

TREASURY STOCK POLICY

Santander Group

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1 INTRODUCTION

This Treasury Stock Policy (the “Policy”) establishes the general principles, criteria and limits, operating rules and responsibilities, as well as the governance path to be followed to carry out and control purchase and sale transactions with the own shares of Banco Santander, S.A. (the “Bank”).

2 SCOPE

This Policy shall be applicable to any transaction with the own shares of Banco Santander, S.A., carried out by either the Bank or any company controlled by it (together with the Bank, “Santander Group” or the “Group”), and irrespective of whether they are carried out in regulated markets, in multilateral trading facilities, outside the orders market, either through blocks or through special transactions, or under a buy-back programme¹.

All transactions in the Bank's own shares will be carried out in accordance with the following provisions:

- the current laws and regulations, including in particular the consolidated text of the Spanish Limited Liability Companies Law approved by Royal Legislative Decree 1/2010, of 2 July, the consolidated text of the Securities Market Law approved by Royal Legislative Decree 4/2015, of 23 October, Regulation (EU) 596/2014, of 16 April, of the European Parliament and of the Council, on market abuse and their respective implementing regulations; and, in so far as applicable, the Delegated Regulation (EU) 2016/1052, of 8 March, of the European Commission, with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures;
- the resolutions adopted by the general shareholders’ meeting and the board of directors of the Bank in the area of treasury shares; and
- the criteria set out in this Policy, without prejudice to any exceptions provided for herein.

3 SCOPE OF APPLICATION AND TRANSPOSITION BY SUBSIDIARIES

This Policy is drafted by Banco Santander, S.A. as the parent company of Santander Group and it establishes the rules applicable to the entire Group.

The Group companies shall adopt this Policy and are responsible for their internal regulations. They are obliged to draft and approve, at their respective governing bodies, the internal regulations that enable the application of the provisions set out herein, with the minimum necessary adjustments, if any, that ensure compliance with local laws, requirements and regulatory expectations.

4 GENERAL PRINCIPLES

The following general principles shall be observed in treasury stock transactions:

¹ Transactions involving Bank shares carried out by the Bank in the course of market risk hedging or brokerage or hedging activities for customers will not be considered treasury shares transactions for these purposes nor will be subject to this Policy.

- Protection of the integrity of financial markets and the confidence of investors in them and preservation of the stability of the financial system.
- Prohibition of manipulating or attempting to manipulate the market, including in particular prohibitions of providing false or misleading signals of the supply of, demand for, or price of the shares, of setting prices at an abnormal or artificial level or in general of altering prices through any fictitious or artificial mechanism, and of exercising a dominant position with regard to supply or demand.
- Prohibition of trading or attempting to trade with inside information, for which purpose the independence of the unit responsible for executing the Bank's treasury stock transactions must be guaranteed.
- Execution exclusively through Banco Santander, S.A. Treasury stock trading will be carried out by the Investment and Holdings corporate department as provided in section 6.1 below, isolated as a separate area and protected by the corresponding barriers, so that it does not have any inside information.

5 PURPOSES TO CARRY OUT TRANSACTIONS

The Bank may carry out transactions in treasury shares for any of the following purposes:

- (i) To provide liquidity in the Bank's share market or the supply of securities, as appropriate, giving depth to that market and minimising any temporary imbalances between supply and demand.
- (ii) To take advantage for the benefit of all shareholders from situations of share price weakness in relation to the medium-term outlook.
- (iii) To meet the obligations to deliver shares that the Bank or its Group has with its employees or directors.
- (iv) Any other purposes approved by the Bank's board of directors at any given time within the legal limits and those set by the shareholders at the general shareholders' meeting, including reducing share capital, allowing for the exchange of financial instruments or other liabilities exchangeable for the Bank's shares and acquiring shares of the Bank for use as consideration in acquisitions and other transactions.

6 OPERATING CRITERIA

Treasury stock trading will be carried out in the market in accordance with the following rules regarding its operations.

In the event that a decision is made to execute treasury stock transactions through alternative mechanisms such as buy-back programmes, liquidity contracts or other mechanisms with a regulation of their own, such other mechanisms will be disclosed before they commence as and when required by those applicable regulations.

6.1. Responsibility for the execution of treasury stock transactions

The Head of the Investment and Holdings department shall be responsible for the execution of treasury stock transactions.

No other Group unit will carry out transactions on Bank shares included within the scope of this Policy, except in exceptional cases that must be approved by the head of treasury stock management and in which the execution of the transaction in question shall be co-ordinated by the aforementioned responsible person, and except for the delivery of shares that the Bank or its Group must perform to its employees or directors, which will be carried out by the units required to effect such delivery under the co-ordination of the responsible person.

6.2. Information

The Bank will maintain the following information on its website (www.santander.com), under 'Significant holdings and treasury shares', which is in the 'Shareholders and investors' section:

- (i) The resolution of the Bank's general shareholders' meeting then in force which authorises treasury stock operations.
- (ii) The current version of this Policy.
- (iii) The identity of the natural person who is responsible for managing the treasury stock in accordance with section 6.1 above.
- (iv) The identity of the intermediary through which treasury stock transactions are carried out in the Continuous Market.
- (v) The information on the transactions carried out referred to in section **¡Error! No se encuentra el origen de la referencia.** below.

6.3. Execution of treasury stock transactions

In general, treasury stock transactions will be carried out in the orders market of the Continuous Market.

