

**RESOLUTION OF THE BOARD OF DIRECTORS OF POPULAR SPAIN HOLDING DE
INVERSIONES, S.L.U. APPROVING THE MERGER BY ABSORPTION OF POPULAR SPAIN
HOLDING DE INVERSIONES, S.L.U., SANTANDER INVESTMENT I, S.A.U. AND
ADMINISTRACIÓN DE BANCOS LATINOAMERICANOS SANTANDER, S.L. BY BANCO
SANTANDER, S.A.**

**[●].- APPROVAL OF THE MERGER BY ABSORPTION OF POPULAR SPAIN HOLDING DE
INVERSIONES, S.L.U., SANTANDER INVESTMENT I, S.A.U. AND ADMINISTRACIÓN DE
BANCOS LATINOAMERICANOS SANTANDER, S.L. BY BANCO SANTANDER, S.A.**

(A) Approval of the common draft terms of merger (*proyecto común de fusión*) by absorption of Popular Spain Holding de Inversiones, S.L.U., Santander Investment I, S.A.U. and Administración de Bancos Latinoamericanos Santander, S.L. by Banco Santander, S.A.

It is unanimously resolved to approve and sign the common draft terms of merger (*proyecto común de fusión*) by absorption of Popular Spain Holding de Inversiones, S.L.U. (“PSHI”), Santander Investment I, S.A.U. (“SISA I”) and Administración de Bancos Latinoamericanos Santander, S.L. (“ABLASA” and, jointly with PSHI and SISA I, the “**Absorbed Companies**”) by Banco Santander, S.A. (“Santander” or the “**Absorbing Company**” and, jointly with the Absorbed Companies, the “**Companies**”) (hereinafter, the “**Draft Terms of Merger**” or the “**Common Draft Terms**”), in accordance with articles 30 and 31 *et seq.* and articles 49 and 51 of Law 3/2009 of 3 April on structural modifications of companies (the “**Structural Modifications Law**”).

A copy of the Common Draft Terms, duly signed by the members of this board of directors is annexed to these minutes and filed with the general secretariat of PSHI.

Pursuant to paragraphs 1 and 2 of article 32 of the Structural Modifications Law, the Common Draft Terms shall be included on Santander’s corporate website (www.santander.com) and shall be deposited with the Commercial Registry of Madrid by the directors of the Absorbed Companies.

It is hereby stated that, as at today, the Common Draft Terms have also been signed and approved by the directors of each of the Absorbed Companies. Consequently, the Common Draft Terms are approved by the directors of both Santander and the Absorbed Companies by means of this resolution. As mentioned in section 12 of the Common Draft Terms and in accordance with articles 51(1) and 49(1)(4) of the Structural Modifications Law, the merger is approved by the board of directors of Santander and by the boards of directors of each of the Absorbed Companies, without the need of a resolution of their respective general meetings, without prejudice to the need to acquire the approval of the general meeting of Santander if shareholders representing one per cent (1%) of its share capital request a general meeting to be convened as provided for in article 51(2) of the Structural Modifications Law.

(B) Significant changes in the assets or liabilities of the Companies involved in the Merger

Pursuant to the provisions of article 39(3) of the Structural Modifications Law, the board of directors of PSHI hereby states that, taking into account that the Common Draft Terms are approved and executed by the boards of directors of Santander and of the Absorbed Companies at the same meeting at which the Merger is approved, neither Santander nor the Absorbed Companies have undergone significant changes in their assets or liabilities between the date of the draft of the Common Draft Terms and today’s date.

(C) Approval of the balance sheet for the merger with Santander

It is unanimously resolved to approve as the merger balance sheet of PSHI, for the purposes of article 36(1) of the Structural Modifications Law, the individual balance sheet as at 31 December 2020, included in the annual accounts for the financial year 2020, formulated by the board of directors of PSHI on 31 March 2021 and duly verified by PricewaterhouseCoopers Auditores, S.L., auditor of PSHI's accounts, on 13 May 2021.

It is hereby stated that the aforementioned balance sheet was approved by the ordinary general shareholders' meeting of PSHI held on 17 June 2021.

