

Santander and Broadridge Complete a First Practical Use of Blockchain for Investor Voting at an Annual General Meeting

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- *The pilot was run in parallel to Santander's AGM, with blockchain being utilized to produce a "shadow" digital register of the proxy voting taking place using the conventional voting model.*

MADRID (SPAIN) AND LAKE SUCCESS, N.Y. (USA), May 17th, 2018 – [Banco Santander, S.A.](#) (BME:SAN) and [Broadridge Financial Solutions, Inc.](#) (NYSE:BR), a global fintech leader, have completed a first practical use of blockchain for investor voting at an annual general meeting (AGM). The implementation of a solution that employs blockchain technology enhances global proxy vote transparency and increases operational efficiency, security and analytics, which is beneficial for investors, issuers, agent banks and custodian banks.

Santander and Broadridge, in collaboration with J.P. Morgan and Northern Trust as custodian banks, conducted the pilot on March 23rd for Santander's annual general meeting (AGM), with participation from Banco Santander Corporate Services as the issuer's agent and Santander's blockchain lab. The pilot was run in parallel to the AGM, with blockchain being utilized to produce a "shadow" digital register of the proxy voting taking place in the traditional model. The co-collaboration model was extended to additional global custodians participating during the Santander AGM.

Santander, which is the largest bank in the euro zone by market capitalization, has over four million shareholders and 60.7% of the capital belongs to institutional investors. The institutional investors had the opportunity during the last AGM to see how their votes could be counted and confirmed much more quickly (it will be possible to do this instantly) thanks to the blockchain technology, instead of having to wait two weeks in a process that includes manual activity by different intermediaries. The participation for the new platform amounted to 21% of the total that participated in the AGM. This could also help motivation to vote, which improves corporate democracy. Santander's quorum in the last AGM hit a record of 64.55% of the shareholders. This new technology is also a business opportunity for the Corporate Services of Santander Global Corporate Banking, the wholesale division of the bank, which acts as issuer's agent in AGMs of more than 50 large clients.

The ability to confirm votes to final investors anticipates the updated European Directive on Shareholder Rights that will come into force in June 2019, which will require sharing information among intermediaries on the same business day.

Santander and Broadridge conducted a proof of concept approximately one year ago in a closed blockchain environment, in collaboration with J.P. Morgan and Northern Trust. Since then, Broadridge has continued to innovate by establishing a truly distributed network among all participants, built on a Quorum blockchain platform. The benefits of this include enhanced transparency across the vote lifecycle. The added functionality also incorporates the expansion of the platform to include the participation of institutional investors to provide enhanced transparency and end-to-end vote confirmation.

Patricia Rosch, president of Investor Communication Solutions, International at Broadridge, said: “The successful completion of a second pilot along with the next phase of our blockchain-based proxy voting solution demonstrates Broadridge’s continued commitment to developing innovative technology solutions in the re-imagining and improvement of global proxy to help our clients get ahead of today’s challenges.” She added: “As a key innovator in capital markets and a leader in proxy, we continue to implement the newest technologies such as blockchain to improve corporate governance and address the latest regulatory requirements such as the Shareholder Rights Directive.”

Sergio Gámez, global head of Shareholders and Investor Relations at Banco Santander, said: “The Annual General Meeting is one of the most important corporate governance events for any listed company. In the case of Santander, having very fragmented capital, it is very important to ensure the participation by investors and shareholders, and this year using blockchain technology for the institutional vote has been a great help in terms of transparency and agility across the vote lifecycle.”
Luis Antonio Perez, head of Corporate Services at Banco Santander, said: “The blockchain technology has enhanced efficiency and transparency upon the reception and vote tabulation process, which will result in bridging the gap between all in the process.”

Justin Chapman, global head of market advocacy and innovation research at Northern Trust, said: “Corporate Governance is a key focus for our asset servicing business and we are pleased to include one of our clients, Legal & General Investment Management Limited, as a pilot investor in this important initiative as we extend our collaboration with Broadridge. We are excited about the next phase in creating end-to-end vote transparency using blockchain as an enabler.”

About Santander

Banco Santander (SAN SM, STD US, BNC LN) is a leading retail and commercial bank, founded in 1857 and headquartered in Spain. It has a meaningful market share in 10 core countries in Europe and the Americas, and is the largest bank in the euro zone by market capitalization, with nearly EUR 90,000 million. At the end of 2017, Banco Santander had EUR 986 billion in customer funds (deposits and mutual funds), 133 million customers, 13,700 branches and 200,000 employees. Banco Santander made attributable profit of EUR 6,619 million in 2017, an increase of 7% compared to the previous year.

About Broadridge

Broadridge Financial Solutions, Inc. (NYSE:BR), the \$4 billion global fintech leader, provides investor communications and technology-driven solutions for broker-dealers, banks, mutual funds and corporate issuers globally. Broadridge’s investor communications, securities processing and managed services solutions help clients reduce their capital investments in operations infrastructure, allowing them to increase their focus on core business activities. With over 50 years of experience, Broadridge’s infrastructure underpins proxy voting services for over 50 percent of public companies and mutual funds globally, and processes more than \$5 trillion in fixed income and equity trades per day. Broadridge employs approximately 10,000 full-time associates in 16 countries. For more information about Broadridge, please visit www.broadridge.com.

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