Treasury stock transactions will only be carried out through blocks, in markets other than the Continuous Market or through other financial instruments² in exceptional circumstances and for a justified reason. In such exceptional circumstances:

- (i) Daily volume limits (section 6.4), price limits (section 6.6) and operational restrictions (section 6.7) will not apply to treasury stock transactions in the block market.
- (ii) Daily volume limits (section 6.4), price limits (section 6.6) and operational restrictions (section 6.7) will apply *mutatis mutandis*, taking into account the rules and specificities for the functioning of the market concerned, to treasury stock transactions carried out in markets other than the Continuous Market and the block market or through other financial instruments.

² Instruments that are not considered treasury stock in accordance with the applicable securities markets regulations are not subject to this Policy.

6.4. Daily volume limits

In general, the Bank's treasury stock transactions, including purchases and sales of shares executed on any trading venue, as well as through special transactions, will not exceed 15% of the average daily trading volume for acquisitions of Bank's shares in the previous 30 sessions of the Continuous Market order market.

The limit set out in this section may be exceeded, without exceeding 25% of the average daily volume of trading in the Bank's share purchases in the previous 30 sessions of the Continuous Market order market, in exceptional circumstances, such as those which cause significant changes in volatility or in the levels of supply or demand for shares, and for a justified reason.

6.5. Aggregate volume limits

The treasury shares will not exceed the limit approved at any given time by the Bank's general shareholders' meeting within the maximum established in article 146.3 of the Spanish Limited Liability Companies Law.

Furthermore, the balance of treasury shares shall not exceed the limit authorised by the European Central Bank at any given time.

The treasury shares activity will be further subject to the volume limits established by the board of directors of the Bank or, with its delegation, by its executive committee.

6.6. Price limits

Orders to buy shall be made at a price not higher than the greater of the following two: (i) the price of the last transaction carried out by independent parties in the market; and (ii) the highest price contained in an order to buy in the order book.

Orders to sell shall be made at a price not lower than the lower of the following two: (i) the price of the last transaction by independent parties in the market; and (ii) the lowest price contained in an order to sell in the order book.

In addition, pursuant to the resolutions of the general shareholders' meeting, transactions may only be carried out at a minimum price per share of the nominal amount of the shares (EUR 0.5) and a maximum of 3 per cent higher than the price of the last price per share for transactions in which the Bank does not act on its own account in the Continuous Market prior to the acquisition in question.

6.7. Operating restrictions

Treasury stock trading should be subject to the following limits:

- (i) In order to understand the situation of the Bank's equity market, the Investment and Holdings department may collect data from market members it deems appropriate. However, transactions carried out on the market must be executed through a single intermediary.
- (ii) All transactions involving treasury shares will be carried out during normal trading hours, except for singular transactions meeting one of the causes envisaged for special operations, in which case the rules applicable to such special transactions will apply.

- (iii) No buy and sell orders shall be entered simultaneously.
- (iv) No buy or sell orders shall be placed during the opening or closing auctions, except exceptionally for justified reasons and extreme caution shall be exercised to prevent such orders from having a decisive influence on the evolution of the auction price. In those exceptional cases: (i) the cumulative volume of buy and sell orders entered must not exceed 10% of the theoretical volume resulting from the auction at the time of entering the orders; (ii) no market or best execution orders will be introduced, except in exceptional and justified circumstances; (iii) the price of the purchase orders shall not exceed the highest of the theoretical equilibrium price of the auction when entering the order and the price of the last transaction executed on the market before the auction and (iv) the price of the sell orders shall not be lower than the lowest of the theoretical equilibrium price of the auction when entering the order and the price of the last transaction executed on the market before the auction.
- (v) No orders shall be introduced during the auction period prior to the lifting of the suspension of the Bank's shares from trading, should this have occurred, until trades have been crossed in the security. Orders not executed on declaring the suspension should be withdrawn.

6.8. Black-out

Trading in treasury shares will not take place during the 15 calendar days prior to the publication of the Bank's financial information required by Royal Decree 1362/2007, of 19 October, or if the Bank has decided to delay the disclosure of inside information in accordance with the provisions of article 17 of the Market Abuse Regulation and until such information is disseminated, except in exceptional circumstances, such as those which cause significant changes in volatility or the level of supply or demand for shares. For this purpose, the Compliance function will inform the Investment and Holdings department of the planned dates of publication of the results and of any delay in the said dates.

6.9. Exceptions procedure

If the head of treasury stock wishes to apply any of the practices considered exceptional in accordance with sections 6.2 to 6.8, such person shall inform the Bank's Compliance function and include a detailed record of the reasons for the exception in the register referred to in section 6.11.

6.10. Market information

The Bank will publish quarterly information on the treasury stock transactions carried out, including the stock of shares purchased and sold and the treasury stock at the end of the period. The cash balances used and obtained will also be published annually.

6.11. Supervision and internal control

The Investment and Holdings department, as responsible for the treasury stock management, will keep a record of the orders entered, modified or cancelled and the treasury stock transactions executed. Such records will be available at all times to the Compliance function.

7. GOVERNANCE

The Head of Compliance shall report on a monthly basis to the Bank's board risk supervision, regulation and compliance committee on the trading of treasury shares carried out in that month and on the operation of the controls carried out in the same period of time.

Likewise, the executive committee will receive regular information on treasury stock activity to verify that the requirements for the acquisition of treasury shares set out in article 146.3 of the Spanish Limited Liability Companies Law have been complied with.

8. OWNERSHIP, INTERPRETATION, DATE OF VALIDITY AND PERIODIC REVIEW

In this section it has to be indicated:

- The approval of this document corresponds to the board of directors of Banco Santander, S.A. The version currently in force was approved on 27 October 2020.
- The interpretation of this document corresponds to the Head of the Investment and Holdings department.
- This document will take effect on the date of its publication. Its contents will be subject to periodic review, being made or if appropriate, any changes or modifications deemed appropriate.