board upon a proposal of the remuneration committee, is as follows (in thousands of euros):

Ms Ana Botín-Sanz de Sautuola y O'Shea: 2016: 2,500; 2015: 2,500; Chg (%): 0.0%

- Mr José Antonio Álvarez Álvarez 2016: 2,000; 2015: 2,000; Chg (%): 0.0%

- Mr Rodrigo Echenique Gordillo: 2016: 1,500; 2015: 1,500; Chg (%): 0.0%

- Mr Matías Rodríguez Inciarte: 2016: 1,710; 2015: 1,710; Chg (%): 0.0%

**ii) Other fixed components of remuneration**

- Benefits systems: defined contribution plans. For more information, see section A.5 of this report.
- Social welfare benefits: Executive directors will also receive certain social welfare benefits such as life insurance premiums, medical insurance, company store vouchers and, if applicable, the allocation of remuneration for employee loans.

**A.4 Explain the amount, nature and main features of the variable components of the remuneration systems.**

In particular:

- Identify each of the remuneration plans of which the directors are beneficiaries, the scope thereof, the date of approval thereof, the date of implementation thereof, the date of effectiveness thereof, and the main features thereof. In the case of share option plans and other financial instruments, the general features of the plan shall include information on the conditions for the exercise of such options or financial instruments for each plan.
- State any remuneration received under profit-sharing or bonus schemes, and the reason for the accrual thereof;
- Explain the fundamental parameters and rationale for any annual bonus plan.
- The classes of directors (executive directors, proprietary external directors, independent external directors or other external directors) that are beneficiaries of remuneration systems or plans that include variable remuneration.
- The rationale for such remuneration systems or plans, the chosen standards for evaluating performance, and the components and methods of evaluation to determine whether or not such evaluation standards have been met, and an estimate of the absolute amount of variable remuneration to which the current remuneration plan would give rise, based on the level of compliance with the assumption or goals used as the benchmark.
- If applicable, information shall be provided regarding any payment deferral periods that have been established and/or the periods for retaining shares or other financial instruments.

**Explain the variable components of the remuneration systems**

As stated in section A.1 above, only the executive directors are beneficiaries of the variable components of remuneration included in the director remuneration policy for financial year 2016.

The variable remuneration policy for executive directors for 2016, which was approved by the board at the proposal of the remuneration committee, is based on the principles of the remuneration policy described in section A.1. above, and also takes into account the items described below.

- Variables components of remuneration. The components of variable remuneration for executive directors shall include: (i) a “Bonus”, to be received upon achievement of short- and long-term objectives, partially deferred and partially in shares; and (ii) contributions to benefits systems calculated, if applicable, based on the variable remuneration of the corresponding director.
- Variable remuneration limits. The variable components of executive directors’ total remuneration for 2016 must not exceed a limit of 200% of the fixed components.

The 2016 Bonus and the LTI are described in this section A.4 and the contributions to benefits systems are described in section A.5.

The incentive subject to the achievement of short and long term objectives is structured as follows:

- There is a benchmark incentive, based on which the final amount will be determined at the start of the following year (2017) subject to compliance with the short term objectives described in section (ii) below.
- 40% of the bonus shall be paid immediately once the final amount has been determined and the remaining 60% shall be deferred in equal parts over five years, as follows:
  - The payment of the amount deferred over the first two years, payable in the two following years, 2018 and 2019, shall be conditional on none of the malus clauses described in section (v) being triggered.
  - The amount deferred over the next three years (36% of the total), payable in 2020, 2021 and 2022, shall be conditional not only on the malus clauses not being triggered but also on the executive achieving the long term objectives described in section (iv) (deferred incentive subject to performance objectives).

The variable components of executive directors' total remuneration for 2016 must not exceed a limit of 200% of the fixed components.

i) Benchmark incentive

The 2016 incentive for executive directors shall be determined based on a standard benchmark bonus for executive directors conditional on compliance with 100% of the established targets. The benchmark for 2016 has been set aggregating the following components:

- The 2015 benchmark incentive.
- The long-term benchmark bonus for 2015 (20% of the previous amount).

At the proposal of the committee, the board of directors has factored in the following:

- The variable remuneration structure is simplified by combining the bonus and LTI in a single incentive.
- More weight shall be given to long-term objectives in total variable remuneration, as these will represent up to 36% of the new incentive.
- More efficient combination of the short- and long-term objectives as meeting the short-term objectives will determine the maximum long-term amount and this may only be reduced, never increased.

ii) Setting the final incentive based on results for the year

Based on the scheme described, the 2016 variable remuneration for executive directors shall be set on the basis of the following key factors:

- A group of short term quantitative metrics measured against annual objectives.
- A qualitative assessment supported by substantiated evidence which cannot adjust the quantitative result by more than 25% upwards or downwards.
- An exceptional adjustment that must be supported by substantiated evidence and that may include modifications derived from deficiencies in control and/or risks, negative assessments from supervisors or unexpected material events.

The quantitative metrics, qualitative assessment factors and weightings are as follows:

**Customers:**

- *Weighting:* 15%
- *Quantitative metrics:* (i) customer satisfaction rankings; (ii) number of loyal customers; and (iii) number of digital customers.
- *Qualitative assessment:* (i) effective development of franchise; and (ii) compliance with suitable sales and loyalty conduct.

**Employees:**

- *Weighting:* 10%
- *Quantitative metrics:* results of the commitment survey.
- *Qualitative assessment:* evidence of a strong Simple, Personal and Fair culture.

**Society:**

- *Weighting:* 5%
- *Quantitative metrics:* investment in the Santander Universities programme.
- *Qualitative assessment:* support for the society of the future.

**Shareholders:**

- *Weighting:* 70% —risks (10%); capital (10%); and profitability (50%)—.
- *Quantitative metrics:* (i) risks —a) NPL ratio; and b) cost of lending ratio—; (ii) capital —a) target capital ratio; and b) RWA; and (iii) profitability —a) ordinary net profit (ONP)<sup>(\*)</sup>; and b) return on risk weighted assets (RORWA)—.
- *Qualitative assessment:* (i) risks —a) effective management of risk appetite; b) reinforcing culture and risk control; c) operational risk management; and d) progress towards risk management (Pillar II)—; (ii) capital —a) management of regulatory changes affecting capital; b) effective capital management in business decisions; and c) progress in the capital plan to achieving Pillar III objectives—; and (iii) profitability —a) growth compared to the prior year allowing for market environment and competitors; b) sustainable profits and capital management c) cost management; and d) effective capital allocation—.

<sup>(\*)</sup> For these purposes, NOP is attributed net ordinary profits, adjusted upwards or downwards for those transactions that in the opinion of the board have an impact outside of the performance of the directors being evaluated, for which purpose extraordinary profits, corporate transactions, special write-downs, or accounting or legal adjustments that may occur during the year are evaluated.



Lastly, and as additional conditions, in determining the incentive, it will be verified whether or not the following circumstances occurred:

- If the Group's NOP for 2016 is less than 50% of the NOP for 2015, the incentive would in no case exceed 50% of the benchmark incentive for 2016.
- If the Group's NOP is negative, the incentive would be zero.

iii) Form of payment of the incentive:

The incentive is paid 50% in cash and 50% in shares, part in 2017 and the deferred portion over five years and subject to long-term metrics, as follows:

- a) 40% of the incentive is paid in 2017 net of taxes, half in cash and half in shares.
- b) 60% is paid, if applicable, in equal parts in 2018, 2019, 2020, 2021 and 2022, net of taxes, half in cash and half in shares, subject to the conditions stipulated in section (v).

The last three payments shall also be conditional upon the long-term objectives described in section (iv) below.

The portion paid in shares may not be sold until one year has elapsed from delivery thereof.

iv) Deferred performance-based incentive

As we have noted above, the amounts deferred in 2020, 2021 and 2022 shall be conditional upon, in addition to the terms described in section (v), compliance with the Group's long-term objectives for 2016-2018. The long-term metrics, which may only reduce the deferred amounts, and number of deferred shares are as follows:

- a) Compliance with the consolidated **EPS** growth target of Banco Santander in 2018 vs. 2015. The **EPS ratio** relating to this target is obtained as described below:
  - If EPS growth in 2018 (% vs. 2015) is  $\geq 25\%$ : EPS Ratio = 1
  - If EPS growth in 2018 (% vs. 2015) is between 0% and 25%: EPS ratio =  $0 - 1^{(*)}$
  - If EPS growth in 2018 (% vs. 2015) is  $\leq 0\%$ : EPS Ratio = 0

(\*) Straight-line increase in the EPS Ratio based on the specific percentage that EPS growth in 2018 represents with respect to 2015 EPS within this bracket of the scale.

