



ORDINARY GENERAL  
SHAREHOLDERS' MEETING  
OF BANCO SANTANDER, S.A.

1 APRIL 2022

## CONTENTS

Letter from the general secretary	3
Basic information about the general meeting	4
Agenda and executive summary of the proposed resolutions of the board of directors	5
Proposed resolutions and reports of the board of directors	10

## LETTER FROM THE GENERAL SECRETARY

Dear shareholder,

As part of our ongoing efforts to improve communication with our shareholders, and in connection with our general meeting, we have devised a way to simplify and improve the information we make available to our shareholders.

I am pleased to present to you the result of that effort, which is embodied in this document, which includes (a) basic information on how you can participate in the 2022 ordinary general shareholders' meeting; (b) the agenda together with an executive summary of the proposed resolutions submitted for approval under each of the items; and (c) the full text of the proposed resolutions with the mandatory reports of the board or its committees, which follow a new and simpler format to make them easier to understand.

I encourage you to read this document and to participate in our general meeting, to be held on 1 April 2022, presumably on second call, at Centro de Formación El Solaruco (Ciudad Grupo Santander), Avenida de Cantabria s/n, Boadilla del Monte. You may participate by any of the means and channels that the Bank makes available, with preference, in light of the health situation, by means alternative to in-person attendance.

Yours faithfully,









Jaime Pérez Renovales  
General Secretary

## BASIC INFORMATION ABOUT THE GENERAL MEETING

<b>EXPECTED DATE AND TIME</b>	<p>1 April 2022, at 1 p.m. (CEST), on second call.  <i>The general meeting is expected to be held on second call although it is also called to be held on first call on 31 March 2022, at the same place and time.</i></p>			
<b>THOSE HAVING THE RIGHT TO PARTICIPATE</b>	<p>Any shareholder of Banco Santander, S.A. (the "<b>Bank</b>" or the "<b>Company</b>") with shares registered in the shareholder's name not later than 27 March 2022 if the meeting is held on second call as expected (or 26 March 2022 if the meeting is held on first call) and who meets the other requirements established in the Bylaws.</p>			
<b>WAYS TO PARTICIPATE</b>	<ul style="list-style-type: none"> <li>• <b>Attending</b></li>   <li>• <b>Granting a proxy</b> to another person so that this person may attend (in person or remotely) and vote on one's behalf</li>   <li>• <b>Distance voting</b> prior to the meeting</li> </ul>	<p><b>Ways to attend:</b></p> <ol style="list-style-type: none"> <li>1. <b>In person</b> at Centro de Formación El Solaruco (Ciudad Grupo Santander), Avenida de Cantabria s/n, Boadilla del Monte; or</li> <li>2. <b>Remotely</b> on the corporate website <a href="http://www.santander.com">www.santander.com</a>, through the "Annual General Meeting" space</li> </ol> <p><b>Ways to grant a proxy or cast a distance vote:</b></p> <ol style="list-style-type: none"> <li>1. <b>Printed card:</b> by filling it in and delivering it at Santander branches or sending it by post to Registro de Accionistas</li> <li>2. <b>Electronic means:</b> <ul style="list-style-type: none"> <li>- Through <a href="http://www.santander.com">www.santander.com</a>, <a href="http://www.juntasantander.com">www.juntasantander.com</a>, as well as the Bank's other websites and Apps</li> <li>- By telephone, by calling (+34) 915 123 123</li> <li>- At any of the Bank's branches through the digital platform set up for this purpose</li> </ul> </li> </ol>		
<b>LIMITATION ON SEATING CAPACITY AND RECOMMENDATION TO PARTICIPATE REMOTELY</b>	<p>The regulations applicable as at the date of the call to the meeting impose capacity restrictions on the venue of the meeting, so that it will not be possible to access the venue once the maximum capacity has been reached. Shareholders are informed that once the maximum capacity has been reached, they may be unable to participate at that time through the alternative channels, if the deadline to register in order to do so has expired in accordance with the deadlines and procedures described in the call to the meeting. Therefore, shareholders are recommended to use the different channels and means made available to participate in this ordinary general shareholders' meeting alternative to in-person attendance.</p> <p>According to the announcement of the call to meeting, the board may be obliged to organise the meeting exclusively by remote means if circumstances so require.</p>			
<b>ADDITIONAL INFORMATION</b>	<p>Further information can be found in the announcement of the call to meeting, available at the following <a href="#">link</a>, and in the Instructions for proxy-granting and voting prior to the meeting, remote attendance and the Electronic Shareholders' Forum, available at the following <a href="#">link</a>.</p> <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> <p><b>For retail shareholders</b></p> <ul style="list-style-type: none"> <li>• Shareholder Relations <a href="mailto:junta.acccionistas@gruposantander.com">junta.acccionistas@gruposantander.com</a></li> <li>• Shareholder Helpline (+34) 91 276 92 90</li> </ul> </td> <td style="vertical-align: top; width: 50%;"> <p><b>For institutional investors</b></p> <ul style="list-style-type: none"> <li>• Investor relations: <a href="mailto:investor@gruposantander.com">investor@gruposantander.com</a></li> <li>• Georgeson:               <ul style="list-style-type: none"> <li>Email: <a href="mailto:Santander2022AGM@georgeson.com">Santander2022AGM@georgeson.com</a></li> <li>Telephone:                   <ul style="list-style-type: none"> <li>- European Union: (+34) 917 88 2934</li> <li>- United States: 866-647-8869 (toll free); +1 (781) 575-2137 (for calls from outside the United States)</li> </ul> </li> </ul> </li> </ul> </td> </tr> </table>		<p><b>For retail shareholders</b></p> <ul style="list-style-type: none"> <li>• Shareholder Relations <a href="mailto:junta.acccionistas@gruposantander.com">junta.acccionistas@gruposantander.com</a></li> <li>• Shareholder Helpline (+34) 91 276 92 90</li> </ul>	<p><b>For institutional investors</b></p> <ul style="list-style-type: none"> <li>• Investor relations: <a href="mailto:investor@gruposantander.com">investor@gruposantander.com</a></li> <li>• Georgeson:               <ul style="list-style-type: none"> <li>Email: <a href="mailto:Santander2022AGM@georgeson.com">Santander2022AGM@georgeson.com</a></li> <li>Telephone:                   <ul style="list-style-type: none"> <li>- European Union: (+34) 917 88 2934</li> <li>- United States: 866-647-8869 (toll free); +1 (781) 575-2137 (for calls from outside the United States)</li> </ul> </li> </ul> </li> </ul>
<p><b>For retail shareholders</b></p> <ul style="list-style-type: none"> <li>• Shareholder Relations <a href="mailto:junta.acccionistas@gruposantander.com">junta.acccionistas@gruposantander.com</a></li> <li>• Shareholder Helpline (+34) 91 276 92 90</li> </ul>	<p><b>For institutional investors</b></p> <ul style="list-style-type: none"> <li>• Investor relations: <a href="mailto:investor@gruposantander.com">investor@gruposantander.com</a></li> <li>• Georgeson:               <ul style="list-style-type: none"> <li>Email: <a href="mailto:Santander2022AGM@georgeson.com">Santander2022AGM@georgeson.com</a></li> <li>Telephone:                   <ul style="list-style-type: none"> <li>- European Union: (+34) 917 88 2934</li> <li>- United States: 866-647-8869 (toll free); +1 (781) 575-2137 (for calls from outside the United States)</li> </ul> </li> </ul> </li> </ul>			

## AGENDA AND EXECUTIVE SUMMARY OF THE PROPOSED RESOLUTIONS OF THE BOARD OF DIRECTORS

ITEM ON THE AGENDA	SUMMARY OF THE BOARD'S PROPOSED RESOLUTION	PAGE
<b>1 Annual accounts and corporate management.</b>		<b>10</b>
1 A Annual accounts and directors' reports of Banco Santander, S.A. and of its consolidated group for 2021.	To approve the annual accounts and directors' reports for financial year 2021, which can be viewed at the following <a href="#">link</a> .	10
1 B Consolidated statement of non-financial information for 2021, which is part of the consolidated directors' report.	To approve the consolidated statement of non-financial information for financial year 2021, which is included in the "Responsible banking" chapter of the 2021 annual report and which can be viewed at the following <a href="#">link</a> .	10
1 C Corporate management for 2021.	To approve the corporate management for financial year 2021.	10
<b>2 Application of results obtained during 2021.</b>	To approve the application of the separate results obtained by the Bank during financial year 2021 as follows:	<b>11</b>
	<b>Separate results obtained during financial year 2021 (profit)</b>	<b>€3,931,975,635.61</b>
	<b>Application</b>	
	To dividends	€1,700,932,169.91
	<i>Dividend paid prior to the date of the meeting</i> <sup>(*)</sup>	€835,507,980.01
	<i>Final dividend</i> <sup>(**)</sup>	€865,424,189.90
	To Voluntary Reserves <sup>(***)</sup>	€2,231,043,465.70
	(*) Total amount paid as interim dividend, at a fixed rate of 4.85 euro cents per share entitled to receive the dividend.	
	(**) Fixed dividend of 5.15 euro cents gross per share entitled to receive the dividend, payable in cash as from 2 May 2022. The total amount has been estimated assuming that, after the second buy-back programme announced on 24 February 2022 is implemented, 16,804,353,202 of the Bank's outstanding shares will be entitled to receive the dividend.	
	(***) Estimated amount corresponding to a final dividend of €865,424,189.90. It shall be increased or reduced by the same amount as the final dividend is lower or higher, respectively, than that figure.	