The text of the balance sheet for the merger with Santander and PSHI's corresponding audit report are included in the background to these minutes and filed with the general secretary of PSHI.

(D) Approval of the merger by absorption of the Absorbed Companies by Santander and the termination of the Absorbed Companies by means of their dissolution without liquidation and the *en bloc* transfer of all of their assets and liabilities to Santander, which shall acquire all of the rights and obligations of the Absorbed Companies by universal succession in accordance with the Common Draft Terms of Merger

It is unanimously resolved to approve the merger between Santander and the Absorbed Companies by means of the simultaneous absorption of the Absorbed Companies by Santander (Absorbing Company) and the termination of the Absorbed Companies by means of their dissolution without liquidation and the *en bloc* transfer of all of their assets and liabilities to Santander, which shall acquire all of the rights and obligations of each of the Absorbed Companies by universal succession (hereinafter, the "**Merger**").

PSHI and SISA I are companies wholly owned directly by Santander and ABLASA is a company wholly owned by Santander, partly directly (24.11%) and partly through one of the Absorbed Companies, SISA I (75.89%). Taking into account that SISA I will be absorbed by Santander by virtue of the Merger and that, therefore, ABLASA will also become a company wholly owned directly by Santander, the simplified regime established in articles 49 *et seq.* of the Structural Modifications Law is applicable, as well as the possibility of not having to hold a general meeting of Santander pursuant to article 51(1) of the Structural Modifications Law. In particular, in accordance with article 49 of the Structural Modifications Law, in relation to article 26 of the same Law, Santander shall not increase its share capital as a result of the absorption of the Absorbed Companies.

Therefore, the following aspects are not included in the information provided below in compliance with article 228 of the Commercial Registry Regulations and article 31 of the Structural Modifications Law: (i) the exchange ratio of the Merger, methods for covering the exchange and the exchange procedure; (ii) the date as from which the shares (*acciones*) delivered in exchange for shares (*acciones* or *participaciones sociales*, where applicable) shall give the right to receive Santander profits; (iii) information about the valuation of assets and liabilities of the Absorbed Companies; nor (iv) the date of the annual accounts of the merging Companies used to determine the conditions of the Merger.

Additionally, pursuant to articles 51(1) and 49(1)(4) of the Structural Modifications Law, the Merger will be approved by the board of directors of Santander and by the boards of directors of each of the Absorbed Companies, provided that a request is not made by shareholders of Santander representing at least one per cent (1%) of the share capital of Santander, in which case approval of the Merger by the general meeting of Santander will be required.

Information on the terms and conditions of the resolution approving Merger

In compliance with the provisions of article 228 of the Commercial Registry Regulations, and as an integral part of the content of this Merger resolution, the circumstances related to the aforementioned provision and the remaining minimum content of the Common Draft Terms are set out below, in accordance with articles 31 and 49(1) of the Structural Modifications Law.

(a) Identification of the companies participating in the Merger:

Absorbing Company

- Banco Santander, S.A. is a Spanish credit institution with registered office at Paseo de Pereda, numbers 9 to 12, 39004, Santander, holding Spanish tax identification number A-39000013 and registered with the Commercial Registry of Cantabria on sheet 286, page 64, book 5º on Companies, entry 1ª and with the Banks and Bankers Registry of the Bank of Spain under number 0049.

Absorbed Companies

- Popular Spain Holding de Inversiones, S.L.U. is a Spanish company with registered office at Calle Juan Ignacio Luca de Tena, number 11, 28027, Madrid, holding Spanish tax identification number B-86164670 and registered with the Commercial Registry of Madrid at volume 28,660, page 10, sheet number M-516,101.
- Santander Investment I, S.A.U. is a Spanish company with registered office at Avenida de Cantabria, s/n, Ciudad Grupo Santander, 28660, Boadilla del Monte, Madrid, holding Spanish tax identification number A-28233013 and registered with the Commercial Registry of Madrid at volume 4,210, page 103, sheet number M-70,008.
- Administración de Bancos Latinoamericanos Santander, S.L. is a Spanish company with registered office at Avenida de Cantabria, s/n, Ciudad Grupo Santander, 28660, Boadilla del Monte, Madrid, holding Spanish tax identification number B-08584930 and registered with the Commercial Registry of Madrid at volume 15,731, page 90, sheet number M-265,161.