- b) Relative performance of the total shareholder return ("**TSR**") of the Bank in 2016-2018 compared to the weighted TSRs of a peer group comprising 35 credit institutions (the "**Peer Group**"), applying the appropriate TSR ratio according to the Bank's TSR within the Peer Group.
  - If Santander's TSR is above the 66th percentile: TSR Ratio = 1
  - If Santander's TSR is between the 33rd and 66th percentiles: TSR ratio =  $0 - 1^{(*)}$
  - If Santander's TSR is below the 33rd percentile: TSR Ratio = 0

(\*) Proportional increase in the TSR ratio based on the number of notches moved up in the ranking.

TSR<sup>(\*)</sup> measures the return on investment for shareholders as a sum of the change in share price plus dividends and other similar items (including the Santander Scrip Dividend programme) that shareholders may receive during the period in question.

<sup>(\*)</sup>TSR is the difference (expressed as a percentage) between the end value of an investment in ordinary shares of Banco Santander and the initial value of the same investment, factoring in to the calculation of the final value the dividends or other similar instruments (such as the Santander Scrip Dividend Programme) received by the shareholder in relation to this investment during the corresponding period of time as if an investment had been made in more shares of the same type at the first date on which the dividend or similar concept was payable to shareholders and the weighted average share price at that date. To calculate TSR, the average weighted daily volume of the average weighted listing prices for the fifteen trading sessions prior to 1 January 2016 (exclusive) is taken into consideration (to calculate the initial value) and that of the fifteen trading sessions prior to 1 January 2019 (exclusive) (to calculate the final value).

The benchmark group will consist of the following banks: BBVA, CaixaBank, Bankia, Popular, Sabadell, BCP, BPI, HSBC, RBS, Barclays, Lloyds, BNP Paribas, Crédit Agricole, Deutsche Bank, Société Générale, Nordea, Intesa San Paolo, Unicredit, Itaú, Bradesco, Banco do Brasil, Banorte, Banco de Chile, M&T Bank Corp, Keycorp, Fifth Third Bancorp, BB&T Corp., Citizens, Crédit Acceptance Corp., Ally Financial Inc., PKO, PEKAO, Millenium, ING Poland and mBank.

- c) Compliance with the common equity tier 1 “**CET1**” fully loaded ratio set for 2018 (higher than 11% at 31 December 2018). If this objective is met, a **CET1 ratio of 1** shall be assigned to this metric, otherwise the CET 1 ratio will be 0. To verify compliance with this objective, possible increases in CET1 resulting from capital increases shall be disregarded (with the exception of those related to the Santander Scrip Dividend programme. Further, the CET1 ratio at 31 December 2018 could be adjusted to strip out the impact of any regulatory changes affecting its calculation implemented until that date.
- d) Compliance with the growth target in the underlying return on risk-weighted assets or “**RoRWA**” of Grupo Santander for 2018 measured against 2015. The corresponding ratio (the “**RoRWA ratio**”) shall be obtained using the following information:
  - If Santander's RoRWA growth in 2018 (% vs. 2015) is  $\geq 20\%$ : RoRWA ratio = 1
  - If Santander's RoRWA growth in 2018 (% vs. 2015) is between 10% and 20%: RoRWA ratio =  $0.5 - 1^{(*)}$
  - If Santander's RoRWA growth in 2018 (% vs. 2015) is  $< 10\%$ : RoRWA ratio = 0

<sup>(\*)</sup> Straight-line increase in the RoRWA ratio based on the specific percentage that RoRWA growth in 2018 represents with respect to 2015 RoRWA within this bracket of the scale.

To determine the annual amount of the deferred incentive tied to performance, corresponding, if applicable to each executive director in 2020, 2021 and 2022 (each of these payments a “**Final Annuity**”) and without prejudice to any adjustment deriving from the malus clauses, the following formula shall be applied:

$$\text{Final annuity} = \text{Amt.} \times (0.25 \times A + 0.25 \times B + 0.25 \times C + 0.25 \times D)$$

Where:

- “**Amt.**” is one third of the incentive amount deferred conditional on performance (i.e. Amt. will be 12% of the total incentive set in early 2017).
- “**A**” is the EPS ratio thrown up by the scale in section (a) above, according to EPS growth in 2018 vs 2015.
- “**B**” is the TSR ratio according to the scale in section (b) above according to the relative performance of the Bank’s TSR within its peer group in 2016-2018.
- “**C**” is the CET 1 ratio according to compliance with the CET1 target ratio described in section (c) above.
- “**D**” is the RoRWA ratio deriving from the scale in section (d) above according to the level of RoRWA growth in 2018 vs 2015.

v) Other incentive terms

(a) *Continuity and applicable malus clauses*

In addition to the continuity of the beneficiary within the Group<sup>(\*)</sup>, the accrual of the deferred remuneration (performance-linked or otherwise) is conditional upon none of the following circumstances arising, in the opinion of the board of directors, at the proposal of the remuneration committee, during the period before each delivery under the terms of the Group’s malus policy:

1. Poor financial performance of the Group;
2. Violation by the beneficiary of internal regulations, particularly those relating to risks;
3. Material restatement of the Group’s financial statements, when so considered by the external auditors, except when appropriate pursuant to a change in accounting standards; or
4. Significant changes in the financial capital or risk profile of the Group.

The board of directors, at the proposal of the remuneration committee and based on the level of achievement of such conditions, will determine the specific amount of the deferred portion of the incentive.

<sup>(\*)</sup> When the relationship with Banco Santander or another entity of Grupo Santander is terminated due to retirement, early retirement or pre-retirement of the beneficiary, a dismissal considered by the courts to be improper, unilateral withdrawal for good cause by an employee (which includes, in any case, the situations set forth in article 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 Grupo Santander, as well as in those cases of mandatory redundancy, the right to receive the incentive shall remain under the same conditions in force as if none of such circumstances had occurred.

In the case 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 due to maternity or paternity leave, 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 Grupo Santander (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 the right to receive the deferred amount in advance. If the beneficiary or the successors thereof maintain the right to receive the remuneration in shares and cash, it shall be delivered within the periods and under the terms provided in the rules for the plans.

*(b) Other rules applicable to the incentive*

The hedging of Santander shares received during the retention and deferral periods is expressly prohibited. The sale of shares is also prohibited for one year from the receipt thereof.

**A.5** Explain the main features of the long-term saving systems, including retirement and any other survival benefit, either wholly or partially financed by the company, and whether funded internally or externally, with an estimate of the equivalent annual amount or cost thereof, stating the type of plan, whether it is a defined-contribution or -benefit plan, the conditions for the vesting of economic rights in favour of the directors, and the compatibility thereof with any kind of indemnity for advanced or early termination of the labour relationship between the company and the director.

Also state the contributions on the director's behalf to defined-contribution pension plans; or any increase in the director's vested rights, in the case of contributions to defined-benefit plans;

**Explain the long-term savings plans**

The executive directors other than Mr Rodrigo Echenique participate in the defined benefit system created in 2012, which covers the contingencies of retirement, disability and death. The Bank makes annual contributions to the benefit plans for the benefit of the other executive directors, except in the case of Mr Matías Rodríguez Inciarte, for whom new contributions are not made. The annual contributions are calculated in proportion to the respective pensionable bases of the executive directors, and shall continue to be made until they leave the Group or until their retirement within the Group, or their death or disability (including, if applicable, during pre-retirement). The pensionable base for purposes of the annual contributions is the one indicated in section A.7.d, for the calculation of the allotment for pre-retirement (except in the case of Mr José Antonio Álvarez, who, during his term of office as CEO, will have a pensionable base equal to the sum of his fixed remuneration as such and 30% of the average of the last three variable remuneration payments), with the amount of the contributions being 55% in the cases of Ms Ana Botín-Sanz de Sautuola y O'Shea and Mr José Antonio Álvarez Álvarez.