ITEM ON THE AGENDA		SUMMARY OF THE BOARD'S PROPOSED RESOLUTION		PAGE
<b>3</b>	<b>Board of directors: appointment, re-election or ratification of directors.</b>			<b>11</b>
3 A	Setting of the number of directors.	To set the number of directors at 15.		11
3 B	Appointment of Mr Germán de la Fuente.		<ul style="list-style-type: none"> <li>– Independent director</li> <li>– Brings to the board extensive experience in the auditing industry and sound knowledge in auditing, accounting and internal and risk control, as well as in the banking sector</li> </ul>	12
3 C	Re-election of Mr Henrique de Castro.		<ul style="list-style-type: none"> <li>– Independent director. Joined the board in 2019</li> <li>– Brings to the board broad experience in strategic matters relating to the digital and technological industry from a wide range of geographic areas and sound knowledge in the area of new technologies and in auditing and accounting matters</li> </ul>	13
3 D	Re-election of Mr José Antonio Álvarez.		<ul style="list-style-type: none"> <li>– Executive director, vice chair and chief executive officer. Joined the board in 2015</li> <li>– Brings to the board ample strategic and international management experience, in particular in financial planning, asset management and consumer finance, vast experience with, and a well-established reputation among, key stakeholders such as regulators and investors and sound knowledge of financial matters and risk management</li> </ul>	15
3 E	Re-election of Ms Belén Romana.		<ul style="list-style-type: none"> <li>– Independent director. Joined the board in 2015</li> <li>– Brings to the board extensive executive and non-executive experience in the financial sector, in credit institutions and in the regulatory and supervisory bodies of the financial and securities market sector, a strategic vision of financial regulation in Spain and Europe and sound knowledge of financial and regulatory matters</li> </ul>	16
3 F	Re-election of Mr Luis Isasi.		<ul style="list-style-type: none"> <li>– External director. Joined the board in 2020</li> <li>– Brings to the board broad experience in a wide range of sectors and international markets, as well as a strong institutional presence in Spain and sound knowledge of banking, financial and securities market matters</li> </ul>	18
3 G	Re-election of Mr Sergio Rial.		<ul style="list-style-type: none"> <li>– External director. Joined the board in 2020</li> <li>– Brings to the board ample experience in the banking and financial sector and at other multinational groups across various geographic areas, as well as sound knowledge of the Latin American market, especially that of Brazil, and of environmental and social matters</li> </ul>	19

	<b>ITEM ON THE AGENDA</b>	<b>SUMMARY OF THE BOARD'S PROPOSED RESOLUTION</b>	<b>PAGE</b>
<b>4</b>	<b>Re-election of the external auditor for financial year 2022.</b>	To re-elect PricewaterhouseCoopers Auditores, S.L. as external auditor of the Bank and of the Group for financial year 2022.	<b>21</b>
<b>5</b>	<b>Amendments of the Bylaws.</b>		<b>21</b>
5 A	Amendment of Articles 6 ( <i>form of the shares</i> ) and 12 ( <i>transfer of shares</i> ).	To conform them to the amendments made to the Spanish Capital Corporations Law in relation to the right to know the identity of the ultimate beneficial owner of the shares and the time at which newly issued shares are transferable.	21
5 B	Amendment of Article 16 ( <i>capital reduction</i> ).	To specify that capital reductions may be made for any purpose deemed legally permissible.	22
5 C	Amendment of Article 19 ( <i>issuance of other securities</i> ).	To specify that the powers vested in the shareholders refer to the issue of convertible securities, as arises from Article 20.	23
5 D	Amendment of Article 26 ( <i>right to attend the meeting</i> ).	To provide for the ability of directors to attend general meetings remotely if there are justified grounds as determined by the board or the chair of the meeting. Excepted from the foregoing are the provisions for general meetings held exclusively on a remote basis.	24
5 E	Amendment of Articles 45 ( <i>secretary of the board</i> ) and 29 ( <i>presiding committee of the general shareholders' meeting</i> ).	To include the ability of the board of directors to appoint more than one vice secretary and reflect in the regulation of the presiding committee of the general shareholders' meeting the possibility that the board has appointed more than one vice secretary.	25
5 F	Amendment of Article 48 ( <i>executive chair</i> ).	To clarify that the board may establish direct reporting lines from other executives to the board or its committees.	26
5 G	Amendment of Article 52 ( <i>audit committee</i> ).	To adjust the powers of the audit committee regarding the directors' report and related party transactions pursuant to the recent amendment of the Spanish Capital Corporations Law, and to conform the terminology used to other recent legislative reforms.	27
5 H	Amendment of articles relating to remuneration matters: Article 58 ( <i>compensation of directors</i> ), Article 59 ( <i>approval of the director remuneration policy</i> ) and Article 59 bis ( <i>transparency of the director compensation system</i> ).	To further clarify on the items of remuneration for which a director may receive remuneration for the performance of executive duties and to conform the provisions of the Bylaws to the changes to the Spanish Capital Corporations Law.	29
5 I	Insertion of a new Article 64 bis ( <i>prior authorisation for the payment of dividends other than in cash or own funds instruments</i> ).	To include a technical clarification regarding the distribution of dividends other than in cash or own funds instruments of the Bank, in accordance with the criteria of the European Banking Authority.	33
<b>6</b>	<b>Amendments of the Rules and Regulations for the General Shareholders' Meeting.</b>		<b>33</b>
6 A	Amendment of Article 6 ( <i>information available as of the date of the call to meeting</i> ).	To conform it to the new text of Section 518 e) of the Spanish Capital Corporations Law.	33

	ITEM ON THE AGENDA	SUMMARY OF THE BOARD'S PROPOSED RESOLUTION	PAGE										
6 B	Amendment of Article 13 ( <i>presiding committee of the general shareholders' meeting</i> ).	To reflect in the regulation of the presiding committee of the general shareholders' meeting the possibility of there being more than one vice secretary, in line with the proposed amendment under item 5 E above.	34										
6 C	Amendment of articles relating to remote attendance at the meeting by electronic means: elimination of the Additional Provision ( <i>attendance at the shareholders' meeting by distance means of communication in real time</i> ), insertion of a new Article 15 bis ( <i>remote shareholders' meeting</i> ) and amendment of Article 19 ( <i>proposals</i> ).	To regulate the basic rules to which remote attendance at the meeting will be subject, coordinating the text with that of the Bylaws and the amendments made to the Spanish Capital Corporations Law.	35										
6 D	Amendment of Article 17 ( <i>presentations</i> ).	To change the minimum time that may be allocated to shareholder presentations at the general meeting.	37										
<b>7</b>	<b>Share capital.</b>		<b>39</b>										
7 A	Authorisation to the board of directors to increase the share capital on one or more occasions and at any time, within a period of 3 years, by means of cash contributions and by a maximum nominal amount of €4,335,160,325.50. Delegation of the power to exclude pre-emptive rights.	<p>To authorise the board of directors to increase the share capital of the Bank, depriving of effect, to the extent of the unused amount, the authorisation granted in 2020 that is currently in effect.</p> <table border="1"> <tr> <td><b>When</b></td> <td>on one or more occasions and at any time, within a period of 3 years</td> </tr> <tr> <td><b>How</b></td> <td>through the issue of new shares</td> </tr> <tr> <td><b>Maximum</b></td> <td>maximum nominal amount of €4,335,160,325.50 (50% of the Bank's current share capital)</td> </tr> <tr> <td><b>Consideration</b></td> <td>cash contributions</td> </tr> <tr> <td><b>Pre-emptive rights</b></td> <td>the board may exclude them in whole or in part in capital increases that individually or collectively represent up to a maximum amount of €867,032,065 (10% of the Bank's current share capital)</td> </tr> </table>	<b>When</b>	on one or more occasions and at any time, within a period of 3 years	<b>How</b>	through the issue of new shares	<b>Maximum</b>	maximum nominal amount of €4,335,160,325.50 (50% of the Bank's current share capital)	<b>Consideration</b>	cash contributions	<b>Pre-emptive rights</b>	the board may exclude them in whole or in part in capital increases that individually or collectively represent up to a maximum amount of €867,032,065 (10% of the Bank's current share capital)	39
<b>When</b>	on one or more occasions and at any time, within a period of 3 years												
<b>How</b>	through the issue of new shares												
<b>Maximum</b>	maximum nominal amount of €4,335,160,325.50 (50% of the Bank's current share capital)												
<b>Consideration</b>	cash contributions												
<b>Pre-emptive rights</b>	the board may exclude them in whole or in part in capital increases that individually or collectively represent up to a maximum amount of €867,032,065 (10% of the Bank's current share capital)												
7 B	Reduction in share capital in the amount of €129,965,136.50, through the cancellation of 259,930,273 own shares. Delegation of powers.	Within the framework of the shareholder remuneration policy communicated to the market on 28 September 2021, to reduce the share capital by cancelling 259,930,273 own shares acquired through the share buy-back programme initiated on 6 October 2021 and completed on 25 November 2021.	42										
7 C	Reduction in share capital in the maximum amount of €865,000,000, through the cancellation of a maximum of 1,730,000,000 own shares. Delegation of powers.	Within the framework of the shareholder remuneration policy communicated to the market on 28 September 2021, to reduce the share capital in the maximum amount of €865,000,000, by cancelling a maximum of 1,730,000,000 of the Company's own shares acquired through the share buy-back programme approved by the board of directors at its meeting held on 24 February 2022 and subject to regulatory approval.	45										
7 D	Reduction in share capital in the maximum amount of €867,032,065, equivalent to 10% of the share capital, through the cancellation of a maximum of 1,734,064,130 own shares. Delegation of powers.	Within the framework of the shareholder remuneration that the board may approve for the results of the financial year 2022 and subsequent financial years, to reduce the share capital in the maximum amount of €867,032,065, by cancelling own shares acquired through one or more share buy-back programmes or by other means legally permitted, delegating to the board the power to approve the reduction and to set all other terms not specified in the resolution.	49										



