



## DIRECTOR REMUNERATION

**DISCLOSURE ON THE OUTCOME OF THE VOTE AT THE GENERAL SHAREHOLDERS' MEETING ON THE REMUNERATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS, INDICATING THE QUORUM, THE TOTAL NUMBER OF VALID VOTES CAST, THE NUMBER OF VOTES FOR AND AGAINST AND THE NUMBER OF ABSTENTIONS.**

### ANNUAL GENERAL SHAREHOLDERS' MEETING OF 3 APRIL 2020

#### Quorum

A total of 589,268 shareholders attended in person or by proxy, with 10,802,580,226 shares. Therefore, the quorum was 65.0 % of the Bank's share capital. Each ordinary Banco Santander share corresponds to one vote.

#### Ninth agreement voting

	In favour	% (1)	Against	% (1)	Blank	% (2)	Abstained	% (2)	Quorum	% (3)
9. Director remuneration policy	9,860,479,952	94.40	584,467,065	5.60	3,208,617	0.03	354,424,592	3.28	10,802,580,226	65.00

(1) Percentage of total FOR and AGAINST votes

(2) Percentage of total share capital present and attending by proxy the Ordinary General Shareholders' Meeting

(3) Percentage of Banco Santander's share capital as of the date of the Ordinary General Shareholders' Meeting.

### **TOTAL REMUNERATION ACCRUED BY EACH MEMBER OF THE BOARD OF DIRECTORS EACH FINANCIAL YEAR, WITH ITEMISED INDIVIDUAL REMUNERATION.**

The table below shows details of short-term (or immediately payable) remuneration, broken down by individual Bank director, for financial years 2018 and 2019. The appendix to this report contains information on shares delivered in 2019 as a result of the deferred remuneration systems from previous years, whose conditions for delivery were met in the corresponding years.



Thousand of euros

	2019																2018	
	Bylaw-stipulated emoluments										Short-term and deferred (not subject to longterm goals) salaries of executive directors						Total	
	Annual emolument										Variable - immediate payment		Deferred variable		Pension contribution	Other remuneration <sup>I</sup>		Total
	Board <sup>d</sup>	Executive committee	Audit committee	Appointments committee	Remuneration committee	Risk supervision, regulation and Compliance oversight committee	Responsible banking, sustainability and culture committee	Attendance fees and commissions	Fixed	In cash	In shares	In cash	In shares	Total				
Ms Ana Botín-Sanz de Sautuola y O'Shea	90	170	-	-	-	-	15	59	3,176	1,302	1,302	781	781	7,342				
Mr José Antonio Álvarez Álvarez	90	170	-	-	-	-	-	53	2,541	870	870	522	522	5,325	858	1,774	8,270	8,645
Mr Bruce Carnegie-Brown	393	170	-	25	25	-	-	87	-	-	-	-	-	-	-	-	700	732
Mr Rodrigo Echenique Gordillo <sup>A</sup>	90	57	-	17	-	-	-	56	600	400	400	240	240	1,880	-	2,775	4,875	4,830
Mr Guillermo de la Dehesa Romero	90	170	-	25	25	-	-	89	-	-	-	-	-	-	-	-	399	441
Ms Homaira Akbari	90	-	40	-	-	-	15	81	-	-	-	-	-	-	-	-	226	199
Mr Ignacio Benjumea Cabeza de Vaca	90	170	-	-	25	40	15	93	-	-	-	-	-	-	-	91	524	513
Mr Francisco Javier Botín-Sanz de Sautuola y O'Shea <sup>B</sup>	90	-	-	-	-	-	-	47	-	-	-	-	-	-	-	-	137	121
Ms Sol Daurella Comadrán	90	-	-	25	25	-	15	85	-	-	-	-	-	-	-	-	240	215
Ms Esther Giménez Salinas i Colomer	90	-	-	4	-	40	15	79	-	-	-	-	-	-	-	-	228	196
Ms Belén Romana García	160	170	40	-	-	40	15	100	-	-	-	-	-	-	-	-	525	414
Mr Ramiro Mato García-Ansorena	140	170	40	-	-	40	15	95	-	-	-	-	-	-	-	-	500	450
Mr Álvaro Cardoso de Souza <sup>C</sup>	160	-	-	-	-	40	15	61	-	-	-	-	-	-	-	-	276	148
Mr Henrique Manuel Drummond Borges Cirne de Castro <sup>D</sup>	41	-	8	-	4	-	-	33	-	-	-	-	-	-	-	-	86	-
Ms Pamela Ann Walkden <sup>E</sup>	16	-	7	-	-	-	-	11	-	-	-	-	-	-	-	-	34	-
Mr Carlos Fernández González <sup>F</sup>	74	-	33	21	21	-	-	65	-	-	-	-	-	-	-	-	214	266
Mr Juan Miguel Villar Mir <sup>G</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	108
<b>Total 2019</b>	<b>1,794</b>	<b>1,247</b>	<b>168</b>	<b>117</b>	<b>125</b>	<b>200</b>	<b>120</b>	<b>1,094</b>	<b>6,317</b>	<b>2,572</b>	<b>2,572</b>	<b>1,543</b>	<b>1,543</b>	<b>14,547</b>	<b>2,003</b>	<b>5,772</b>	<b>27,187</b>	
<b>Total 2018</b>	<b>1,763</b>	<b>1,275</b>	<b>160</b>	<b>113</b>	<b>125</b>	<b>247</b>	<b>61</b>	<b>872</b>	<b>7,517</b>	<b>3,254</b>	<b>3,254</b>	<b>1,952</b>	<b>1,952</b>	<b>17,929</b>	<b>2,284</b>	<b>2,932</b>		<b>27,761</b>