The benefit plan is outsourced to Santander Seguros y Reaseguros, Compañía Aseguradora, S.A., and the economic rights of the foregoing directors thereunder belong to them regardless of whether or not they are active in the Bank at the time of their retirement, death or disability. As stated in section A.6., the contracts of these directors do not provide for any severance payment in the case of termination other than as may be required by law.

Mr Rodrigo Echenique Gordillo's contract does not provide for any charge to Banco Santander regarding benefits, without prejudice to the pension rights to which Mr Echenique was entitled prior to his appointment as executive director.

Finally, the contracts of Ms Ana Botín-Sanz de Sautuola and Mr José Antonio Álvarez Álvarez include a supplemental benefit scheme for the contingencies of death (surviving spouse and child benefits) and permanent disability of serving directors, which entitles the widow/widower and any children under the age of 25 in the case of death, or the director in case of disability, the right to a pension supplemental to that which they would be entitled to receive from Social Security up to an annual maximum amount equal to their respective pensionable bases in connection with the pre-retirement (for Mr Álvarez Álvarez this refers to his fixed remuneration as director). Income to be received from the benefit system described above shall be deducted from the amount of the supplemental benefit, and the supplemental pension could reach zero (but not less than zero).

**A.6** State any termination benefits agreed to or paid in case of termination of duties as a director.

<b>Explain the termination benefits</b>
<p>The contracts are of indefinite duration and do not provide for any severance payment in the case of termination other than as may be required by law.</p> <p>Notwithstanding the foregoing, if Mr Rodrigo Echenique Gordillo's contract is terminated before 1 January 2018 for reasons other than his own decision, death or permanent disability or to a serious breach of his obligations, he shall be entitled to receive a severance payment amounting to twice his gross annual salary.</p> <p>In the event of termination of her contract by the Bank, Ms Ana Botín-Sanz de Sautuola y O' Shea must remain available to the Bank for a period of four months to ensure a proper transition, during which period she would continue to receive her gross annual salary.</p>

**A.7** State the terms and conditions that must be included in the contracts of executive directors performing senior management duties. Include information regarding, among other things, the term, limits on termination benefit amounts, continuance in office clauses, prior notice periods, and payment in lieu of prior notice, and any other clauses relating to hiring bonuses, as well as benefits or golden parachutes due to advanced or early termination of the contractual relationship between the company and the executive director. Include, among other things, any post-contractual clauses or agreements on non-competition, exclusivity, continuance in office or loyalty, and non-competition.

<b>Explain the terms of the contracts of the executive directors</b>
<p>The terms for the provision of services by each of the executive directors are governed by the contracts signed by each of them with the Bank. The basic terms and conditions of the contracts of the executive directors, besides those relating to the remuneration, are the following:</p> <p><b>a) Exclusivity and non-competition</b></p> <p>Executive directors may not enter into contracts to provide services to other companies or entities except where expressly authorised by the board of directors. In all cases, a duty of non-competition is established with respect to companies and activities similar in nature to those of the Bank and its consolidated Group.</p> <p>Likewise, the contracts of the executive directors provide for certain prohibitions against competition and the poaching of clients, employees and suppliers that may be enforced for two years after the termination thereof for reasons other than retirement, pre-retirement or a breach by the Bank. The compensation to be paid by the Bank for this prohibition against competition is 80% of the fixed remuneration of the corresponding director, payable 40% on termination of the contract and 60% at the end of the 2-year period.</p> <p><b>b) Code of conduct</b></p> <p>There is an obligation to strictly observe the provisions of the Group's general code and of the code of conduct in securities markets, in particular with respect to rules of confidentiality, professional ethics and conflicts of interest.</p>

### **c) Termination**

See section A.6.

### **d) Pre-retirement and benefit plans**

The contracts of the following executive directors acknowledge their right to pre-retire under the terms stated below when they have not yet reached retirement age:

- Ms Ana Botín-Sanz de Sautuola will be entitled to pre-retirement in the event of leaving her post for reasons other than breach of duty. In this case, she will be entitled to an annual allotment equal to the sum of her fixed remuneration and 30% of the average amount of the last variable remunerations of the executive chairman, to a maximum of three. This allotment shall be reduced by 20% in the event of voluntary termination prior to the age of 60.
- Mr José Antonio Álvarez Álvarez will be entitled to pre-retire in the event of leaving his post for reasons other than his own free will or breach of duty. In that case, he will be entitled to an annual allocation equivalent to the fixed remuneration corresponding to him as a senior executive vice president.

If Ms Ana Botín-Sanz de Sautuola y O'Shea or Mr José Antonio Álvarez Álvarez take pre-retirement, they are entitled to receive the annual allotments in the form of an annuity or as capital (i.e. in a lump sum), in whole but not in part.

See section A.5 for information on the benefits systems.

### **e) Insurance and other benefits in kind**

The Group has arranged life and health insurance policies for the directors.

In 2016, the premiums for this insurance amounted to 479 thousand euros. Similarly, executive directors are insured by the Bank's civil liability policy.

Finally, executive directors may receive other benefits in kind (such as employee loans) in accordance with the Bank's usual policy in regard to senior management.

### **f) Confidentiality and return of documents**

A strict duty of confidentiality is established during the relationship and following termination thereof, pursuant to which executive directors must return to the Bank the documents and items related to their activities that are in their possession.

### **g) Other conditions**

The advance notice periods contained in the contracts with the executive directors are as follows:

The advance notice period contained in the contract of Matías Rodríguez Inciarte is 4 months for decisions of the Bank as well as the director. The contracts of Ms Ana Botín-Sanz de Sautuola y O'Shea, Mr José Antonio Álvarez Álvarez and Mr Rodrigo Echenique Gordillo do not contain this contractual provision.

Payment clauses in place of pre-notice periods are not contemplated.

The contracts of the current executive directors do not contain any clauses relating to hiring bonuses. If a new executive director comes from an entity other than Grupo Santander, he/she could be the beneficiary of a buy out to offset the loss of variable remuneration corresponding to his/her prior post if he/she had not accepted a contract with the Group. According to the buyout policy approved by the board, following a proposal by the remuneration committee, compensation could be paid fully or partly in shares, subject to the delivery limits approved at the general shareholders' meeting. Therefore, at the next meeting authorisation is expected to be sought to deliver a specified maximum number of shares as part of any hires (not just executive directors) to which the buyout policy applies.

- A.8** Explain any supplemental remuneration accrued by the directors in consideration of services provided other than those inherent in their position.

**Explain the supplemental remuneration**

**Remuneration of the board members as representatives of the Bank**

By resolution of the executive committee, all remuneration received by the Bank's directors who represent the Bank on the boards of directors of companies in which the Bank has an interest and which relates to appointments made after 18 March 2002, will accrue to the Group. The directors of the Bank did not receive remuneration from this type of representation in 2015, 2014 or 2013.

One Bank director, Mr Matías Rodríguez Inciarte, received a total of EUR 42 thousand in 2015 as a non-executive director of U.C.I., S.A. (EUR 42 thousand in 2014).

No changes are expected in 2016.

**Remuneration of directors for the rendering of services other than those in their capacity as director**

Since his appointment as director came into effect on 21 September 2015, Mr Ignacio Benjumea Cabeza de Vaca has received a total of 242 thousand euros from the Bank for providing advisory services other than collective managerial and supervisory services in his capacity as director. The corresponding service level agreement is expected to remain in force in 2016.

- A.9** State any remuneration in the form of advances, loans or guarantees provided, with an indication of the interest rate, main features, and amounts potentially returned, as well as the obligations assumed on their behalf as a guarantee.

**Explain the advances, loans and guarantees provided**

During financial year 2016, no transactions are expected other than on arms'-length terms except for the employee loan provided to Mr Juan Rodríguez Inciarte, the terms of which are set forth in the table contained in section D.1. a) iv) of this report. Mr Juan Rodríguez Inciarte will be allocated the corresponding remuneration in kind during financial year 2016.



**A.10** Explain the main features of remunerations in kind.

<b>Explain the remunerations in kind</b>
See section A.3 "Other fixed components of remuneration".