	<b>ITEM ON THE AGENDA</b>	<b>SUMMARY OF THE BOARD'S PROPOSED RESOLUTION</b>	<b>PAGE</b>
<b>8</b>	<b>Remuneration.</b>		<b>53</b>
8 A	Directors' remuneration policy.	To approve the remuneration policy for financial years 2022, 2023 and 2024, which can be viewed at the following <a href="#">link</a> .	53
8 B	Setting of the maximum amount of annual remuneration to be paid to all the directors in their capacity as such.	To approve €6,000,000 as the annual fixed amount of the remuneration of directors in their capacity as such.	54
8 C	Approval of maximum ratio between fixed and variable components of total remuneration of executive directors and other employees belonging to categories with professional activities that have a material impact on the risk profile.	To approve a maximum ratio of 200% between the variable and fixed components of the total remuneration of the executive directors and of certain members of the Identified Staff.	54
8 D	Deferred Multiyear Objectives Variable Remuneration Plan.	To approve the potential delivery of shares or rights thereon or remunerations referenced to the value of the shares to executive directors applying the seventh Deferred Multiyear Objectives Variable Remuneration Plan.	59
8 E	Application of the Group's buy-out regulations.	To authorise the potential delivery of shares or rights thereon or remunerations referenced to the value of the shares to executive directors applying the Group's buy-out regulations.	69
8 F	Annual directors' remuneration report (consultative vote).	To vote, on a consultative basis, on the annual directors' remuneration report, which can be viewed at the following <a href="#">link</a> .	70
<b>9</b>	<b>Authorisation to the board and grant of powers for conversion into public instrument.</b>	To authorise (a) the board to interpret, correct, supplement, implement and further develop the resolutions, to comply with the requirements for the effectiveness thereof and to delegate the powers received to the executive committee or to any director with delegated powers; and (b) Ms Ana Botín, Mr José Antonio Álvarez, Mr Jaime Pérez Renovales and Mr Javier Illescas to convert the corporate resolutions into public instruments, execute notarial instruments and deposit the accounts and other documentation with the Commercial Registry.	<b>70</b>

## PROPOSED RESOLUTIONS AND REPORTS OF THE BOARD OF DIRECTORS

### 1 Annual accounts and corporate management.

*Each of the proposals formulated under items 1 A through 1 C shall be submitted to a separate vote.*

#### 1 A Annual accounts and directors' reports of Banco Santander, S.A. and of its consolidated group for 2021.

##### PROPOSED RESOLUTION

---

To approve the annual accounts (balance sheet, profit and loss statement, statement of recognised income and expense, statement of changes in total equity, cash flow statement, and notes) and the directors' reports of Banco Santander, S.A. and of its consolidated Group for the financial year ended 31 December 2021, all drawn up in eXtensible HyperText Markup Language (XHTML) format, with the consolidated financial statements tagged using standard eXtensible Business Reporting Language (XBRL), in accordance with Directive 2004/109/EC and Delegated Regulation (EU) 2019/815.

#### 1 B Consolidated statement of non-financial information for 2021, which is part of the consolidated directors' report.

##### PROPOSED RESOLUTION

---

To approve the consolidated statement of non-financial information for the financial year ended 31 December 2021, which is part of the consolidated directors' report for said financial year ("Responsible banking" chapter of the 2021 annual report).

#### 1 C Corporate management for 2021.

##### PROPOSED RESOLUTION

---

To approve the corporate management for financial year 2021.

## 2 Application of results obtained during 2021.

### PROPOSED RESOLUTION

To approve the application of the separate results obtained by the Bank in financial year 2021, consisting of profits of €3,931,975,635.61, as follows:

<b>Separate results obtained during financial year 2021 (profit)</b>		<b>€3,931,975,635.61</b>
<b>Application</b>	To dividends	€1,700,932,169.91
	Dividend paid prior to the date of the meeting <sup>(*)</sup>	€835,507,980.01
	Final dividend <sup>(**)</sup>	€865,424,189.90
	To Voluntary Reserves <sup>(***)</sup>	€2,231,043,465.70

(\*) Total amount paid as interim dividend, at a fixed rate of 4.85 euro cents per share entitled to receive the dividend.

(\*\*) Fixed dividend of 5.15 euro cents gross per share entitled to receive the dividend, payable in cash from 2 May 2022. The total amount has been estimated assuming that, after the second buy-back programme announced on 24 February 2022 is implemented, 16,804,353,202 of the Bank's outstanding shares will be entitled to receive the dividend.

(\*\*\*) Estimated amount corresponding to a final dividend of €865,424,189.90. It shall be increased or reduced by the same amount as the final dividend is lower or higher, respectively, than that figure.

## 3 Board of directors: appointment, re election or ratification of directors.

Each of the proposals formulated under Items 3 A through 3 G shall be submitted to a separate vote.<sup>1</sup>

### 3 A Setting of the number of directors.

#### PROPOSED RESOLUTION

To set the number of directors at 15, which is within the maximum and the minimum established by the Bylaws.

#### PROPOSAL OF THE NOMINATION COMMITTEE AND REPORT OF THE BOARD

The nomination committee and the board, which endorses and concurs with the considerations of the committee, believe that 15 is an appropriate number of members to ensure the proper representativeness and efficient operation of the board. Moreover, this number is within the range established in Article 41 of the Bylaws and in Recommendation 13 of the Good Governance Code of Listed Companies.

This proposal to set the number of directors at 15 takes into account the decision of Álvaro Cardoso de Souza to resign as a director effective at the time that the shareholders acting at the ordinary general meeting approve the proposed appointment of Germán de la Fuente as a Company director.

If the shareholders acting at the general meeting approve the proposed appointment and re-election of the directors, the board of directors of the Bank would be made up of 15 directors, of which 10 would be classified as independent directors (66.67% of the total), 2 as executive directors (13.33% of the total) and 3 as other external directors (20% of

<sup>1</sup> In relation to each of items 3 A through 3 G, there is included a proposed resolution that is being submitted to the shareholders, a reasoned proposal drawn up by the nomination committee on 21 February 2022, which the board endorses and with which it concurs in all respects, and the report of the board evaluating the expertise, experience and merits of the persons whose appointment or re-election is proposed, in compliance with the provisions of Section 529 *decies* of the Spanish Capital Corporations Law. Pursuant to Article 55.1 of the Bylaws, the term of office of directors shall be 3 years, though it is established that one-third of the board shall be renewed every year, following the order established by the length of service of each director on the board, according to the date and order of the respective appointment as approved in each case by the shareholders at a general meeting. Therefore, the re-election of Henrique de Castro, José Antonio Álvarez, Belén Romana, Luis Isasi and Sergio Rial for a new 3-year term is proposed. In addition, information is included regarding the identity, category and curriculum vitae of the persons whose appointment or re-election is submitted to the shareholders for purposes of the provisions of Section 518 e) of the Spanish Capital Corporations Law.

the total). Women would represent 40% of the board. This composition would be aligned with best corporate governance practices and with the rules and regulations of the board, which require that the board of directors be made up of a wide majority of external directors, that the number of independent directors be at least one-half of all directors, and that the board have a balanced presence of women and men.

### 3 B Appointment of Mr Germán de la Fuente.

#### PROPOSED RESOLUTION

To appoint Mr Germán de la Fuente Escamilla as a director, with the classification of independent director, for the Bylaw-mandated period of 3 years.

The effectiveness of this appointment is subject to obtaining the regulatory approvals provided for in Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Council Regulation (EU) No 1024/2013 of 15 October 2013 and in Regulation (EU) No 468/2014 of the European Central Bank regarding suitability.

#### PROPOSAL OF THE NOMINATION COMMITTEE AND REPORT OF THE BOARD



**Germán de la Fuente**  
*Independent external director*

#### **Professional career**

**Nationality:** Spanish. Born in 1964 in Madrid, Spain.

**Education:** Degree in Economics and Business Administration with a diploma in auditing.

**Experience:** With long and broad experience in the auditing sector, he has developed his professional career at Deloitte, where he has been managing partner of Audit & Assurance in Spain since 2007 and chair and CEO of Deloitte, S.L. from 2017 until February 2022. He was also a member of the global board of directors of the firm from 2012 to 2016 and of the global audit and risk services committee until June 2021. He has been involved in auditing major Spanish companies and in multiple consulting and advisory projects.

#### **Analysis of competencies and diversity**

As a result of the analysis carried out during financial year 2021 regarding the competencies required by the board and the competencies and diversity matrix of the board, the committee believes that the current composition of the board provides the balance between knowledge, skills, qualifications, diversity and experience required to design and implement the Bank's long-term strategy in an ever changing market environment.

However, the committee has deemed it appropriate to continue strengthening the audit and accounting competencies, by appointing Germán de la Fuente, who has the necessary expertise and experience after spending more than 30 years at Deloitte. Germán de la Fuente brings to the board extensive experience in the auditing industry and a sound knowledge in auditing, accounting and internal and risk control, as well as in the banking sector.

His appointment helps the board strengthen the competencies, among others, in accounting, audit and finance expertise, governance and control and risk management, which are greatly significant for the design and

implementation of the Bank's long-term strategy, and also contributes to the board being made up of a majority of independent directors.

#### **Effective dedication. Absence of conflicts of interest**

Germán de la Fuente is within the maximum number of positions, is able to devote sufficient time to performing the duties thereof and is not subject to any conflicts of interest.

#### **Evaluation**

Based on applicable legal provisions and the Company's internal policies and regulations, the committee believes that Germán de la Fuente is widely recognised as solvent and deserving of business and professional respectability, has the expertise and experience required to hold the position of director, and is able to carry out good governance of the Bank, such that Germán de la Fuente meets the suitability requirements needed to hold the position of director.

The appointment of Germán de la Fuente as a director will be subject to effective receipt of the relevant regulatory approvals. If they are not obtained and the European Central Bank does not confirm the suitability of the candidate, the resulting vacancy could be filled on an interim basis after the holding of the general shareholders' meeting or the appointment of a new candidate would be proposed at a subsequent shareholders' meeting.

The committee believes that Germán de la Fuente fulfils the requirements established in subsection 4 of Section 529 *duodecies* of the Spanish Capital Corporations Law and in Article 6.2 (c) of the rules and regulations of the board to be considered an independent director, although the relevant regulatory approvals and evaluations regarding the candidate are still pending.

#### **Report of the board**

The board endorses the evaluation of the nomination committee, with which it concurs in all respects, and considers that Germán de la Fuente has the expertise, experience and merits necessary to hold the position of director. Germán de la Fuente is likewise considered by the board to be an independent director.

### 3 C Re-election of Mr Henrique de Castro.

#### PROPOSED RESOLUTION

---

To re-elect Mr Henrique Manuel Drummond Borges Cirne de Castro as a director, with the classification of independent director, for the Bylaw-mandated period of 3 years.

#### PROPOSAL OF THE NOMINATION COMMITTEE AND REPORT OF THE BOARD

---



**Henrique De Castro**  
*Independent external director*

#### **Professional career**

Joined the board in 2019.

**Nationality:** Portuguese. Born in 1965 in Lisbon, Portugal.

**Education:** Degree in Business Administration from the Lisbon School of Economics & Management (Portugal). Master in Business Administration (MBA) from the University of Lausanne (Switzerland).

