

CRITERIA FOR PREVENTION OF CONFLICTS OF INTEREST

I.- INTRODUCTION

Banco Santander, S.A. (hereinafter Banco Santander or the Bank) has approved rules, and procedures that establish the criteria for prevention of conflicts of interest which may occur as a result of the different activities and functions carried out by the Bank, or between its interests or its customers and those of its directors and senior management.

Furthermore, given the structure of Grupo Santander, conflicts of interest could arise as a result of the different lines of authority and information flows between the parent company and the subsidiaries.

In this regard, the Group has a Conflicts of Interest Policy which aims to provide employees, directors and entities of the Grupo Santander with guidelines to prevent and manage conflicts of interest that may occur as a result of their activities.

In addition, specifically, the Group has a General Code of Conduct, which includes the ethical principles and standards of conduct to govern the actions of all persons subject to it, i.e. the members of the board of directors and employees of the Bank and of the other companies of the Group, and that it establishes certain actions to prevent conflicts of interest of the persons subject to it, both with the interests of the Group and with those of its customers.

The Bank has also approved other internal rules that complement and develop the provisions of the General Code of Conduct and that establish certain mechanisms for the prevention of conflicts of interest, applicable to persons subject to them, according to their own terms. Thus, the internal codes or regulatory instruments governing conflicts of interest, in relation to their respective areas, are as follows:

- Rules and Regulations of the Board of Directors.
- Code of Conduct of the Securities Markets.
- Code of Conduct on Research Activities.

II.- PARENT-SUBSIDIARY RELATIONS

Banco Santander, S.A., as the parent entity of Grupo Santander, structures its governance in order to provide an adequate control system. This system works through relevant figures and committees that ensure the supervision and control of risks to which the Group and its constituent entities are exposed, and under the ultimate responsibility of supervision and control of its board of directors and committees, ensuring the robustness of its internal governance system, and monitoring the implementation and operation of policies to identify potential conflicts of interest, so that they can be prevented and, where appropriate, properly managed.

With regard to the subsidiary entities, the Group has approved a Governance Model, which sets out the principles governing the relationship between the Group and its subsidiaries, and the interaction that should exist between them, including the need for those entities to have, in addition of its own governance system, figures with functional reporting to the relevant figures of the Group.

Banco Santander also applies internal corporate frameworks, which act as common approach to those matters that have been considered relevant due to their impact on the Group's risk profile, including risks, capital, liquidity, compliance, financial crime, technology, audit, accounting and reporting, financial, strategy, human resources, outsourcing, cybersecurity, special situation management, communication and brand, and responsible banking.- These corporate frameworks include: (i) how to exercise the Group's supervision and control over subsidiaries; and (ii) the participation of the Group in certain relevant decisions of the subsidiaries, as well as that of the subsidiaries in the decision-making process in the Group.

III.- CONFLICTS OF INTEREST – DIRECTORS

With regard to the particular case of possible situations of conflict between the interests of the Bank and those of its directors, and independently of the directors' adherence to the ethical principles of the General Code of Conduct, the Rules and Regulations of the Board of Directors expressly regulate the duty of loyalty with which the directors of the Bank must perform their duties, acting in good faith and in the best interest of the Bank, and expressly states (i) the obligation of any director to avoid incurring in situations in which his interests, whether on his own account or on his own behalf, directly or indirectly through related persons, may conflict with the social interest and with his duties toward the Company, as well as (ii) its duty to refrain from certain actions in which the director or a related person may be a beneficiary, precisely in order to avoid situations of conflict of interest. Notwithstanding the foregoing, the assumptions authorized by the Company in accordance with the law, the By-laws and the Rules and Regulations of the Board of Directors are exempted from this obligation.

The Rules and Regulations of the Board of Directors also establishes the obligation of the director to communicate, not only any direct or indirect conflict that they or persons related to them could have with the interest of the Company, information which, in any event, will be disclosed in the annual report and in the annual corporate governance report, but also the direct or indirect shareholding that they and their related persons have in the capital of a company that is in a position of effective competition with the Bank.

In addition, and without prejudice to the subject of directors to the rules applicable to them in the Code of Conduct of the Securities Markets, the Rules and Regulations of the Board of Directors also regulates a duty of inactivity of the director or duty not to conduct, or suggest to any person that they conduct, transactions involving securities of the Bank or of the subsidiaries, affiliated or related companies in connection with which they have privileged or confidential information by reason of their position as such, as long as that information is not made public.

The Rules and Regulations of the Board expressly states that transactions performed by the Bank or Group companies with directors, shareholders holding 10% or more of the voting rights or represented on the board of directors of the Bank or with any other persons to be considered as related parties in accordance with the International Accounting Standards ("Related-party Transactions"), shall require approval from the board, except in cases where the approval of such operations is due by law to the general meeting. Notwithstanding the above, the board has delegated to the competent executive bodies, committees and authorized persons the approval of the related-party transactions which simultaneously fulfill the conditions set out in Article 529 *duovities* 4 of the Companies Act, as follows: (i) that they are carried out under agreements with basic standard terms that usually apply to customers contracting the product or service in question; (ii) at prices or rates set by the party acting as supplier of the good or service in question, or arm's length terms and conditions for commercial relations with similar customers, where the goods or services are not subject to set rates that already exist; and (iii) they do not exceed 0.5% of the

Bank's net annual income, in accordance with the last consolidated annual accounts approved at the general shareholders' meeting. Approval of these transactions shall not require a prior report from the audit committee, since an internal periodic reporting and control procedure has been established in relation to them, involving the audit committee, which verifies the fairness and transparency of those transactions and, where appropriate, compliance with the criteria applicable to the above-mentioned exceptions. The procedure requires a permanently up-to-date list of natural and legal persons concerned in related-party transactions.

In any event, the related-party transactions shall be assessed from the perspective of whether the transaction is fair and reasonable from the Bank's point of view and, where appropriate, of shareholders other than the related party, and shall be included in the annual corporate governance report, in the annual accounts report and in regular public information, as provided for in the applicable rules. If a related-party transaction must be approved at the general shareholding's meeting or by the board, the audit committee must issue a prior report about it in accordance with the law. Such prior report shall not be required in the case of related-party transactions approved under the delegation of the board.

The Bank also has a policy for the admission, authorization and monitoring of financing transactions (including loans, credits, leasing, factoring and guarantees) for directors and senior managers, which set out the procedure in place for the granting or renewal of such transactions of which they or related parties, such as their spouse or person with a similar relationship; minor children or those of legal age who are economically dependent; or companies controlled by directors or senior managers whose activity is limited to the mere holding of assets and the management of personal or family assets.

This policy outlines general rules in terms of maximum borrowing, interest rates and other similar conditions to those that apply to other employees. In accordance with this policy, the financing transactions granted to the members of the board and the senior management of Banco Santander or its related parties, must be authorized by the board. Furthermore, in accordance with the rules applicable to credit institutions, financing transactions granted to directors and senior managers of the Bank shall be authorized by the ECB, except in the cases listed below: (i) transactions covered by a collective agreement or agreement concluded by Banco Santander that are similar to the terms of the transactions granted to any employee; (ii) transactions carried out under agreements with standard conditions that generally apply to a large number of customers, provided that the amount granted to the beneficiary or its related parties does not exceed EUR 200,000.