**A.11** State the remuneration accrued by the director by virtue of payments made by the listed company to a third party to which the director provides services, if such payments are intended to provide remuneration for the services thereof in the company.

<b>Explain the remuneration accrued by the director by virtue of the payments made by the listed company to a third party to which the director provides services</b>
There are none, and as at the date of this report, such circumstance is not expected to change during financial year 2016.

**A.12** Any item of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it is deemed to be a related-party transaction or when the making thereof detracts from a true and fair view of the total remuneration accrued by the director.

<b>Explain the other items of remuneration</b>
There are none, and as at the date of this report, such circumstance is not expected to change during financial year 2016.

**A.13** Explain the actions taken by the company regarding the remuneration system in order to reduce exposure to excessive risk and align it with the long-term goals, values, and interests of the company, including any reference to: measures provided to ensure that the remuneration policy takes into account the long-term results of the company, measures establishing an appropriate balance between the fixed and variable components of remuneration, measures adopted with respect to those categories of personnel whose professional activities have a significant impact on the entity's risk profile, recovery formulas or clauses to be able to demand the return of the variable components of remuneration based on results if such components have been paid based on data that is later clearly shown to be inaccurate, and measures provided to avoid any conflicts of interest.

**Explain actions taken to reduce risks**

Section A.4 hereof describes:

- The measures provided to ensure that the remuneration policy relates to the strategic objectives and long-term results of the company, for which purposes, among others, the 2016 Bonus contains specific parameters to assess the quality of the results obtained and take into account the risks assumed includes several multiyear metrics which affect part of the deferred variable remuneration.
- The parameters for setting the incentive, which ensure a proper balance between the fixed and variable components of remuneration, are subject in all cases to the 200% limit of variable components over fixed ones.
- The continuity, bad actor (malus) and other conditions to which the payment of remuneration is subject.

The decision-making processes described in section A.2 also avoid the existence of conflicts of interest in the process of deciding on the remuneration of each director.

All of these measures also apply to the categories of personnel whose professional activities have a material impact on the risk profile of the Santander Group, as the remuneration principles and policy for these categories of employees are based on the same items established for the executive directors in the director remuneration policy. Also, the remuneration committee proposes to the board of directors the basic terms and conditions of remuneration of executives whose activities may have a substantial impact on the assumption of significant risks by the Group and the remuneration of executives performing control duties.

The identification of this group (the "Identified Staff") is determined by section 32.1 of Law 10/2014, 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, and by other regulatory or corporate standards of a particular country, taking into account the policy to determine the Group's Identified Staff. By way of reference, at year-end 2015, the Identified Staff (which includes executive directors and members of the senior management excluding directors) comprised 1,281 executives and employees from the entire Group, which covers 0.66% of the workforce of Grupo Santander.

Every year, the remuneration committee reviews and, if applicable, updates the composition of said group in order to identify the persons within the organisation who fall within the aforementioned parameters.

The directors within the Identified Staff other than executive directors are subject to the same remuneration standards applicable to the latter (described in section A.1.) and the same configuration of variable components of remuneration (described in section A.4), except for (i) the various deferral percentages and terms that apply based on the category; ii) the possibility that in 2016 certain categories do not have a deferred performance incentive but malus clauses; and iii) unless, as happened with the bonuses in previous years, the variable remuneration amount that is paid or deferred in shares to the executives of the Group in Brazil, Chile, Mexico, Poland, and Santander Consumer USA is delivered in shares or similar instruments of their own entities. In relation to the 2016 financial year, the board of directors will maintain its flexibility for agreeing total or partial payment in Banco Santander shares or similar instruments and/or the respective subsidiary in the proportion it considers appropriate in each case (subject, in any event, to the maximum number of Santander shares to be delivered as agreed by shareholders at the general meeting and any regulatory restrictions applicable in each jurisdiction).

Finally, regarding balance between the fixed and variable components of the remuneration, the variable components of total remuneration of the executive directors and other members of the Identified Staff may not exceed 100% of the fixed components, unless the shareholders approve an increase of up to 200% of the fixed components. A proposal is made to the shareholders at the 2016 ordinary general shareholders' meeting to renew the authorisation granted in 2015 to the entire Identified Staff.

**B** **REMUNERATION POLICY FOR FUTURE YEARS**

- B.1** Provide a general forecast of the remuneration policy for future financial years that describes such policy with respect to: fixed components and attendance fees and remuneration of a variable nature, relationship between remuneration and results, benefits systems, terms of the contracts of executive directors, and outlook for more significant changes in remuneration policy as compared to prior financial years.

**General forecast of the remuneration policy.**

Revoked by CNMV Circular 7/2015, of 22 December which modifies Circular 4/2013, of 12 June, establishing the template for the annual director remuneration report for listed companies and for members of the board and control committee of savings banks which issue securities accepted for trading in official securities markets.

- B.2** Explain the decision-making process for configuring the remuneration policy for future financial years, and any role played by the remuneration committee.

**Explain the decision-making process for configuring the remuneration policy**

Revoked by CNMV Circular 7/2015, of 22 December which modifies Circular 4/2013, of 12 June, establishing the template for the annual director remuneration report for listed companies and for members of the board and control committee of savings banks which issue securities accepted for trading in official securities markets.

- B.3** Explain the incentives created by the company in the remuneration system to reduce excessive risks and to align them with the long-term goals, values and interests of the company.

**Explain the incentives created to reduce risks**

Revoked by CNMV Circular 7/2015, of 22 December which modifies Circular 4/2013, of 12 June, establishing the template for the annual director remuneration report for listed companies and for members of the board and control committee of savings banks which issue securities accepted for trading in official securities markets.

**C** **OVERALL SUMMARY OF THE APPLICATION OF THE REMUNERATION POLICY DURING THE FINANCIAL YEAR JUST ENDED**

**C.1** Summarise the main features of the structure and items of remuneration from the remuneration policy applied during the financial year just ended, which give rise to the breakdown of individual remuneration accrued by each of the directors as reflected in section D of this report, as well as a summary of the decisions made by the board to apply such items.

**Explain the structure and items of remuneration from the remuneration policy applied during the financial year**

The remuneration scheme in 2015 has been based on the principles described in section A.1, and the components thereof are similar to those indicated in the other subsections of section A of this report except for those regarding the components of variable remuneration for executive directors (which in 2015 included a bonus and a long-term incentive plan instead of the incentive planned for 2016). All remuneration received by the directors during the period covered by this report is based on their status as such or their executive duties, except as indicated in the table in section D.1.b) i) and described in section A.8. As a result, remuneration corresponding to services rendered as senior management prior to the date of appointment as a non-executive director and after resignation from the post is not included; the information relevant to this remuneration is provided in note 5.g) of the Group's legal annual report.

The items of remuneration from the remuneration policy applied during 2015 are the following:

***i) Remuneration of directors for the performance of supervisory and collective decision-making duties. Bylaw-stipulated emoluments***

- Annual allotment

For the purposes of describing the accrued individual remuneration reflected in section D, the annual allotment of each director for belonging to the board, being lead director and being the non-executive first vice-chairman corresponds to "Fixed Remuneration" and the amounts received for being a member of the executive, audit, appointments, remuneration and risk supervision, regulation and compliance committees and the positions held therein, are included in "Remuneration for belonging to committees of the board".

- Attendance fees.

For purposes of describing the accrued individual remuneration reflected in section D, the total amount of all fees for attending meetings of the board and, if applicable, the executive risk committee and other committees of the board, are included under *Attendance fees*.

In addition, in 2015 the company paid the premium for the civil liability insurance covering its directors.

***ii) Remuneration of directors for the performance of executive duties***

- Gross annual salary (included in section D under *Salary*).

- Variable remuneration arising from the 2015 Bonus (fifth cycle of deferred conditional variable remuneration plan). Set forth below are the amounts of the 2015 Bonus for the executive directors that were approved by the board at its meeting of 26 January 2016, upon a proposal of the remuneration committee, distinguishing between immediate and deferred payment:

The amounts of immediate and deferred payment in cash and shares are as follows:  
*Immediate payment (40%):*

- Ms Ana Botín-Sanz de Sautuola y O'Shea: 840 thousand euros and 211,534 shares.
- Mr José Antonio Álvarez Álvarez <sup>(\*)</sup>: 558 thousand euros and 140,609 shares.