**Experience:** He was an independent director at First Data Corporation and chief operating officer at Yahoo. Previously, he had been the manager of worldwide devices, media and platforms at Google, European sales and business development manager at Dell Inc. and a consultant at McKinsey & Company.

**Other positions of note:** He is an independent director of Fiserv Inc.

**Positions in other Group companies:** He is a non-executive director of PagoNxt, S.L.

**Membership of board committees:** Audit committee, remuneration committee, and innovation and technology committee.

### **Analysis of competencies and diversity**

The re-election of Henrique De Castro brings to the board broad experience in strategic matters relating to the digital and technological industry from a wide range of geographic areas, and sound knowledge in the area of new technologies and in auditing and accounting matters.

His re-election helps the board preserve the balance of competencies, experience and diversity reflected in the competencies and diversity matrix of the board, contributing, among others, competencies in the digital and information technologies area, international experience and a diverse geographical background, which are greatly significant for the design and implementation of the Bank's long-term strategy, and also contributes to the board being made up of a majority of independent directors.

### **Work and effective dedication. Absence of conflicts of interest**

Since the effectiveness of his appointment approved at the ordinary general meeting of 12 April 2019 to the present date, there is confirmation of the proper performance of the duties of the position and positive evaluation thereof, as well as the director's attendance at and informed participation in 100% of the 44 meetings of the board held since the director became a member thereof. Also noted is director's attendance at and informed participation in 97% of the 33 meetings of the audit committee, 100% of the 29 meetings of the remuneration committee and 80% of the 10 meetings of the innovation and technology committee held since the director joined the board.

Henrique de Castro is within the maximum number of positions, is able to devote sufficient time to performing the duties thereof and is not subject to any conflicts of interest.

### **Evaluation**

Based on applicable legal provisions and the Company's internal policies and regulations, the committee believes that Henrique de Castro is widely recognised as solvent and deserving of business and professional respectability, has the expertise and experience required to hold the position of director, and is able to carry out good governance of the Bank, such that Henrique de Castro meets the suitability requirements needed to hold the position of director.

The committee believes that Henrique de Castro fulfils the requirements established in subsection 4 of Section 529 *duodecies* of the Spanish Capital Corporations Law and in Article 6.2 (c) of the rules and regulations of the board to be considered an independent director.

### **Report of the board**

The board endorses the evaluation of the nomination committee, with which it concurs in all respects, and considers that Henrique de Castro has the expertise, experience and merits necessary to hold the position of director. Henrique de Castro is likewise considered by the board to be an independent director.

### 3 D Re-election of Mr José Antonio Álvarez.

#### PROPOSED RESOLUTION

To re-elect Mr José Antonio Álvarez Álvarez as a director, with the classification of executive director, for the Bylaw-mandated period of 3 years.

#### PROPOSAL OF THE NOMINATION COMMITTEE AND REPORT OF THE BOARD



**José Antonio Álvarez**  
*Vice chair and chief executive officer*  
*Executive director*

#### **Professional career**

Joined the board in 2015.

**Nationality:** Spanish. Born in 1960 in León, Spain.

**Education:** Degree in Economics and Business Administration. Master in Business Administration (MBA) from the University of Chicago.

**Experience:** He joined the Bank in 2002 and was appointed senior executive vice president of the Financial Management and Investor Relations division (Group chief financial officer) in 2004. He served as director at SAM Investments Holdings Limited, Santander Consumer Finance, S.A. and Santander Holdings USA, Inc. He also sat on the supervisory boards of Santander Consumer AG, Santander Consumer Bank GmbH and Santander Bank Polska, S.A. He was also a board member of Bolsas y Mercados Españoles, S.A.

**Positions in other Group companies:** He is a non-executive director of Banco Santander (Brasil) S.A. and PagoNxt, S.L.

**Membership of board committees:** Executive committee and innovation and technology committee.

#### **Analysis of competencies and diversity**

The re-election of José Antonio Álvarez brings to the board significant strategic and international management experience, in particular in financial planning, asset management and consumer finance, vast experience with, and a well-established reputation among, key stakeholders such as regulators and investors, and sound knowledge of financial matters and risk management.

His re-election helps the board preserve the balance of competencies, experience and diversity reflected in the competencies and diversity matrix of the board, contributing, among others, competencies in the area of banking, other financial services and risk management, as well as diversity in terms of international education, which are greatly significant for the design and implementation of the Bank's long-term strategy.

#### **Work and effective dedication. Absence of conflicts of interest**

Since the re-election of the director at the ordinary general meeting of 12 April 2019 to the present date, there is confirmation of the proper performance of the duties of the position and positive evaluation thereof, as well as the director's attendance at and informed participation in 100% of the 48 meetings of the board held since the re-election

thereof. Also noted is the director's attendance at and informed participation in 100% of the 120 meetings of the executive committee and 100% of the 11 meetings of the innovation and technology committee held since the re-election thereof as a director.

José Antonio Álvarez is within the maximum number of positions, is able to devote sufficient time to performing the duties thereof and is not subject to any conflicts of interest.

### Evaluation

Based on applicable legal provisions and the Company's internal policies and regulations, the committee believes that José Antonio Álvarez is widely recognised as solvent and deserving of business and professional respectability, has the expertise and experience required to hold the position of director, and is able to carry out good governance of the Bank, such that José Antonio Álvarez meets the suitability requirements needed to hold the position of director.

The committee believes that José Antonio Álvarez fulfils the requirements established in subsection 1 of Section 529 *duodecies* of the Spanish Capital Corporations Law and in Article 6.2 (a) of the rules and regulations of the board to be considered an executive director.

### Report of the board

The board endorses the evaluation of the nomination committee, with which it concurs in all respects, and considers that José Antonio Álvarez has the expertise, experience and merits necessary to hold the positions of director, chief executive officer and vice chair. José Antonio Álvarez is likewise considered by the board to be an executive director.

## 3 E Re-election of Ms Belén Romana.

### PROPOSED RESOLUTION

To re-elect Ms Belén Romana García as a director, with the classification of independent director, for the Bylaw-mandated period of 3 years.

### PROPOSAL OF THE NOMINATION COMMITTEE AND REPORT OF THE BOARD



**Belén Romana**  
*Independent external director*

### Professional career

Joined the board in 2015.

**Nationality:** Spanish. Born in 1965 in Madrid, Spain.

**Education:** Degree in Economics and Business Administration from Universidad Autónoma de Madrid and State Economist.

**Experience:** She was formerly senior executive vice-president of Economic Policy, director-general of the Treasury of the Spanish Ministry of Economy, and director at Banco de España and the CNMV. She was also a director at the Instituto de Crédito Oficial and other entities on behalf of the Spanish Ministry of Economy. She served as a non-



executive director at Banco Español de Crédito, S.A. and as executive chair of Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB).

**Other positions of note:** She is a non-executive director of Aviva plc, London and independent director of SIX Group AG and of its subsidiary Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.U. Furthermore, she is co-chair of the global board of trustees of The Digital Future Society and a member of the board of trustees of the Rafael del Pino Foundation, of Inetum and of TribalData, and external adviser to Artá Capital.

**Membership of board committees:** Executive committee, audit committee, risk supervision, regulation and compliance committee (chair), innovation and technology committee, and responsible banking, sustainability and culture committee.

### Analysis of competencies and diversity

The re-election of Belén Romana brings to the board extensive executive and non-executive experience in the financial sector, in credit institutions and in the regulatory and supervisory bodies of the financial and securities market sector, a strategic vision of financial regulation in Spain and Europe, and sound knowledge of financial and regulatory matters.

Her re-election helps the board preserve the balance of competencies, experience and diversity reflected in the competencies and diversity matrix of the board, contributing, among others, competencies in the legal and regulatory area, in government, regulation and public policies, and in gender diversity and international education, which are greatly significant for the design and implementation of the Bank's long-term strategy, and also contributes to the board being made up of a majority of independent directors and having a balanced presence of women and men.

### Work and effective dedication. Absence of conflicts of interest

Since the re-election of the director at the ordinary general meeting of 12 April 2019 to the present date, there is confirmation of the proper performance of the duties of the position and positive evaluation thereof, as well as the director's attendance at and informed participation in 100% of the 48 meetings of the board held since the re-election thereof. Also noted is her attendance at and informed participation in 87% of the 120 meetings of the executive committee, 100% of the 39 meetings of the audit committee, 98% of the 42 meetings of the risk supervision, regulation and compliance committee, 100% of the 11 meetings of the innovation and technology committee, and 100% of the 13 meetings of the responsible banking, sustainability and culture committee held since her re-election as a director.

Belén Romana is within the maximum number of positions, is able to devote sufficient time to performing the duties thereof and is not subject to any conflicts of interest.

### Evaluation

Based on applicable legal provisions and the Company's internal policies and regulations, the committee believes that Belén Romana is widely recognised as solvent and deserving of business and professional respectability, has the expertise and experience required to hold the position of director, and is able to carry out good governance of the Bank, such that Belén Romana meets the suitability requirements needed to hold the position of director.

The committee believes that Belén Romana fulfils the requirements established in subsection 4 of Section 529 *duodecies* of the Spanish Capital Corporations Law and in Article 6.2 (c) of the rules and regulations of the board to be considered an independent director.

### Report of the board

The board endorses the evaluation of the nomination committee, with which it concurs in all respects, and considers that Belén Romana has the expertise, experience and merits necessary to hold the position of director. Belén Romana is likewise considered by the board to be an independent director.

### 3 F Re-election of Mr Luis Isasi.

#### PROPOSED RESOLUTION

To re-elect Mr Luis Isasi Fernández de Bobadilla as a director, with the classification of external director, for the Bylaw-mandated period of 3 years.

#### PROPOSAL OF THE NOMINATION COMMITTEE AND REPORT OF THE BOARD



**Luis Isasi**  
*External director*

#### **Professional career**

Joined the board in 2020.

**Nationality:** Spanish. Born in 1956 in Jerez de la Frontera, Spain.

**Education:** Degree in Economics and Business Administration. Master in Business Administration (MBA) from Columbia Business School.