A. Ceased to be an executive director on 30 April 2019. Non-executive director since 1 May 2019.

B. All amounts received were reimbursed to Fundación Botín.

C. Director since 1 April 2018.

D. Director since 17 July 2019.

E. Director since 29 October 2019.

F. Ceased to be a director on 28 October 2019.

G. Ceased to be a director on 1 January 2019.

H. Includes committee chairmanship and other roles emoluments.

I. Includes, inter alia, the life and medical insurances costs borne by the Group relating to Bank directors as well as a fixed supplement approved as part of the benefit systems transformation of the Executive Directors Ms Ana Botín and Mr José Antonio Álvarez.



The following provides the individualised detail of the salary remuneration of the executive directors deferred and linked to multi-year goals, which will only be paid if the conditions of continued service at the Group, non-applicability of the *malus* clauses and compliance with the defined multi-year goals are fulfilled (or, as applicable, of their minimum thresholds, with the consequent reduction of the agreed amount at the end of the year), under the terms described in section 6.3 B v) of the corporate governance chapter in the 2019 consolidated directors' report and financial statements, which is available on the Bank's website ([www.santander.com](http://www.santander.com)).

thousand of euros

	2019			2018
	Variable subject to Long-term objectives <sup>1</sup>			Total
	In cash	In shares	Total	
Ms Ana Botín-Sanz de Sautuola y O'Shea	821	821	1,642	1,864
Mr José Antonio Álvarez Álvarez	548	548	1,096	1,246
Mr Rodrigo Echenique Gordillo	252	252	504	990
<b>Total</b>	<b>1,621</b>	<b>1,621</b>	<b>3,242</b>	<b>4,100</b>

1. Corresponds with the fair value of the maximum amount they are entitled to in a total of 3 years: 2023, 2024 and 2025, subject to conditions of continued service, with applicable exceptions, and to non-applicability of "malus" clauses and achievement of the established objectives.



## APPENDIX

Below is a report on the deferred variable remuneration payments for financial years prior to 2019.

### Variable remuneration in 2015, 2016, 2017 and 2018

#### Deferred and conditional variable remuneration plan

In 2015, 2016, 2017 and 2018, the Bank's board of directors, at the behest of the appointments and remuneration committee (or, after its separation into two committees: the remuneration committee), approved the fifth cycle of the variable remuneration plan and the first, second and third cycle of the deferred variable remuneration plan linked to multi-year goals for financial years 2015, 2016, 2017 and 2018, respectively, for the executive directors and certain executives (including senior management) and employees whose professional activities have a material impact on the risk profile, who exercise control or receive global remuneration that includes them in the same remuneration bracket as senior management and employees whose professional activities have a material impact on the risk profile (collectively known as the identified staff or Material Risk Takers in accordance with the Guidelines on Remuneration Policies and Practices approved by the Committee of European Banking Supervisors on 10 December 2010 and the Commission Delegated Regulation (EU) 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). Since these cycles entail the delivery of shares in the Bank, the shareholders at the general shareholders' meetings of 27 March 2015, 18 March 2016, 7 April 2017 and 23 March 2018, respectively, approved the application of the fifth cycle of the deferred conditional variable remuneration plan and the first, second and third cycle of the deferred variable remuneration plan linked to multi-year goals.

The purpose of these cycles is to defer payment of a portion of the variable remuneration or bonus of the beneficiaries thereof for a period of three or five years, in cash and in Santander shares, and to pay upon commencement the other portion of such variable remuneration in cash and in Santander shares (or shares in listed Group subsidiaries), in accordance with the rules described below.

The deferred percentage of the bonus is paid in a period of three or five years, in thirds or fifths, in the fifteen days immediately following the anniversaries of the initial date (date on which the immediate payment is made); payment is 50% in cash and 50% in shares, provided the conditions described below are fulfilled.