(b) Bylaws of the absorbing company:

The bylaws of Santander shall not be amended as a result of the Merger. Therefore, upon completion of the Merger, Santander, as the Absorbing Company, shall continue to be governed by its current bylaws. The text of the bylaws, as it stood at the date of this resolution, appears on Santander's corporate website (www.santander.com) and a copy of which is attached to the Draft Terms of Merger for the purposes of article 31(8) of the Structural Modifications Law.

(c) Date from which the transactions of each of the Absorbed Companies shall be deemed to have taken place on behalf of Santander for accounting purposes:

1 January 2021 is established as the date from which the transactions of each of the Absorbed Companies shall be deemed to have taken place on behalf of Santander for accounting purposes (Registration and Valuation Standard 21ª of the General Accounting Plan (*Plan General de Contabilidad*) approved by Royal Decree 1514/2007 of 16 November and amended by Royal Decree 1159/2010 of 17 September 2010; the "**General Accounting Plan**"). Notwithstanding this, if the Merger is registered in the financial year 2022, after the preparation of the annual accounts of Santander for the financial year 2021, the provisions of section 2(2) of the Registration and Valuation

Standard 19^a of the General Accounting Plan by reference to the Registration and Valuation Standard 21^a shall apply.

For the appropriate purposes, it is hereby stated that these retroactive accounting effects are in accordance with the General Accounting Plan.

(d) Impact of the Merger on labour contributions and ancillary obligations:

It is hereby stated that there are no labour contributions (*aportaciones de industria*) or ancillary obligations attached to the shares of the Companies. Consequently, it is not appropriate to grant any compensation in the sense referred to in article 31(3) of the Structural Modifications Law.

(e) Rights and options granted to holders of special rights or to holders of rights other than those representing capital:

It is hereby stated that all the shares (*acciones* or *participaciones sociales*, where applicable) of each Company grant the same rights and obligations to their holders. There are no holders of special preferred shares (*clases de acciones especiales* or *clases de participaciones sociales especiales*, where applicable) nor persons with special rights other than the simple ownership of the shares (*acciones* or *participaciones sociales*, where applicable) in any of the Absorbed Companies.

Therefore, it is not appropriate to grant any special right or offer any options to any person in the sense referred to in article 31(4) of the Structural Modifications Law.

(f) Benefits for directors and independent experts:

It is stated that none of the directors of Santander or of any of the Absorbed Companies shall receive any benefits.

The Merger will be carried out without the intervention of independent experts, as this is not required pursuant to article 49(1) of the Structural Modifications Law.

(g) Conditions precedent:

The effectiveness of the Merger is subject to the authorisation of the Merger by the Minister of Economic Affairs and Digital Transformation, pursuant to additional provision twelve of Law 10/2014 of 26 June on the regulation, supervision and solvency of credit entities, and to the obtaining of any other authorisation that may be required under the law applicable to the Merger.

(h) Impact of the Merger on employment, impact on gender equality within the management bodies and impact on corporate social responsibility:

Possible impact of the Merger on employment

For the purposes of article 31(11) of the Structural Modifications Law, it is hereby stated that, as of the date of these Common Draft Terms, the Absorbed Companies have no employees. Therefore, since the Merger will not have any effect on employment within Santander, there will be no consequences in this regard for any of the companies participating in the Merger.

Possible impact on gender equality within the management bodies

It is not expected that the Merger shall produce changes in the composition of the management body of Santander and, therefore, there will be no impact on gender equality either.

Impact of the Merger on corporate social responsibility

It is not expected that the Merger shall have any impact on the corporate social responsibility policy of Santander.

(E) Applicability of the tax rules established in chapter VII of title VII and additional provision two of the Consolidated Text of the Law on Corporate Income Tax, as well as in article 45, paragraph I(B)(10) of Royal Legislative Decree 1/1993 of 24 September approving the Consolidated Text of the Asset Transfer and Documentary Stamp Tax Law

Pursuant to article 89(1) of Law 27/2014 of 27 November on Corporate Income Tax, the Merger is subject to the tax rules established in chapter VII of title VII and in additional provision two of the said Law, as well as in article 45, paragraph I(B)(10) of Royal Legislative Decree 1/1993 of 24 September approving the Consolidated Text of the Asset Transfer and Documentary Stamp Duty Law. These rules provide for the possibility of carrying out company restructurings under tax-neutral conditions, provided that the said transactions are carried out for economically valid reasons, such as those set out in the Draft Terms of Merger.