**Experience:** Having long and broad experience in the financial and securities market sector, he began his career at Abengoa and then held various executive positions at JP Morgan in New York and First National Bank of Chicago in London. In 1987, he joined Morgan Stanley as managing director of investment banking for Europe and, from 1997 to February 2020, held the role of chair and country head for Spain. He is now a senior adviser there. He has also been a director of Madrileña Red de Gas, S.A. and of Sociedad Rectora de la Bolsa de Madrid, S.A., as well as an independent director of Grifols, S.A.

**Other positions of note:** He is non-executive chair of Santander España and an independent director of Compañía de Distribución Integral Logista Holdings, S.A. (Logista).

**Membership of board committees:** Executive committee, remuneration committee, and risk supervision, regulation and compliance committee.

#### **Analysis of competencies and diversity**

The re-election of Luis Isasi brings to the board broad experience in a wide range of sectors and international markets, as well as a strong institutional presence in Spain and sound knowledge of banking, financial and securities market matters.

His re-election helps the board preserve the balance of competencies, experience and diversity reflected in the competencies and diversity matrix of the board, contributing, among others, competencies in the area of banking, other financial services, governance and control as well as diversity in terms of international education, which are greatly significant for the design and implementation of the Bank's long-term strategy, and also contributes to the board being made up of a wide majority of external directors.

### Work and effective dedication. Absence of conflicts of interest

Since the effectiveness of his appointment approved at the ordinary general meeting of 3 April 2020 to the present date, there is confirmation of the proper performance of the duties of the position and positive evaluation thereof, as well as the director's attendance at and informed participation in 100% of the 26 meetings of the board held since the director became a member thereof. Also noted is his attendance at and informed participation in 97% of the 73 meetings of the executive committee, 100% of the 21 meetings of the remuneration committee, 93% of the 28 meetings of the risk supervision, regulation and compliance committee held since he joined the board.

Luis Isasi is within the maximum number of positions, is able to devote sufficient time to performing the duties thereof and is not subject to any conflicts of interest.

### Evaluation

Based on applicable legal provisions and the Company's internal policies and regulations, the committee believes that Luis Isasi is widely recognised as solvent and deserving of business and professional respectability, has the expertise and experience required to hold the position of director, and is able to carry out good governance of the Bank, such that Luis Isasi meets the suitability requirements needed to hold the position of director.

Even though the committee is of the opinion that Luis Isasi meets the requirements to be classed as an independent director, in view of the remuneration he would receive as non-executive chair of Santander España, in addition to what he is entitled to receive as a director, and of this body's special nature as supervisor of a business unit that does not have its own separate corporate identity from the Bank, it is considered preferable, applying a prudence criterion, to classify him as an external director, all the aforementioned pursuant to sub-sections 2 to 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and article 6.2 of the rules and regulations of the board.

### Report of the board

The board endorses the evaluation of the nomination committee, with which it concurs in all respects, and considers that Luis Isasi has the expertise, experience and merits necessary to hold the position of director. Likewise, and without prejudice to the above-mentioned reasons which lead the board to understand that Luis Isasi meets the requirements to be classed as independent, applying a prudence criterion, he is classified as an external director.

## 3 G Re-election of Mr Sergio Rial.

### PROPOSED RESOLUTION

To re-elect Mr Sergio Agapito Lires Rial as a director, with the classification of external director, for the Bylaw-mandated period of 3 years.

### PROPOSAL OF THE NOMINATION COMMITTEE AND REPORT OF THE BOARD



**Sergio Rial**  
*External director*

### Professional career

Joined the board in 2020.

**Nationality:** Spanish and Brazilian. Born in 1960 in Rio de Janeiro, Brazil.

**Education:** Degree in Law and Economics and postgraduate studies at the Instituto Brasileiro do Mercado de Capitais, Insead, Harvard Business School and Wharton Business School.

**Experience:** He joined the Group as chair of the board of Banco Santander (Brasil) S.A. in 2015, a position he held until 2016, and was CEO and vice-chair from 2016 to 2021. He was also the Group's regional head for South America (2019-2021). In the banking and financial sector, he held various executive positions at ABN Amro group between 1982 and 2004, including CEO for Asia and member of the global ExCo. He also held various executive positions at Cargill Inc. between 2004 and 2012, including executive vice-chair and global CFO. He has also been CEO at Seara Foods and Marfrig Global Foods, a director at Mosaic Fertilizers and a non-executive director at SAM Investment Holding, S.L., Banco Santander International (USA) and PagoNxt, S.L.

**Other positions of note:** He is an independent director of Delta Airlines Inc. and non-executive chair of Ebury Partners Limited. On 22 February 2022 he has been proposed to serve as vice chair of BRF S.A.

**Positions in other Group companies:** He is the non-executive chair of Banco Santander (Brasil) S.A.

### **Analysis of competencies and diversity**

The re-election of Sergio Rial brings to the board broad experience in the banking and financial sector and at other multinational groups across various geographic areas, as well as sound knowledge of the Latin American market, especially that of Brazil, and of environmental and social matters.

His re-election helps the board preserve the balance of competencies, experience and diversity reflected in the competencies and diversity matrix of the board, contributing, among others, competencies in the area of banking, other financial services and responsible business and sustainability, as well as diversity in terms of geographic background and international education, which are greatly significant for the design and implementation of the Bank's long-term strategy, and also contributes to the board being made up of a wide majority of external directors.

### **Work and effective dedication. Absence of conflicts of interest**

Since the effectiveness of his appointment approved at the ordinary general meeting of 3 April 2020 to the present date, there is confirmation of the proper performance of the duties of the position and positive evaluation thereof, as well as the director's attendance at and informed participation in 100% of the 26 meetings of the board held since the director became a member thereof.

Sergio Rial is within the maximum number of positions, is able to devote sufficient time to performing the duties thereof and is not subject to any conflicts of interest.

### **Evaluation**

Based on applicable legal provisions and the Company's internal policies and regulations, the committee believes that Sergio Rial is widely recognised as solvent and deserving of business and professional respectability, has the expertise and experience required to hold the position of director, and is able to carry out good governance of the Bank, such that Sergio Rial meets the suitability requirements needed to hold the position of director.

The committee believes that Sergio Rial fulfils the requirements established in subsections 2 to 4 of Section 529 *duodecies* of the Spanish Capital Corporations Law and in Article 6.2 of the rules and regulations of the board to be considered an external director.

### **Report of the board**

The board endorses the evaluation of the nomination committee, with which it concurs in all respects, and considers that Sergio Rial has the expertise, experience and merits necessary to hold the position of director. Sergio Rial is likewise considered by the board to be an external director.

## 4 Re election of the external auditor for financial year 2022.

### INFORMATION ABOUT THE AUDITOR

It is proposed to re-elect PricewaterhouseCoopers Auditores, S.L. as auditor of the Bank and the Group for financial year 2022. The proposal has been made by the audit committee, which has submitted it to the board of directors for subsequent submission thereof to the shareholders at the general meeting.

The partner of PricewaterhouseCoopers Auditores, S.L. responsible for the audit of the Bank and the Group is Mr Julián González Gómez, who has experience as a partner auditing global groups, mainly in Spain and the United Kingdom, and who has an outstanding track record in the Spanish financial sector. Julián González also regularly participates in various international forums on banking supervision and regulation.

### PROPOSED RESOLUTION

To re-elect PricewaterhouseCoopers Auditores, S.L., with a registered office in Madrid, at Paseo de la Castellana, nº 259 B, with Tax ID Code B-79031290 and registered in the Official Registry of Auditors of Accounts (*Registro Oficial de Auditores de Cuentas*) of the Accounting and Audit Institute (*Instituto de Contabilidad y Auditoría de Cuentas*) of the Ministry of Economic Affairs and Digital Transformation under number S0242, as external auditor for the verification of the annual accounts and of the directors' report of the Bank and of the consolidated Group for financial year 2022.

## 5 Amendments of the Bylaws.

*Each of the proposals made under items 5 A through 5 I shall be submitted to a separate vote.*

Pursuant to the provisions of applicable law (Section 4.2.c) of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, and Section 10 of Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions), the proposed bylaw amendments being submitted for approval under items 5 A through 5 I are subject to receipt of any applicable regulatory approval.

For each proposed resolution set out under items 5 A to 5 I, the board has drawn up a detailed rationale or justification report in compliance with the provisions of Section 286 of the Spanish Capital Corporations Law.

### 5 A Amendment of Articles 6 (*form of the shares*) and 12 (*transfer of shares*).

#### DETAILED RATIONALE

It is proposed to insert a new section 5 in Article 6 and to amend section 2 of Article 12 of the Bylaws in order to reflect in the provisions of the Bylaws the amendments relating to knowing who the ultimate beneficial owners of the shares are and the transferability of newly issued shares introduced in the Spanish Capital Corporations Law by Law 5/2021 of 12 April, which amends the restated text of the Spanish Capital Corporations Law approved by Royal Legislative Decree 1/2010 of 2 July, and other financial regulations, as regards the encouragement of long-term shareholder engagement in listed companies ("**Law 5/2021**"):

- Law 5/2021 transposed into Spanish law the power that the Directive on long-term engagement of shareholders (Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017) gave to companies to identify the ultimate beneficial owners of their shares, in order to facilitate the exercise of their rights. By including a new section 5 within Article 6 of the Bylaws, it is proposed to give the Bank the power to request the identification of the ultimate beneficial owners of the Company's shares. This power would be recognised in cases where an intermediary entity is recorded as the shareholder in the relevant book-entry register.

The section to be inserted, the text of which appears in the proposal, also includes (a) the definition of ultimate beneficial owner, which coincides with the definition provided in the new Section 497 bis of the Spanish Capital Corporations Law, introduced by Law 5/2021, and (b) the clarification that the Bank has no liability to said ultimate beneficial owners and is not privy to any relationships that may exist between an ultimate beneficial owner and the intermediary entities acting on behalf thereof. In sum, this means that even if the Bank knows the identity of the ultimate beneficial owner, it will continue to consider the person formally recorded in the book-entry register as the shareholder for all purposes, in accordance with applicable legal provisions.

- The amendment of section 2 of Article 12 of the Bylaws is intended to allow the transfer of newly issued shares as from the time permitted by law. With the amendments to Section 508 of the Spanish Capital Corporations Law, newly issued shares can be transferred as from the execution of the notarial instrument implementing the capital increase, without having to wait until the increase is recorded with the Commercial Registry, as currently provided. The amendment aims to align the Bylaw provision with the provisions of the law applicable at any given time, thus giving flexibility to the provision.