<sup>(\*)</sup> Executive director effective 13 January 2015

- Mr Rodrigo Echenique Gordillo: 441 thousand euros and 104,155 shares.
- Mr Matías Rodríguez Inciarte: 573 thousand euros and 144,447 shares.
- Mr Javier Marín Romano: 0 thousand euros and 0 shares.
- Mr Juan Rodríguez Inciarte<sup>(\*)</sup>: 220 thousand euros and 55,402 shares.

<sup>(\*)</sup> Ceased to be a director on 30 June 2015. Includes the amounts for service as a director.

These amounts and shares shall be delivered in 2016.

*Deferred payment (60%):*

- Ms Ana Botín-Sanz de Sautuola y O'Shea: 1,260 thousand euros and 317,300 shares.

Mr José Antonio Álvarez Álvarez: 838 thousand euros and 210,914 shares.

- Mr Rodrigo Echenique Gordillo: 620 thousand euros and 156,233 shares.
- Mr Matías Rodríguez Inciarte: 860 thousand euros and 216,671 shares.
- Mr Javier Marín Romano: 0 thousand euros and 0 shares.
- Mr Juan Rodríguez Inciarte: 330 thousand euros and 83,102 shares.

To be paid, if applicable, over five years, 2017, 2018, 2019, 2020 and 2021 subject to continued service, with the exceptions provided for and the non-applicability of malus clauses.

The total number of shares from the 2015 Bonus is within the maximum limit of 2,291,614 shares authorised for executive directors by the shareholders at the general shareholders' meeting of 27 March 2015, and has been calculated on the basis of the average weighted daily volume of the average weighted listing prices of Santander shares for the 15 trading sessions prior to 26 January 2015 (the date on which the board approved the Bonus for the executive directors of the Bank for 2015), which was 3.971 euros per share.

The 2015 Bonus constitutes the variable remuneration accrued during 2015, pursuant to the standards of Circular 4/2013 of the CNMV (amended by Circular 7/2015). Therefore, subsections i) and ii) of section D.1.a) of this report include the total amounts of the 2015 Bonus under the items *Short-term variable remuneration* –for the amount to be paid in cash– and *No. Price* under the heading *Shares delivered in the period* –for the amount to be paid in shares–, without prejudice, as stated, to 60% of any such amounts being paid in fifths in 2017, 2018, 2019, 2020 and 2021. Furthermore, the annex to this report includes information regarding the gross amounts of the shares delivered to the executive directors during 2015 corresponding to the deferred portion in shares of the variable remuneration accrued during prior financial years. Such annex identifies the accrual period for each item.

Variable remuneration arising from the 2015 LTI (second cycle of the Performance Shares Plan).

It is stated for the record that the 2015 LTI has not yet accrued; there has only been a determination of the maximum LTI amount for 2015 that might apply to each executive director (the "Approved LTI Amount"). Taking into account the characteristics of the 2015 LTI and the definitions of Circular 4/2013 of the CNMV, the Approved LTI Amount (described below) shall be deemed to have accrued, if at all, at the end of 2018 (without prejudice to any payment thereof occurring in 2019).

The Approved LTI Amount for 2015 has been set based on the level of compliance of the EPS and ROTE objectives:

- a) 2015 EPS compared to the budget was 84.6%
- b) 2015 ROTE compared to the budget was 85.2%

The application of the corresponding scales produces rates of 91% and 92%, for EPS and ROTE, respectively, resulting in an Approved LTI amount of 91.50% of the (maximum) established benchmark.

The share price applied, corresponding to the 15 stock market sessions prior to 26 January 2016 -the date on which the 2015 Bonus for executive directors was approved by the board, is EUR 3.971 per share.

The accrued and final amount of the approved LTI amount are linked to the level of achievement of the multiyear objectives of the plan, aligned with the Group's strategic objectives (as described in the 2014 annual remuneration report) and other conditions, which may mean this is zero. If all of the objectives, the continuity conditions and the non-applicability of the malus clauses are met, the maximum number of shares corresponding to each executive director and the estimated fair value of the variable remuneration shall be as follows:

- Ms. Ana Botín Sanz de Sautuola y O'Shea: a maximum of 184,337 shares. Fair value of 512 thousand euros.
- Mr José Antonio Álvarez Álvarez: a maximum of 124,427 shares. Fair value of 346 thousand euros.
- Mr Rodrigo Echenique Gordillo: a maximum of 92,168 shares. Fair value of 256 thousand euros.
- Mr Matías Rodríguez Inciarte: a maximum of 143,782 shares. Fair value of 400 thousand euros.
- Mr Juan Rodríguez Inciarte: a maximum of 50,693 shares. Fair value of 141 thousand euros.

For Juan Rodríguez Inciarte, the figure includes his LTI for service up until his resignation as director on 30 June 2015.

The fair value has been estimated at the date on the maximum number of shares in the plan based on a third-party's independent estimate (Willis Towers Watson report dated July 2015).

- Variable remuneration arising from the 2014 LTI (first cycle of the Performance Shares Plan).

As noted in the 2014 annual remuneration report, the 2014 LTI had not accrued at the end of the year and there was only been a determination of the maximum LTI amount for 2014 that applied to each executive director. Taking into account the characteristics of the 2014 LTI and the definitions of Circular 4/2013 of the CNMV, the Approved LTI Amount shall be deemed to have accrued, if at all, in thirds during financial years 2015, 2016 and 2017 (without prejudice to any payment thereof occurring in the middle of the financial year following the corresponding accrual period).

Therefore, in this report we have included the maximum amount of the first cycle within "*No. price*" under the heading "*Shares delivered during the year*" in section D.1.a) ii) of the 2015 annual directors' remuneration report, regardless of whether it is based on the services provided in 2014, of whether said amount may eventually be reduced (as well as due to malus clauses) based on the degree of compliance with the total shareholder return metric for the period 2014-2015, which has not yet been verified, and of whether said shares have been delivered. The amount in euros was calculated based on the share price as at 31 December 2015, the date on which accrual for the first third of the plan ended.

The LTI amounts for 2014 included in section D.1.a) ii) in relation to Mr José Antonio Álvarez Álvarez were accrued through his functions as Managing Director of the Bank in 2014.

- Other items:

- Contributions to savings schemes, the terms of which are described in section A.5. A breakdown of the contributions during 2015 is included in section D.1.a) iii).
- Remuneration in kind for life insurance, medical insurance, company store vouchers, and the allocation of remuneration for employee loans provided to some directors (described in sections A.3 and A.9). The terms of the loans are described in section D.1. a) iv) of this report. A breakdown of the amounts of this remuneration in kind appears in the column "Other items" in section D.1.a) i).
- Remuneration of directors for representing the bank or rendering services other than those in their capacity as director: in the case of Mr Matías Rodríguez Inciarte as non-executive director of U.C.I., S.A. and Mr Ignacio Benjumea Cabeza de Vaca –whose appointment as director came into effect 21 September 2015– for the provision of advisory services to the Group.