Notice of the Merger shall be given to the Tax Authority within three months of the registration of the merger deed in accordance with the terms established in articles 48 and 49 of the Corporate Income Tax Regulations approved by Royal Decree 634/2015 of 10 July.

(F) Delegation of powers and granting of special powers of attorney

Without prejudice to the delegations of powers or powers of attorney currently in force, it is unanimously resolved to empower the president, the secretary non-director and the vice-secretaries non-directors, as well as to grant special power of attorney, as broad as necessary by Law, in favour of:

- Mr Carlos Beltrán García-Echániz, of Spanish nationality, of legal age, with domicile for these purposes at Avenida de Cantabria s/n, Boadilla del Monte, 28660 (Madrid), and holder of the Spanish Identity Card number 50807962-L, in force.

so that any of them may, jointly and severally, even if it involves self-contracting, multi-representation or conflicts of interest, in the name and on behalf of PSHI, carry out any acts, legal transactions, contracts, declarations, announcements, communications, transactions or public or private documents as may be necessary or convenient for the execution, performance, effectiveness and good conclusion of the resolutions adopted in relation to the Merger and, in particular, for the following actions, among others:

- (i) to clarify, specify and complete the resolutions adopted and resolve any doubt or issue that may arise, by correcting and completing any defect or omission that may impede or hinder the effectiveness or registration of the corresponding resolutions, and even grant deeds of ratification, correction or clarification in view of the verbal or written qualifications of the Commercial Registry or of the body which, as the case may be, is competent;
- (ii) to publish in the legally established manner any announcements or documents in relation to the Merger, as may be appropriate or necessary, and, in particular, the announcement provided for in article 51(1) of the Structural Modifications Law;
- (iii) to make any communications or notifications relating to the Merger to any persons or entities, with such content as they deem appropriate or convenient, including, but not limited to, any representative bodies of PSHI's employees and/or to PSHI's own employees;

- (iv) to effect any liquidation or provide guarantees to creditors that may oppose the Merger as provided for in the Structural Modifications Law and, in general, comply with the provisions of article 44 of the Structural Modifications Law, including the power to declare that the opposition period has expired;
- (v) to adopt all the resolutions that may be necessary or appropriate to execute and carry out the Merger, sign any public and/or private documents and carry out any actions, legal transactions, contracts, representations and acts that may be appropriate to that end;
- (vi) to declare compliance with the conditions precedent to which the Merger is subject and, if applicable, waive compliance with them where legally possible;
- (vii) to appear before any administrative authorities and any other public or private bodies and entities or persons, whether Spanish or foreign, including the powers to deposit and file or submit any documents or communications and to request any type of actions, authorisations or appointments, including, in particular, but not limited to, the filing of any documents before the Ministry of Finance, the Ministry of Economic Affairs and Digital Transformation, the Bank of Spain, the European Central Bank, the Directorate General of Taxation, the Directorate General of Insurance and Pension Funds or before any other authorities or bodies, including any national or foreign Commercial Registries, all for the purpose of carrying out the formalities and actions aimed at the fullest performance and effectiveness of the Merger;
- (viii) to appear before a notary public (Spanish or foreign) to execute the public deeds or minutes necessary or convenient for the execution of the Merger, including, in particular, but not limited to, the public deed of merger, with express powers to ratify, correct, clarify and rectify such aspects as may be necessary or convenient for the execution, performance, effectiveness and good conclusion of the resolutions adopted and for the registration of the Merger in the relevant commercial registries; and
- (ix) to execute all deeds of inventory of assets or other deeds as may be necessary or advisable to evidence the title of the Absorbed Companies to the assets and rights acquired by the Absorbing Company as a result of the Merger and to obtain the registration in the public registers in the name of the Absorbing Company of those assets or rights that are subject to registration.