The current text of section 2 of Article 12 of the Bylaws proposed to be amended is shown, for information purposes only, highlighting the changes proposed to be introduced:

#### Article 12. Transfer of shares

[...]

2. New shares may **not** be transferred **as from the time established by law. until the capital increase is registered with the Commercial Registry**

[...]

#### PROPOSED RESOLUTION

- To include a new section 5 in Article 6 of the Bylaws, without changing the other sections of said article, the text of said new section 5 being as follows:
 

*"5. In the event that the person or entity registered as a holder of shares in the book-entry registry is an intermediary entity that keeps said shares in custody for the account of ultimate beneficial owners or of another intermediary entity, the Bank may also request the identification of the ultimate beneficial owners, meaning the person or persons for whose account the intermediary entity registered as a shareholder acts in each case, whether directly or through a chain of intermediaries. The Bank shall have no liability to the ultimate beneficial owners and is not privy to the relations between said ultimate beneficial owners and the intermediary entity or entities or to the relations among the entities making up the chain of intermediary entities."*
- To amend section 2 of Article 12 of the Bylaws, without changing the other sections of said article, such that section 2 of Article 12 shall hereafter read as follows:
 

*"2. New shares may be transferred as from the time established by law."*

#### 5 B Amendment of Article 16 (capital reduction).

#### DETAILED RATIONALE

The proposed amendment consists of including in section 1 of the Bylaw provision a subsection after the list of purposes that a capital reduction may pursue, to expressly add any other legally permissible purposes.

The current text of section 1 of Article 16 of the Bylaws proposed to be amended is shown, for information purposes only, highlighting the changes proposed to be introduced:

## Article 16. Capital reduction

1. Capital reductions may be effected by reducing the par value of the shares or by repurchasing them or dividing them into groups for exchange. Capital reductions may be effected in order to return the value of contributions, to release unpaid subscriptions, to establish or increase reserves or to restore the balance between the share capital and net assets, or to fulfil any other purpose allowed by law.

[...]

### PROPOSED RESOLUTION

---

To amend section 1 of Article 16 of the Bylaws, without changing the other section of said article (i.e. section 2), such that section 1 of Article 16 shall hereafter read as follows:

*"1. Capital reductions may be effected by reducing the par value of the shares or by repurchasing them or dividing them into groups for exchange. Capital reductions may be effected in order to return the value of contributions, to release unpaid subscriptions, to establish or increase reserves, to restore the balance between the share capital and net assets, or to fulfil any other purpose allowed by law."*

## 5 C Amendment of Article 19 (issuance of other securities).

### DETAILED RATIONALE

---

On 26 March 2021, the shareholders acting at the ordinary general shareholders' meeting of the Bank, under item Five A of the agenda therefor, approved an amendment to the Bylaws whereby the board of directors was given the power to issue non-convertible debentures without the need to seek the approval of the shareholders. The purpose of this amendment was to allow greater flexibility for the issue of debt instruments not convertible into new shares of the Bank, while at the same time aligning the Bylaws with legal provisions and customary practices of Spanish and European financial institutions.

It is now proposed to amend Article 19 in order to include certain technical improvements to clarify the scope of sections 1, 2 and 3 of Article 19 in the light of this grant to the board of the power to issue non-convertible debentures.

The current text of Article 19 of the Bylaws proposed to be amended is shown, for information purposes only, highlighting the changes proposed to be introduced:

#### Article 19. Issuance of other securities

1. The Company may issue notes, warrants, preferred stock or **any** other negotiable securities, **whether convertible or non-convertible** other than those described in the preceding articles.
2. **The In the case of convertible securities, the** shareholders acting at a general shareholders' meeting may delegate to the board of directors the power to issue such securities. The board of directors may exercise such delegated power on one or more occasions and during a maximum period of five years.
3. **The Likewise, in the case of convertible securities, the** shareholders at a general shareholders' meeting may **also likewise** authorize the board of directors to determine the time when the issuance approved is to be effected, and to set all other terms not specified in the resolution adopted at the general shareholders' meeting, on the terms established by law.



## PROPOSED RESOLUTION

To amend Article 19 of the Bylaws, which shall hereafter read as follows:

- "1 The Company may issue notes, warrants, preferred stock or any other negotiable securities, whether convertible or non-convertible, other than those described in the preceding articles.
2. In the case of convertible securities, the shareholders acting at a general shareholders' meeting may delegate to the board of directors the power to issue such securities. The board of directors may exercise such delegated power on one or more occasions and during a maximum period of five years.
3. Likewise, in the case of convertible securities, the shareholders at a general shareholders' meeting may also authorize the board of directors to determine the time when the issuance approved is to be effected, and to set all other terms not specified in the resolution adopted at the general shareholders' meeting, on the terms established by law."

**5 D Amendment of Article 26 (right to attend the meeting).**

## DETAILED RATIONALE

It is proposed to add a subsection to section 2 of Article 26 of the Bylaws to provide for the ability of directors to attend general meetings remotely if there are grounds for doing so. The proposal also provides that the board or the chair of the meeting, acting severally, will have to decide whether the circumstances justify the attendance of directors by remote means.

As made explicit in the subsection proposed to be added, this amendment does not affect the ability of the directors to remotely attend those meetings that are held exclusively on a remote basis, governed by Article 34 bis of the Bylaws, which does not require justified grounds.

The current text of section 2 of Article 26 of the Bylaws proposed to be amended is shown, for information purposes only, highlighting the changes proposed to be introduced:

**Article 26. Right to attend the Meeting**

[...]

2. The directors must attend general shareholders' meetings, but their attendance shall not be required for the meeting to be validly established. **They may attend by remote means in justified cases, which shall be assessed by the board or the chair of the meeting. Excepted from the foregoing are the provisions for meetings held exclusively by remote means.**

[...]

## PROPOSED RESOLUTION

To amend section 2 of Article 26 of the Bylaws, without changing the other sections of said article, such that section 2 of Article 26 shall hereafter read as follows:

- "2. The directors must attend general shareholders' meetings, but their attendance shall not be required for the meeting to be validly established. They may attend by remote means in justified cases, which shall be assessed by the board or the chair of the meeting. Excepted from the foregoing are the provisions for meetings held exclusively by remote means."



## 5 E Amendment of Articles 45 (*secretary of the board*) and 29 (*presiding committee of the general shareholders' meeting*).

### DETAILED RATIONALE

It is proposed to amend Article 45 in order to provide in the Bylaws for the ability to appoint more than one vice secretary of the board to assist the secretary of the board in his or her duties and, if necessary, to replace him or her in the event of absence, impossibility to act or illness. The purpose of this provision is to give the board greater capacity for self-organisation in order to achieve more agile operation of the board itself and of its committees. Specifically, it is proposed:

- to include in section 3 the power of the board to appoint one or more vice secretaries in order to assist the secretary of the board or replace him in the event of absence, impossibility to act or illness;
- to adjust the text of section 4 to reflect the potential existence of several vice secretaries appointed by the board of directors; and
- to reflect in section 5 the provision that any vice secretary or vice secretaries who are appointed may replace the secretary at all the committees of the board.

For consistency with the above proposed amendment, it is proposed to amend section 3 of Article 29 of the Bylaws relating to the presiding committee of the general meeting in order to reflect the possibility of there being several vice secretaries.

The current text of the sections of Articles 45 and 29 of the Bylaws proposed to be amended is shown, for information purposes only, highlighting the changes proposed to be introduced:

- **Article 45. Secretary of the board**

[...]

3. The board of directors, upon a prior report of the nomination committee, may appoint **one or more vice secretaries** ~~a vice secretary~~ in order that **they** ~~he~~ shall assist the secretary of the board of directors or replace him in the event of absence, impossibility to act or illness.
4. In the event of absence or impossibility to act, the secretary and the vice secretary **or vice secretaries** of the board may be replaced by the director appointed by the board itself from among the directors present at the meeting in question. The board may also resolve that any employee of the company act as such interim replacement.
5. The general secretary shall also be the secretary of all the committees of the board. **The vice secretary or any of the vice secretaries who are appointed may replace the secretary at all the committees of the board.**

- **Article 29. Presiding committee of the general shareholders' meeting**

[...]

3. The chair shall be assisted by the secretary for the meeting. The secretary of the board of directors shall serve as secretary for the general shareholders' meeting. In the event of absence, impossibility to act or vacancy of the secretary, the vice secretary **(or, if several vice secretaries have been appointed, any of them)** shall serve in his stead, and in the absence of the vice secretary, the director designated by the board itself shall act as secretary.

[...]

## PROPOSED RESOLUTION

- To amend sections 3, 4 and 5 of Article 45 of the Bylaws, without changing the other sections of such article, such that said sections 3, 4 and 5 of Article 45 shall hereafter read as follows:
  - “3. *The board of directors, upon a prior report of the nomination committee, may appoint one or more vice secretaries in order that they shall assist the secretary of the board of directors or replace him in the event of absence, impossibility to act or illness.*
  4. *In the event of absence or impossibility to act, the secretary and the vice secretary or vice secretaries of the board may be replaced by the director appointed by the board itself from among the directors present at the meeting in question. The board may also resolve that any employee of the Company act as such interim replacement.*
  5. *The general secretary shall also be the secretary of all the committees of the board. The vice secretary or any of the vice secretaries who are appointed may replace the secretary at all the committees of the board.”*
- To amend section 3 of Article 29 of the Bylaws, without changing the other sections of said article, such that section 3 of Article 29 shall hereafter read as follows:
  - “3. *The chair shall be assisted by the secretary for the meeting. The secretary of the board of directors shall serve as secretary for the general shareholders' meeting. In the event of absence, impossibility to act or vacancy of the secretary, the vice secretary (or, if several vice secretaries have been appointed, any of them) shall serve in his stead, and in the absence of the vice secretary, the director designated by the board itself shall act as secretary.”*

## 5 F Amendment of Article 48 (executive chair).

## DETAILED RATIONALE

It is proposed to amend section 1 of Article 48 to include a technical improvement. Specifically, it is proposed to add a paragraph intended to clarify that the consideration of the executive chair as the highest executive of the company does not prevent the board from establishing direct reporting lines from other executives to the board itself or to its committees, which is even expressly provided for control function holders in the European Banking Authority's Guidelines on Internal Governance (EBA/GL/2021/05). This modification is part of the continuous improvement and updating of the Bank's governance system.