In the cases of variable remuneration for 2015 and 2016, accrual of the deferred remuneration was conditional upon continued service of the beneficiary with the Group and upon the absence, in the judgement of the Board and at the proposal of remuneration committee, of any of the following circumstances during the period prior to each of the deliveries under the terms set down in the corresponding plan: (i) inadequate financial performance by the Group; (ii) non-compliance by the beneficiary with internal rules, particularly in regard to risks; (iii) a material restatement of the Group's financial statements, except if such restatement is made pursuant to a change in accounting rules; or (iv) significant changes in the Group's economic capital or risk profile.

These circumstances were amended for variable remuneration for 2017 and 2018, so the deferred remuneration for these years is conditional not only upon continued service of the beneficiary with the



Group but upon the absence of deficient financial performance of either the Bank as a whole or a division or specific area thereof or of the exposure generated by staff, with at least the following factors being taken into account: (i) significant errors in risk management by the entity or by the business unit or risk control unit; (ii) an increase in the capital needs of the entity or the business unit not expected when the exposure was generated; (iii) regulatory fines or legal sentences for events that may be imputed to the unit or to the staff responsible for them. Non-compliance with the entity's internal codes of conduct; and (iv) irregular behaviour, whether individual or by the group. The negative effects deriving from the marketing of unsuitable products and the responsibilities of the people or bodies that took these decisions will be particularly considered.

All the above, in each case, according to the regulations for the corresponding cycle of the plan.

The maximum number of shares deliverable is calculated based on the amount resulting from applying applicable taxes and the average weighted daily volume of the average weighted listing prices for the fifteen trading sessions preceding the date on which the board approves the bonus for the Bank's executive directors for the relevant years, as detailed in the regulations governing them.



Below is the number of shares (taking gross amounts into account) that corresponded to each of the executive directors under the fifth cycle of the deferred conditional variable remuneration plan and the first, second and third cycle of the deferred variable remuneration plan linked to multi-year goals in early 2019, the amount delivered during the year and the balance at year end. Also shown is the amount in thousands of euros paid in 2019 under said cycles of this plan.

### 1. Ms Ana Patricia Botín-Sanz de Sautuola y O'Shea

	Date of implementation	Shares 01/01/2019	Shares delivered in 2019	Shares matured but not exsiccised in 2019	Shares pending of delivery at 31/12/2019	Cash paid in 2019 (thousands of Euros)
5th cycle of the Deferred and Conditional Variable Remuneration Plan (2015)	27 March 2015	193,213	64,404	-	128,809	252
1st cycle of deferred variable remuneration plan linked to multi-year targets (2016)	18 March 2016	288,410	72,102	-	216,308	362
2nd cycle of deferred variable remuneration plan linked to multi-year targets (2017)	7 April 2017	344,625	68,925	-	275,700	411
3rd cycle of deferred variable remuneration plan linked to multi-year targets (2018)	23 March 2018	860,865	344,346	-	516,519	1,480

### 2. Mr José Antonio Álvarez Álvarez

	Date of implementation	Shares 01/01/2019	Shares delivered in 2019	Shares matured but not exsiccised in 2019	Shares pending of delivery at 31/12/2019	Cash paid in 2019 (thousands of Euros)
5th cycle of the Deferred and Conditional Variable Remuneration Plan (2015)	27 March 2015	128,431	42,811	-	85,620	168
1st cycle of deferred variable remuneration plan linked to multi-year targets (2016)	18 March 2016	194,665	48,667	-	145,998	244
2nd cycle of deferred variable remuneration plan linked to multi-year targets (2017)	7 April 2017	230,471	46,094	-	184,377	275
3rd cycle of deferred variable remuneration plan linked to multi-year targets (2018)	23 March 2018	575,268	230,107	-	345,161	989



### 3. Mr Rodrigo Echenique Gordillo

	Date of implementation	Shares 01/01/2019	Shares delivered in 2019	Shares matured but not exercised in 2019	Shares pending of delivery at 31/12/2019	Cash paid in 2019 (thousands of Euros)
5th cycle of the Deferred and Conditional Variable Remuneration Plan (2015)	27 March 2015	95,134	31,712	-	63,422	124
1st cycle of deferred variable remuneration plan linked to multi-year targets (2016)	18 March 2016	144,180	36,046	-	108,134	181
2nd cycle of deferred variable remuneration plan linked to multi-year targets (2017)	7 April 2017	179,608	35,922	-	143,686	214
3rd cycle of deferred variable remuneration plan linked to multi-year targets (2018)	23 March 2018	456,840	182,736	-	274,104	785