**D BREAKDOWN OF INDIVIDUAL REMUNERATION ACCRUED BY EACH OF THE DIRECTORS**

<b>Name</b>	<b>Class</b>	<b>Accrual period</b>
Ms Ana Botín-Sanz de Sautuola y O'Shea	Executive	From 01/01/2015 to 31/12/2015
Mr José Antonio Álvarez Álvarez	Executive	From 13/01/2015 to 31/12/2015
Mr Bruce Carnegie-Brown	Independent director	From 12/02/2015 to 31/12/2015
Mr Rodrigo Echenique Gordillo	Executive	From 16/01/2015 to 31/12/2015
Mr Matías Rodríguez Inciarte	Executive	From 01/01/2015 to 31/12/2015
Mr Guillermo de la Dehesa Romero	Other external	From 01/01/2015 to 31/12/2015
Mr Ignacio Benjumea Cabeza de Vaca	Other external	From 21/09/2015 to 31/12/2015
Mr Javier Botín-Sanz de Sautuola y O'Shea	Proprietary director	From 01/01/2015 to 31/12/2015
Ms Sol Daurella Comadrán	Independent director	From 18/02/2015 to 31/12/2015
Mr Carlos Fernández González	Independent director	From 12/02/2015 to 31/12/2015
Ms Esther Giménez-Salinas i Colomer	Independent director	From 01/01/2015 to 31/12/2015
Mr Ángel Jado Becerro de Bengoa	Independent director	From 01/01/2015 to 31/12/2015
Ms Belén Romana García	Independent director	From 22/12/2015 to 31/12/2015
Ms Isabel Tocino Biscarolasaga	Independent director	From 01/01/2015 to 31/12/2015
Mr Juan Miguel Villar Mir	Independent director	From 01/01/2015 to 31/12/2015
Mr Javier Marín Romano	Executive	From 01/01/2015 to 12/01/2015
Mr Fernando de Asúa Álvarez	Independent director	From 01/01/2015 to 12/02/2015
Ms Sheila C. Bair	Independent director	From 01/01/2015 to 01/10/2015
Mr Abel Matutes Juan	Independent director	From 01/01/2015 to 18/02/2015
Mr Juan Rodríguez Inciarte	Executive	From 01/01/2015 to 30/06/2015

**D.1** Complete the following tables regarding the individualised remuneration of each of the directors (including the remuneration for the financial year for executive duties) accrued during the financial year.

a) Accrued remuneration at the company covered by this report:

i) Cash remuneration (in thousands of €)

Name	Salary	Fixed remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration for belonging to board committees	Termination benefits	Other remuneration	Total 2015	Total 2014
Ms Ana Botín-Sanz de Sautuola y O'Shea	2,500	85	52	2,100		170		396	5,304	4,840
Mr José Antonio Álvarez Álvarez	2,000	85	86	1,396		170		1,468	5,205	
Mr Bruce Carnegie-Brown		374	68			258			700	
Mr Rodrigo Echenique Gordillo	1,500	85	139	1,034		170		26	2,954	528
Mr Matías Rodríguez Inciarte	1,710	85	185	1.433		170		169	3,752	3,771
Mr Guillermo de la Dehesa Romero		113	102			258			473	437

Mr Ignacio Benjumea Cabeza de Vaca		24	42			71		242	379	
Mr Javier Botín-Sanz de Sautuola y O'Shea		85	35						120	110
Ms Sol Daurella Comadrán		85	50			48			183	
Mr Carlos Fernández González		85	65			104			254	
Ms Esther Giménez-Salinas i Colomer		85	48						133	121
Mr Ángel Jado Becerro de Bengoa		85	214			128			427	152
Ms Belén Romana García		2	2			1			5	
Ms Isabel Tocino Biscarolasaga		85	231			274			590	484
Mr Juan Miguel Villar Mir		85	81			80			246	105
Mr Javier Marín Romano	165	3				6		47	221	4.330

Mr Fernando de Asúa Álvarez		43	37			36			116	644
Ms Sheila C. Bair		64	43			30			137	129
Mr Abel Matutes Juan		11	13			8			32	156
Mr Juan Rodríguez Inciarte	600	42	99	550				153	1,444	2,706

ii) Share-based remuneration systems

Ms ANA BOTÍN-SANZ DE SAUTUOLA Y O'SHEA

Name/Type/Accrual period for 2015	Name of plan and date of implementation	Ownership of options at beginning of 2015				Options allocated in 2015					Shares delivered in the year	
		No. of options	No. of shares affected	Exercise price (€)	Exercise period	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Conditions for exercise	No/Price	Amount
	Fifth cycle Deferred conditional variable remuneration plan (2015 Bonus) 27/03/2015										528,834 at 3.971 euros	2,100
	First cycle of performance shares plan (LTI) 28/03/14										20,798 at 4.5 euros	94

Name/Type/Accrual period for 2015	Name of plan and date of implementation	Options exercised in 2015				Options expired and not exercised	Options at end of 2015				
		No. of options	No. of shares affected	Exercise price (€)	Gross profit (€)	No. of options	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Other requirements for exercise

MR JOSÉ ANTONIO ÁLVAREZ ÁLVAREZ

Name/Type/Accrual period for 2015	Name of plan and date of implementation	Ownership of options at beginning of 2015				Options allocated in 2015					Shares delivered in the year	
		No. of options	No. of shares affected	Exercise price (€)	Exercise period	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Conditions for exercise	No/Price	Amount
	Fifth cycle Deferred conditional variable remuneration plan (2015 Bonus)										351,523 at 3.971 euros	1,396
	First cycle performance shares plan (LTI) 28/03/14										16,327 at 4.5 euros	73

Name/Type/Accrual period for 2015	Name of plan and date of implementation	Options exercised in 2015				Options expired and not exercised	Options at end of 2015					
		No. of options	No. of shares affected	Exercise price (€)	Gross profit (€)		No. of options	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Other requirements for exercise

**MR RODRIGO ECHENIQUE GORDILLO**

Name/Type/Accrual period for 2015	Name of plan and date of implementation	Ownership of options at beginning of 2015				Options allocated in 2015					Shares delivered in the year	
		No. of options	No. of shares affected	Exercise price (€)	Exercise period	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Conditions for exercise	No/Price	Amount
	Fifth cycle Deferred conditional variable remuneration plan (2015 Bonus) 27/03/2015										260,388 at 3.971 euros	1,034

Name/Type/Accrual period for 2015	Name of plan and date of implementation	Options exercised in 2015				Options expired and not exercised	Options at end of 2015				
		No. of options	No. of shares affected	Exercise price (€)	Gross profit (€)	No. of options	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Other requirements for exercise

MR MATÍAS RODRÍGUEZ INCIARTE

Name/Type/Accrual period for 2015	Name of plan and date of implementation	Ownership of options at beginning of 2015				Options allocated in 2015					Shares delivered in the year	
		No. of options	No. of shares affected	Exercise price (€)	Exercise period	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Conditions for exercise	No/Price	Amount
	Fifth cycle Deferred conditional variable remuneration plan (2015 Bonus) 27/03/2015										361,118 at 3,971 euros	1,433
	First cycle performance shares plan (LTI) 28/03/14										25,218 at 4.5 euros	113

Name/Type/Accrual period for 2015	Name of plan and date of implementation	Options exercised in 2015				Options expired and not exercised	Options at end of 2015				
		No. of options	No. of shares affected	Exercise price (€)	Gross profit (€)	No. of options	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Other requirements for exercise



MR JAVIER MARÍN ROMANO

Name/Type/Accrual period for 2015	Name of plan and date of implementation	Ownership of options at beginning of 2015				Options allocated in 2015					Shares delivered in the year	
		No. of options	No. of shares affected	Exercise price (€)	Exercise period	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Conditions for exercise	No/Price	Amount
	First cycle performance shares plan (LTI) 28/03/2014										21,823 at 4.5 euros	98

Name/Type/Accrual period for 2015	Name of plan and date of implementation	Options exercised in 2015				Options expired and not exercised	Options at end of 2015				
		No. of options	No. of shares affected	Exercise price (€)	Gross profit (€)	No. of options	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Other requirements for exercise

MR JUAN RODRÍGUEZ INCIARTE

Name/Type/Accrual period for 2015	Name of plan and date of implementation	Ownership of options at beginning of 2015				Options allocated in 2015					Shares delivered in the year	
		No. of options	No. of shares affected	Exercise price (€)	Exercise period	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Conditions for exercise	No/Price	Amount
	Fifth cycle Deferred conditional variable remuneration plan (2015 Bonus) 27/03/2015										138,504 at 3.971 euros	550
	First cycle performance shares plan (LTI) 28/03/14										17,782 at 4.5 euros	80

Name/Type/Accrual period for 2015	Name of plan and date of implementation	Options exercised in 2015				Options expired and not exercised	Options at end of 2015				
		No. of options	No. of shares affected	Exercise price (€)	Gross profit (€)	No. of options	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Other requirements for exercise

ii) Long-term savings plans

Name/Type/Total accrual period by year	Contribution for the year by the company (€ thousands)		Amount of accumulated funds (€thousands)	
	FY 2015	FY 2014	FY 2015	FY 2014
Ms Ana Botín-Sanz de Sautuola y O'Shea	2,302	2,140	41,291	40,134
Mr José Antonio Álvarez Álvarez	2,677	-	14,167	-
Mr Rodrigo Echenique Gordillo	-	-	14,623	14,946
Mr Matías Rodríguez Inciarte	-	-	47,745	47,255
Mr Javier Marín Romano	484	2,126	4,869	4,523
Mr Fernando de Asúa Álvarez	-	-	2,467	2,565
Mr Juan Rodríguez Inciarte	849	718	14,188	13,730

iv) Other benefits (€ thousands)

<b>Remuneration in the form of advances, loans</b>			
<b>Name/Type</b>	<b>Interest rate for the transaction</b>	<b>Main features of the transaction</b>	<b>Amounts potentially returned</b>
Mr Juan Rodríguez Inciarte	Euribor -35% of Euribor, according to Banco Santander CBA	Personal loan in the amount of 5,000 thousand euros maturing 22 February 2022	500,000 euros (*)

(\*) Amount repaid during the year.