The current text of section 1 of Article 48 of the Bylaws proposed to be amended is shown, for information purposes only, highlighting the changes proposed to be introduced:

**Article 48. The executive chair**

1. The chair of the board of directors shall have the status of executive chair of the Bank and shall be considered as the highest executive in the Company, vested with such powers as are required to hold office in such capacity, **without prejudice to direct reporting to the board or to the committees thereof by other executives as may be established by the board.** Considering his particular status, the executive chair shall have the following powers and duties, among others set forth in the law, in these bylaws or in the rules and regulations of the board:

- a) To ensure that the bylaws are fully complied with and that the resolutions adopted at the general shareholders' meeting and by the board of directors are duly carried out.
- b) To be responsible for the overall inspection of the Bank and all services thereof.
- c) To hold discussions with the chief executive officer and the senior management in order to inform himself of the progress of the business.

[...]

#### PROPOSED RESOLUTION

To amend section 1 of Article 48 of the Bylaws, without changing the other sections of said article, such that section 1 of Article 48 shall hereafter read as follows:

*"1. The chair of the board of directors shall have the status of executive chair of the Bank and shall be considered as the highest executive in the Company, vested with such powers as are required to hold office in such capacity, without prejudice to direct reporting to the board or to the committees thereof by other executives as may be established by the board. Considering his particular status, the executive chair shall have the following powers and duties, among others set forth in the law, in these bylaws or in the rules and regulations of the board:*

- a) To ensure that the bylaws are fully complied with and that the resolutions adopted at the general shareholders' meeting and by the board of directors are duly carried out.*
- b) To be responsible for the overall inspection of the Bank and all services thereof.*
- c) To hold discussions with the chief executive officer and the senior management in order to inform himself of the progress of the business."*

#### 5 G Amendment of Article 52 (audit committee).

#### DETAILED RATIONALE

It is proposed to amend Article 52 of the Bylaws to conform it to the new text of Section 529 *quaterdecies* of the Spanish Capital Corporations Law, as amended by Law 5/2021. The proposal is to amend subsection (vii) of section 4 of Article 52, and to add a new subsection (viii) in that same section 4. Specifically:

- it is proposed to adjust the text of letter a) of subsection (vii) to bring it into line with Section 529 *quaterdecies*.3.h).1 of the Spanish Capital Corporations Law, including the power of the audit committee to also report to the board in advance on the directors' report, which shall include, where appropriate, the mandatory non-financial information that the Bank must periodically make public, and also providing that the review of said information shall be coordinated with the review performed by the responsible banking, sustainability and culture committee;
- in letter (b) of subsection (vii), taking advantage of the opportunity offered by the harmonisation of this provision with the legislative amendments in the corporate field, it is proposed to replace the term "tax haven" with the new term coined by Law 11/2021 of 9 July on measures to prevent and combat tax fraud ("non-cooperative jurisdiction"); and
- it is proposed to delete letter c) of subsection (vii) and include a new subsection (viii) in said section 4, which sets out the power of the audit committee to report on those related-party transactions that must be approved by the shareholders acting at a general meeting or by the board, as appropriate, as well as to supervise such internal procedure as the Company may establish for those related-party transactions whose approval has been delegated pursuant to the provisions of law.

The current text of section 4 of Article 52 of the Bylaws proposed to be amended is shown, for information purposes only, highlighting the changes proposed to be introduced:

#### Article 52. Audit committee

[...]

4. The audit committee shall have at least the following powers and duties:

[...]

(vii) Previously report to the board of directors regarding all the matters established by law, the bylaws and in the rules and regulations of the board, and in particular regarding:

- a) the financial information **and the directors' report, which shall include, where applicable, the mandatory non-financial information** that the company must publish from time to time, **the review of which by the audit committee shall be coordinated with the review thereof by the responsible banking, sustainability and culture committee; and**
- b) the creation or acquisition of interests in special-purpose entities or with registered office in countries or territories that are considered **non-cooperative jurisdictions. tax havens; and**
- c) ~~related-party transactions.~~

**(viii) Report on those related-party transactions that must be approved by the shareholders acting at a general meeting or by the board of directors and supervise such internal procedure as the Company may establish for those whose approval has been delegated.**

[...]

#### PROPOSED RESOLUTION

---

To amend letters a) and b) of subsection (vii) of section 4, to eliminate letter c) of such subsection (vii), and to include, before the last paragraph of the said section 4 of Article 52 of the Bylaws, a new heading (viii), without changing the other subsections or sections of said article, such that subsections (vii) and (viii) of section 4 of Article 52 shall hereafter read as follows:

*"(vii) Previously report to the board of directors regarding all the matters established by law, the bylaws and in the rules and regulations of the board, and in particular regarding:*

- a) the financial information and the directors' report, which shall include, where applicable, the mandatory non-financial information that the company must publish from time to time, the review of which by the audit committee shall be coordinated with the review thereof by the responsible banking, sustainability and culture committee; and*
- b) the creation or acquisition of interests in special-purpose entities or with registered office in countries or territories that are considered non-cooperative jurisdictions.*

*(viii) Report on those related-party transactions that must be approved by the shareholders acting at a general meeting or by the board of directors and supervise such internal procedure as the Company may establish for those whose approval has been delegated."*

**5 H Amendment of articles relating to remuneration matters: Article 58 (compensation of directors), Article 59 (approval of the director remuneration policy) and Article 59 bis (transparency of the director compensation system).**

DETAILED RATIONALE

Law 5/2021 also made changes to the regulation of the remuneration of directors of listed companies set out in the Spanish Capital Corporations Law. Specifically, it included in Section 529.octodecies.1 of the Spanish Capital Corporations Law the obligation for the remuneration of directors who perform executive duties to conform to the bylaws, as well as to the remuneration policy. It also further developed the regulations applicable to the directors' remuneration policy, mainly contained in Section 529.novodecies of the Spanish Capital Corporations Law.

The purpose of the amendments proposed under item 5 H are mainly to conform the Bylaws to these two regulatory changes and consist of the following:

- Rearrange sections 3 and 4 of Article 58 of the Bylaws, so that section 3 becomes section 4 and vice versa, to better organise the provisions in the aforementioned Article 58, and specifying in greater detail the items for which a director may be compensated for the performance of executive duties in the former section 4 of Article 58 of the Bylaws (which would become section 3 as a result of the aforementioned rearrangement);
- amend the regulation of Article 59 of the Bylaws to reflect in this article the requirements of Section 529 novodecies of the Spanish Capital Corporations Law in relation to the remuneration policy; and
- amend the first sentence of section 4 of Article 59.bis of the Bylaws to provide that, in the event that the shareholders do not approve the annual directors' remuneration report on a consultative basis, the remuneration policy in force at that time may only continue to apply until the next ordinary general meeting, as provided in Section 529 novodecies.8.b) of the Spanish Capital Corporations Law; for purposes of clarification, the proposed amendment does not extend to the second sentence of said section 4, which will continue to provide that the policy need not be approved again if it is approved at the same meeting whereat the shareholders rejected the annual remuneration report in the corresponding consultative vote.

The current text of the sections of Articles 58, 59 and 59 bis of the Bylaws proposed to be amended is shown, for information purposes only, highlighting the changes proposed to be introduced:

- **Article 58. Compensation of directors**

[...]

**3. ~~In addition to the compensation systems set forth in the preceding paragraphs, the directors shall be entitled to receive compensation by means of the delivery of shares or share options, or by any other compensation system referenced to the value of shares, provided the application of such compensation systems is previously approved by the shareholders at the general shareholders' meeting. Such resolution shall determine, as the case may be, the maximum number of shares that may be assigned in each financial year, the exercise price or the system for calculating the exercise price of the share options, the value of the shares that may be used as a reference and the duration of the plan.~~**

**4.** Independently of the provisions of the preceding paragraphs, the directors shall also be entitled to receive such other compensation as is appropriate for the performance of executive duties.

For such purposes, when executive duties are delegated to a member of the board of directors in any capacity, it shall be necessary for the director and the Company to sign an agreement, which must have been previously approved by the board of directors with the favourable vote of two-thirds of its members. The affected director must abstain from attending the meeting and from participating in the vote. The approved agreement must be included as an exhibit in the minutes of the meeting.

Such agreements shall establish all the items for which the directors may receive remuneration for the performance of executive duties ~~(including, if applicable, salaries, incentives, bonuses, possible severance payments relating to such duties and the amounts to be paid by the Company in insurance or contributions to savings plans)~~. These items may include: (i) a fixed component; (ii) a variable component based on achieving targets or other parameters; (iii) savings and pension systems, supplements and benefits, including insurance premiums; (iv) severance payments due to cessation of office and compensation for exclusivity agreements, post-contractual non-competition agreements, continuity agreements or any other agreements that may be entered into; and (v) any other item provided for in the director remuneration policy in effect from time to time. The directors may not receive any remuneration for the performance of executive duties which amounts or items are not established in such agreement.

The remuneration to be paid pursuant to such agreements shall be adjusted to the director remuneration policy.

**4. In addition to the provisions set out in the preceding paragraphs, the directors shall be entitled to receive compensation by means of the delivery of shares or share options, or by any other compensation system referenced to the value of shares, provided the application of such compensation systems is previously approved by the shareholders at the general shareholders' meeting. Such resolution shall determine, as the case may be, the maximum number of shares that may be assigned in each financial year, the exercise price or the system for calculating the exercise price of the share options, the value of the shares that may be used as a reference and the duration of the plan.**

- **Article 59. Approval of the director remuneration policy**

1. The director remuneration policy shall be approved by the shareholders at the general shareholders' meeting ~~at least every three years~~ as a separate item on the agenda and for application over a maximum period of three financial years. It may also be provided that the policy be effective as from the date of approval thereof by the shareholders and over a period not to exceed the next three financial years. In any case, the event contemplated in section 4 of Article 59 bis below shall be exempted for purposes of the duration of the policy. Any amendment or replacement of the policy during its effective period shall require the prior approval of the shareholders at the general shareholders' meeting, in accordance with the procedure established for its approval.

