

SANTANDER- BANESTO RELATIONSHIP FRAMEWORK

This document establishes the rules defining the framework for the relationship between Banco Santander, S.A. (“Santander”) and Banco Español de Crédito, S.A. (“Banesto”),

I. GENERAL RULES

1. Subjective Scope.

The rules contained in this document are applicable not just to relations between Santander and Banesto, but also to those that may be established between companies belonging to each of their Groups, as defined below.

2. Definitions.

Whenever used herein with a capital letter, the terms identified below shall have the meaning stated for each of them:

Banking and Financial Activity: That which may be conducted by Santander and Banesto, either directly or through affiliates, in accordance with their corporate Bylaws and applicable ruling.

Service Level Agreement: That entered into between the institution that is to receive a common service from among those mentioned in rule 6, and the institution providing such service, governing at least the specific content of the service, the required quality standards, the valuable consideration, the duration and the manner of resolving any problems.

Group: Referring to Santander or Banesto, the series of companies made up by such institutions and those forming part of their consolidated group according to the annual financial statements, although for the purpose of this document the companies belonging to Banesto’s consolidated group will not be considered part of Santander’s consolidated group unless expressly stated otherwise.

Intra-group operations: Ordinary or extraordinary commercial operations between a Grupo Santander company (including Santander) and a Grupo Banesto company (including Banesto).

Non-Related Parties: Those entering into a legal or economic relationship where one party is not submitted to the control of the other, or neither party is submitted to common control, such control being understood as holding over 50% of the voting rights or the right to designate more than 50% of the directors.

3. Publicity.

This document will be made public via the Santander and Banesto Web pages.

II. CONCURRENT AND COMMON BUSINESS

4. Concurrence principle in Banking and Financial Activity.

Generally speaking, Santander and Banesto will concur in the implementation of Banking and Financial Activity in Spain. Therefore and except for what is stated in other rules included herein, they will undertake such activities under a system of free competition.

5. Common Business.

Notwithstanding what is stated in rule 4 above, Santander and Banesto may conduct business in common, either through joint companies or in any other manner considered appropriate, whenever considered advisable for reasons of shared efficiency, better management, market penetration, international projection or other variables perceived by their respective competent bodies.

Once the respective decision has been taken by the competent bodies, the arrangement of the common vehicle and the resulting business shall conform to the criteria followed by Non-Related Parties.

At present, the main common business activities between Santander and Banesto are those listed in appendix 1.

III. COMMON SERVICES

6. Common services.

For the undertaking of both common and concurrent business activities, common services areas may exist for both Santander and Banesto whenever so justified for reasons of efficiency, control, implementation of corporate policies or other reasons making them advisable.

At present, such common services are those listed in appendix 2.

DOCUMENTATION AND CONTROL

7. Control of information.

In any event, the rendering of common services will be undertaken so as to ensure that information privy to Santander or Banesto is only used by the units requiring it and are authorised to have it in order to preserve its commercial use exclusively by the holder institution.

8. Documentation and control

Operations between Santander and Banesto shall be registered and subjected to unified follow-up by the respective departments of Financial Control. The documentation of the operations carried out in the markets will be that envisaged in the regulations governing the latter for any operation of the same type.

The aforementioned operations will be subject to review when information on them is included in the Annual Report, Periodic Public Information and the Annual Report on Corporate Governance.

IV. INTRA-GROUP OPERATIONS

9. Market system.

Any Intra-group Operation between Santander and Banesto should be agreed under reasonable market terms, bearing in mind its characteristics, volume and other relevant circumstances that would be taken into consideration by Non-Related Parties.

V. HANDLING OF CONFLICTS. RELATIONSHIP CONTROL

10. Members of the Board.

Persons who hold executive positions in Santander or Banesto and also form part of the Board of another institution shall participate in the debates and decisions of the latter avoiding the appearance of any conflict of interests arising from their dual status, or if this is not possible, abstaining whenever such conflicts arise.

In any event, they shall act as contemplated in the corporate Code of Conduct for Securities Markets.

11. Yearly reporting

In the Annual Report and the Annual Report on Corporate Governance (and where applicable, in the Periodic Public Information), in accordance with the regulations applicable to each of such documents, information will be included on Intra-Group Operations as related party transactions.

12. Communications.

The parties designate their respective Heads of Compliance as the persons through whom they will make the ordinary communications that are necessary in executing the rules contained herein.

VI. **COMMON POLICIES**

13. Common Policies.

The framework for the relationship between Santander and Banesto established herein is understood as notwithstanding the existence of common corporate policies within the group of companies in which both institutions are included, which will not prejudice the independence of the respective banking activity, according to the principle described in section 4.

APPENDIX 1

- Asset Management
- Insurance

APPENDIX 2

- Operations and Technology (partially).
- Money-Laundering Prevention
- Internal Auditing