<b>Name/Type</b>	<b>Life insurance premiums</b>		<b>Guarantees provided by the company in favour of the directors</b>	
	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2014</b>
Ms Ana Botín-Sanz de Sautuola y O'Shea	62	46		
Mr José Antonio Álvarez Álvarez	208	-		
Mr Rodrigo Echenique Gordillo	26	23		
Mr Matías Rodríguez Inciarte	85	76		
Mr Javier Marín Romano	24	22		
Mr Juan Rodríguez Inciarte	79	63		

b) Remuneration accrued by directors of the company for belonging to boards at other companies of the group:

i) Cash remuneration (in thousands of €)

Name/Type/Accrual period for 2015	Salary	Fixed remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration for belonging to board committees	Termination benefits	Other remuneration	Total 2015	Total 2014
Mr Matías Rodríguez Inciarte	-	-	42	-	-	-	-	-	42	42

ii) Share-based remuneration systems

Name/Type/Accrual period for 2014	Ownership of options at beginning of 2015				Options allocated in 2015					Shares delivered in 2015
	No. of options	No. of shares affected	Exercise price (€)	Gross profit (€)	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Conditions for exercise	No. price amount

Name/Type/Accrual period for 2015	Options exercised in 2015				Options expired and not exercised	Options at end of 2015				
	No. of options	No. of shares affected	Exercise price (€)	Gross profit (€)	No. of options	No. of options	No. of shares affected	Exercise price (€)	Exercise period	Other requirements for exercise

ii) Long-term savings plans

Name/Type/Total accrual period by year	Contribution for the year by the company (€thousands)		Amount of accumulated funds (€thousands)	
	FY 2015	FY 2014	FY 2015	FY 2014

iv) Other benefits (€ thousands)

Name/Type	Remuneration in the form of advances, loans		
	Interest rate for the transaction	Main features of the transaction	Amounts potentially returned

Name/Type	Life insurance premiums		Guarantees given by the company in favour of the directors	
	FY 2015	FY 2014	FY 2015	FY 2014

c) Summary of remuneration (in thousands of €):

Must include in the summary the amounts for all items of remuneration included in this report that have been accrued by the director, in thousands of euros. In the case of long-term saving systems, include contributions or funding for these types of systems:

Name/Type	Accrued remuneration at the company				Accrued remuneration at Group companies				Total		
	Total cash remuneration	Amount of shares granted	Gross profit on options exercised	Total 2015 from the company	Total cash remuneration	Amount of shares delivered	Gross profit on options exercised	Total 2015 from the Group	Total 2015	Total 2014	Contribution to savings scheme during the year
Ms Ana Botín-Sanz de Sautuola y O'Shea	5,304	2,194	-	7,498	-	-	-	-	7,498	6,721	2,302
Mr José Antonio Álvarez Álvarez	5,205	1,469	-	6,674	-	-	-	-	6,674	-	2,677
Mr Bruce Carnegie-Brown	700	-	-	700	-	-	-	-	700	-	-
Mr Rodrigo Echenique Gordillo	2,954	1,034	-	3,988	-	-	-	-	3,988	528	-
Mr Matías Rodríguez Inciarte	3,752	1,546	-	5,298	42	-	-	42	5,340	5,247	-
Mr Guillermo de la Dehesa Romero	473	-	-	473	-	-	-	-	473	437	-
Mr Ignacio Benjumea Cabeza de Vaca	379	-	-	379	-	-	-	-	379	-	-
Mr Javier Botín-Sanz de Sautuola y O'Shea	120	-	-	120	-	-	-	-	120	110	-
Ms Sol Daurella Comadrán	183	-	-	183	-	-	-	-	183	-	-
Mr Carlos Fernández González	254	-	-	254	-	-	-	-	254	-	-



Ms Esther Giménez-Salinas i Colomer	133	-	-	133	-	-	-	-	133	121	-
Mr Ángel Jado Becerro de Bengoa	427	-	-	427	-	-	-	-	427	152	-
Ms Belén Romana García	5	-	-	5	-	-	-	-	5	-	-
Ms Isabel Tocino Biscarolasaga	590	-	-	590	-	-	-	-	590	484	-
Mr Juan Miguel Villar Mir	246	-	-	246	-	-	-	-	246	105	-
Mr Javier Marín Romano	221	98	-	319	-	-	-	-	319	6,313	484
Mr Fernando de Asúa Álvarez	116	-	-	116	-	-	-	-	116	644	-
Ms Sheila C, Bair	137	-	-	137	-	-	-	-	137	129	-
Mr Abel Matutes Juan	32	-	-	32	-	-	-	-	32	183	-
Mr Juan Rodríguez Inciarte	1,444	630	-	2,074	-	-	-	-	2,074	3,818	849
<b>Total:</b>	22,675	6,972	-	29,647	42	-	-	42	29,689	26,431	6,311

- D.2** Report the relationship between remuneration obtained by the directors and the results or other measures of the entity's performance, explaining how any changes in the company's performance may have influenced changes in the remuneration of the directors.

<b>Response</b>
<p><b>2015 Bonus</b></p> <p>The methodology for calculating the 2015 Bonus for executive directors was determined based on the 2015 benchmark bonus, with the following fine-tuning:</p> <ul style="list-style-type: none"><li>• For Ms Ana Botín-Sanz de Sautuola y O'Shea, the benchmark used was the 2014 benchmark set for the Group chairman.</li><li>• For Mr José Antonio Álvarez Álvarez and Mr Rodrigo Echenique Gordillo the benchmark used was that approved for their respective appointments as chief executive officer and executive chairman of the Group.</li></ul> <p>The 2015 Bonus was determined based on certain quantitative metrics as well as additional qualitative factors: The quantitative metrics are as follows:</p> <ul style="list-style-type: none"><li>– Average NOP compared to that budgeted for 2015, which comprises 75% of the Bonus, adjusted according to growth over the prior year, and</li><li>– the Rorwa obtained in 2015, compared to the budgeted amount, which determines the remaining 25%.</li></ul> <p><u>Quantitative metrics.</u></p> <p>Grupo Santander attributed net ordinary profit (75% weighting): 93.4% of the amount budgeted for 2015, including the extraordinary impacts in the UK (Payment Protection Insurance – PPIs- and others) and other one-offs.</p> <p><i>Rorwa</i> (weighting of 25%) of Grupo Santander: 99.9% of the budget for 2015.</p> <p>Modified by growth compared to the previous year: 2015 NOP increased by 13% compared to 2014, and therefore a modifier of +5% was applied.</p> <p><u>Qualitative factors (positive and negative)</u></p> <p>(1) Appropriate risk management and efficient consumption of capital.</p> <p>The remuneration risk evaluation committee (RREC) is the body entrusted with evaluating the risks and controls of the Group as a whole and of the business divisions, and with proposing the corresponding adjustment to the remuneration committee.</p> <p>In its assessment, the RREC took into consideration the following factors, among others:</p> <ul style="list-style-type: none"><li>• Management of the risk appetite model, level and disclosure of excesses</li><li>• The general control environment in accordance with internal regulations and Group standards</li><li>• The degree of compliance with internal and external regulations, and observations made by regulators and supervisory bodies</li><li>• Prudent and efficient liquidity and capital management</li><li>• Volatility of earnings in the year compared to budgets and strategic targets</li></ul> <p>The result of the Group assessment was +1.5% (percentage points).</p>

(2) Benchmarking of results against competing institutions.

A comparison was made between the results of the consolidated Group and those of a peer group. To assess variable remuneration in 2015 a peer group was set up comprising the following entities: UniCredito, Lloyds, BNP Paribas, Intesa SanPaolo, Bank of America, Deutsche Bank, UBS, Société Générale, Citigroup, BBVA, ING, HSBC, Wells Fargo, Itaú-Unibanco, JP Morgan, Standard Chartered and Barclays. The result of the assessment of this factor is a neutral adjustment of 0% (percentage points).

(3) Benchmarking of customer satisfaction against competing institutions.

A comparison was formed based on local customer satisfaction surveys. These surveys are carried out in the main markets where the Group operates. The result of this assessment is +1.9% (percentage points).

(4) Changes in core capital, the Group's economic capital, the balance sheet and other relevant management factors.

An assessment was carried out on the most noteworthy aspects of the Group's management during the year, taking into account that the general performance was as expected and in line to reach its long-term goals. No positive or negative adjustments have been determined for this factor.

**LTI 2015**

As we have noted in section C, the Approved LTI Amount has been determined based on the performance of the Group's EPS and the ROTE for 2015 compared to the amounts budgeted for the year. The figures reached were 84.6% and 85.2%, respectively. This results in an Approved LTI Amount of 91.50% of the (maximum) benchmark amount set.

Also, the accrued and final amount of the approved LTI amount are linked to the level of achievement of the multiyear objectives of the plan, aligned with the Group's strategic objectives (as described in the 2014 annual remuneration report) and other conditions, which may mean this is zero.

**Ratio of variable components of remuneration to fixed components in 2015**

Shareholders at the general shareholders' meeting of 27 March 2015 approved a maximum ratio between variable and fixed components of executive directors' remuneration of 200%.

The percentage of variable components of total remuneration compared to fixed components for each executive director in 2015 is:

- Ms Ana Botín-Sanz de Sautuola y O'Shea: 109%
- Mr José Antonio Álvarez Álvarez 2015: 56%
- Mr Rodrigo Echenique Gordillo: 2015: 121%
- Mr Matías Rodríguez Inciarte: 2015: 141%
- Mr Juan Rodríguez Inciarte<sup>(\*)</sup>: 2015: 71%

(\*) Ceased to be a director on 30 June 2015.

For these purposes:

- The variable components of remuneration include the 2015 Bonus, the 2015 LTI and, if applicable, the portion of contributions to the 2015 benefits system that are calculated on the variable remuneration of the related director.
- The fixed components of remuneration include the other items of remuneration that each director received in 2015 for the performance of executive duties, including contributions to the benefits system calculated based on fixed remuneration, as well as all bylaw-stipulated emoluments that the related director is entitled to receive in his capacity as such.

**D.3** Report the results of the consultative vote of the shareholders on the annual remuneration report for the preceding financial year, indicating the number of votes against, if any:

	<b>Number</b>	<b>% of total</b>
<b>Votes cast</b>	8,075,223,263	96.16%

	<b>Number</b>	<b>% of votes cast</b>
<b>Votes against</b>	177,761,362	2.12%
<b>Votes in favour</b>	7,761,890,435	92.43%
<b>Abstentions</b>	135,571,466	1.61%

**E**      **OTHER INFORMATION OF INTEREST**

If there are any significant aspects regarding director remuneration that could not be included in the other sections of this report, but should be included in order to provide more complete and well-reasoned information regarding the remuneration structure and practices of the company with respect to its directors, briefly describe them.

This annual remuneration governance report was adopted by the company's board of directors at its meeting held on: 12 February 2016.

List whether any Directors voted against or abstained from voting on the approval of this Report.

Yes  No

### Bonuses from prior financial years: shares delivered and pending delivery

The annex to this report includes information regarding the gross amounts of the shares delivered to the executive directors during 2015 corresponding to the deferred portion in shares of the variable remuneration accrued during prior financial years. The data in this table reflects the gross remuneration amounts, without taking into account any withholding.

No information regarding the 2015 Bonus or the 2015 LTI is included in this table, as shares corresponding to these plans were not delivered during 2015. We have not included information on the 2014 LTI as, even though the measurement period of the metric for the first third of the amount concluded on 31 December 2015, the outcome of this metric has not yet been determined and the corresponding shares have not yet been delivered. As described in section C of the report, the 2015 LTI has not yet accrued. The 2015 Bonus has accrued and the total amounts thereof are included not only in the aforementioned section C but also in sections D.1.a) i) (under the item "Short-term variable remuneration" –for the amount to be paid in cash) and D.1.a.) ii) (under the item "No. / Price" under the heading "Shares delivered during the year" –for the amount to be paid in shares), without prejudice to 40% of such amounts having been paid at the beginning of 2016 and the remaining 60%, if applicable, to be paid in fifths in 2017, 2018, 2019, 2020 and 2021.

Director	Name of plan	Date of implementation	Shares 01/01/2015	Shares delivered in 2015	Shares retired in 2015	Shares pending delivery at 31/12/2015
Ms Ana Botín-Sanz de Sautuola y O'Shea	First cycle of deferred conditional delivery share plan (2011 variable remuneration)	17/06/2011	47,000	47,000	-	-
	Second cycle of Deferred conditional variable remuneration plan (2012 variable remuneration)	30/03/2012	69,916	34,958	-	34,958
	Third cycle of Deferred conditional variable remuneration plan (2013 variable remuneration)	22/03/2013	99,362	33,121	-	66,241
	Fourth cycle of Deferred conditional variable remuneration plan (2014 variable remuneration)	28/03/2014	304,073	121,629	-	182,444
Mr José Antonio Álvarez Álvarez	First cycle of Deferred conditional delivery share plan (2011 variable remuneration)	17/06/2011	32,038	32,038	-	-
	Second cycle of Deferred conditional variable remuneration plan (2012 variable remuneration)	30/03/2012	48,093	24,047	-	24,046
	Third cycle of Deferred conditional variable remuneration plan (2013 variable remuneration)	22/03/2013	58,681	19,560	-	39,121
	Fourth cycle of Deferred conditional variable remuneration plan (2014 variable remuneration)	28/03/2014	157,452	78,726	-	78,726
Mr Matías Rodríguez Inciarte	First cycle of Deferred conditional delivery share plan (2011 variable remuneration)	17/06/2011	62,878	62,878	-	-
	Second cycle of Deferred conditional variable remuneration plan (2012 variable remuneration)	30/03/2012	83,059	41,530	-	41,529
	Third cycle of Deferred conditional variable remuneration plan (2013 variable remuneration)	22/03/2013	103,639	34,546	-	69,093
	Fourth cycle of Deferred conditional variable remuneration plan (2014 variable remuneration)	28/03/2014	231,814	92,726	-	139,088
Mr Javier Marín Romano <sup>4</sup>	First cycle of Deferred conditional delivery share plan (2011 variable remuneration)	17/06/2011	25,960	25,960	-	-
	Second cycle of Deferred conditional variable remuneration plan (2012 variable remuneration)	30/03/2012	38,969	19,485	-	19,484
	Third cycle of Deferred conditional variable remuneration plan (2013 variable remuneration)	22/03/2013	112,275	37,425	-	74,850
	Fourth cycle of Deferred conditional variable remuneration plan (2014 variable remuneration)	28/03/2014	320,563	128,225	-	192,338
Mr Juan Rodríguez Inciarte	First cycle of Deferred conditional delivery share plan (2011 variable remuneration)	17/06/2011	36,690	36,690	-	-
	Second cycle of Deferred conditional variable remuneration plan (2012 variable remuneration)	30/03/2012	48,466	24,233	-	24,233
	Third cycle of Deferred conditional variable remuneration plan (2013 variable remuneration)	22/03/2013	66,448	22,149	-	44,299
	Fourth cycle of Deferred conditional variable remuneration plan (2014 variable remuneration)	28/03/2014	179,680	71,872	-	107,808

<sup>1</sup> Ceased to be a director on 12 January 2015.

<sup>2</sup> Ceased to be a director on 30 June 2015.