2. The remuneration policy shall conform as appropriate to the remuneration system established in Article 58 and must necessarily include:

(i) ~~with regard to the remuneration of the directors in their capacity as such~~ the maximum ~~total~~ amount of annual remuneration to be paid to all of the directors in their capacity as such and the criteria for distribution thereof based on the duties and responsibilities assigned to each of them; and

(ii) ~~with regard to the remuneration of the directors~~ the amount of fixed annual remuneration for the performance of executive duties ~~the amount of the fixed annual remuneration and changes thereto during the period to which the policy refers, the various parameters to set the variable components and the principal terms and conditions of their agreements, including, in particular, term, other fixed components of remuneration, compensation for early withdrawal or termination of the contractual relationship and exclusivity, post-contractual attendance and continuity or loyalty agreements and the other provisions established by law.~~

[...]

**4. The duly approved director remuneration policy shall remain effective for the three fiscal years subsequent to the year in which it was approved by the shareholders at the general shareholders' meeting, unless the policy itself or the resolution of the general shareholders' meeting establishes a lesser term or on the occurrence of the event established in sub-section 4 of article 59 bis below. Any amendment or replacement**

~~thereof during such term shall require the prior approval of the shareholders at the general shareholders' meeting, in accordance with the procedure established for its approval. If the proposal for a new remuneration policy is rejected by the shareholders at the general shareholders' meeting, the Company shall continue paying remuneration to its directors in accordance with the remuneration policy in force on the date the general shareholders' meeting is held, and shall submit a new proposal for a remuneration policy for approval at the next ordinary general shareholders' meeting.~~

[...]

**6. The Company may establish temporary exceptions to the remuneration policy in accordance with the provisions of law**

• **Article 59 bis. Transparency of the director compensation system**

4. If the annual report on director remuneration is rejected by the consultative vote of the shareholders at **any an ordinary** general shareholders' meeting, **the Company may continue applying** the remuneration policy **applicable to the fiscal year subsequent to that in force only until the next ordinary general shareholders' meeting. in which the aforementioned general shareholders' meeting is held must be submitted for the approval of the shareholders at the general shareholders' meeting prior to its application, though the maximum term of such policy may not have expired.** It shall not be necessary to re-approve the policy if it would have been approved at the same general shareholders' meeting that rejected the annual report on directors' remuneration on a consultative basis

PROPOSED RESOLUTION

- To rearrange sections 3 and 4 of Article 58 of the Bylaws, without changing the other sections of such article, such that said sections 3 and 4 of Article 58 shall hereafter read as follows:

*"3. Independently of the provisions of the preceding paragraphs, the directors shall also be entitled to receive such other compensation as is appropriate for the performance of executive duties.*

*For such purposes, when executive duties are delegated to a member of the board of directors in any capacity, it shall be necessary for the director and the Company to sign an agreement, which must have been previously approved by the board of directors with the favourable vote of two-thirds of its members. The affected director must abstain from attending the meeting and from participating in the vote. The approved agreement must be included as an exhibit in the minutes of the meeting.*

*Such agreements shall establish all the items for which the directors may receive remuneration for the performance of executive duties. These items may include: (i) a fixed component; (ii) a variable component based on achieving targets or other parameters; (iii) savings and pension systems, supplements and benefits, including insurance premiums; (iv) severance payments due to cessation of office and compensation for exclusivity agreements, post-contractual non-competition agreements, continuity agreements or any other agreements that may be entered into; and (v) any other item provided for in the director remuneration policy in effect from time to time. The directors may not receive any remuneration for the performance of executive duties which amounts or items are not established in such agreement.*

*The remuneration to be paid pursuant to such agreements shall be adjusted to the director remuneration policy.*

4. *In addition to the provisions set out in the preceding paragraphs, the directors shall be entitled to receive compensation by means of the delivery of shares or share options, or by any other compensation system referenced to the value of shares, provided the application of such compensation systems is previously approved by the shareholders at the general shareholders' meeting. Such resolution shall determine, as the case may be, the maximum number of shares that may be assigned in each financial year, the exercise price or the system for*



*calculating the exercise price of the share options, the value of the shares that may be used as a reference and the duration of the plan."*

- To amend Article 59 of the Bylaws, which shall hereafter read as follows:
  - "1. The director remuneration policy shall be approved by the shareholders at the general shareholders' meeting as a separate item on the agenda and for application over a maximum period of three financial years. It may also be provided that the policy be effective as from the date of approval thereof by the shareholders and over a period not to exceed the next three financial years. In any case, the event contemplated in section 4 of Article 59 bis below shall be exempted for purposes of the duration of the policy. Any amendment or replacement of the policy during its effective period shall require the prior approval of the shareholders at the general shareholders' meeting, in accordance with the procedure established for its approval.*
  - 2. The remuneration policy shall conform as appropriate to the remuneration system established in Article 58 and must necessarily include:
    - (i) the maximum amount of annual remuneration to be paid to all of the directors in their capacity as such and the criteria for distribution thereof based on the duties and responsibilities assigned to each of them; and*
    - (ii) the amount of fixed annual remuneration for the performance of executive duties and the other provisions established by law.**
  - 3. The proposal by the board of directors of the director remuneration policy shall be reasoned and must be accompanied by a specific report of the remuneration committee. As from the call to the general shareholders' meeting, both documents shall be made available on the Company's website for the shareholders, who may also request that the documents be delivered or sent free of charge. The announcement of the call to the general shareholders' meeting shall mention such right.*
  - 4. If the proposal for a new remuneration policy is rejected by the shareholders at the general shareholders' meeting, the Company shall continue paying remuneration to its directors in accordance with the remuneration policy in force on the date the general shareholders' meeting is held, and shall submit a new proposal for a remuneration policy for approval at the next ordinary general shareholders' meeting.*
  - 5. Any remuneration the directors received for the exercise or termination of their office or for the performance of executive duties shall be in accordance with the director remuneration policy then in effect. Excepted from the foregoing is remuneration expressly approved by the shareholders at the general shareholders' meeting.*
  - 6. The Company may establish temporary exceptions to the remuneration policy in accordance with the provisions of law."*
- To amend section 4 of Article 59 bis of the Bylaws, without changing the other sections of such article, such that said section 4 of Article 59 bis shall hereafter read as follows:
  - "4. If the annual report on director remuneration is rejected by the consultative vote of the shareholders at an ordinary general shareholders' meeting, the Company may continue applying the remuneration policy in force only until the next ordinary general shareholders' meeting. It shall not be necessary to re-approve the policy if it would have been approved at the same general shareholders' meeting that rejected the annual report on directors' remuneration on a consultative basis."*



## 5 I Insertion of a new Article 64 bis (prior authorisation for the payment of dividends other than in cash or own funds instruments).

### DETAILED RATIONALE

It is proposed to include, after Article 64 of the Bylaws, a new Article 64 bis, the purpose of which will be to include in the Bylaws the requirement that payments of dividends made other than in cash or own funds instruments shall be subject to compliance with the conditions established by applicable laws and regulations and shall require, where appropriate, the prior authorisation of the competent authority.

This proposed amendment is based on the fact that, because the Bylaws of the Bank provide for the ability of the Bank to pay dividends in kind, it is appropriate to amend them in accordance with the interpretation of Article 73 of the CRR included in the report of the European Banking Authority of 8 December 2021 (EBA Report on the Monitoring of CET1 Instruments Issued by EU Institutions —Update), in order to reflect that, in certain cases, the competent authority's prior authorisation may be required for distributions in kind.

The text of the new Article 64 bis can be found in the proposal itself.

### PROPOSED RESOLUTION

To insert a new Article 64 bis after Article 64 in the Bylaws, which shall read as follows:

**"Article 64 bis. Prior authorisation for the payment of dividends other than in cash or own funds instruments.**

*Payments of dividends made other than in cash or own funds instruments shall be subject to compliance with the conditions established by applicable laws and regulations and shall require, where appropriate, the prior authorisation of the competent authority."*

## 6 Amendments of the Rules and Regulations for the General Shareholders' Meeting.

Each of the proposals formulated under Items 6 A through 6 D shall be submitted to a separate vote.

### 6 A Amendment of Article 6 (information available as of the date of the call to meeting).

#### DETAILED RATIONALE

It is proposed to delete a paragraph in subsection (v) of section 1 of Article 6 of the Rules and Regulations for the General Shareholders' Meeting to conform it to the new text of Section 518 e) of the Spanish Capital Corporations Law. Specifically, it is proposed to delete the reference to directors who are legal persons, given that Section 529 bis.1 of the Spanish Capital Corporations Law, as amended by Law 5/2021, generally requires that the board of directors of listed companies be composed exclusively of natural persons.

The current text of subsection (v) of section 1 of Article 6 of the Rules and Regulations for the General Shareholders' Meeting proposed to be amended is shown, for information purposes only, highlighting the changes proposed to be introduced:

#### **Article 6. Information Available as of the Date of the Call to Meeting**

1. In addition to what is required by provisions of Law or the Bylaws, beginning on the date of publication of the announcement of the call and until the General Shareholders' Meeting is held, the Company shall maintain the following information continuously published on its website:

[...]

(v) in the event of appointment, ratification or re-election of members of the Board of Directors, the identity, curriculum vitae and category to which each one of them belongs, as well as the proposals and reports of the Board of Directors or of the Nomination Committee, as applicable in each case pursuant to the Law, the Bylaws or the Rules and Regulations of the Board. **In the case of a legal person, the information must include that corresponding to the physical person to be appointed to perform the duties of the position on a permanent basis;** and

[...]

#### PROPOSED RESOLUTION

To amend subsection (v) of section 1 of Article 6 of the Rules and Regulations for the General Shareholders' Meeting, without changing the other sections or subsections of said article, such that said subsection (v) shall hereafter read as follows:

*"(v) in the event of appointment, ratification or re-election of members of the Board of Directors, the identity, curriculum vitae and category to which each one of them belongs, as well as the proposals and reports of the Board of Directors or of the Nomination Committee, as applicable in each case pursuant to the Law, the Bylaws or the Rules and Regulations of the Board; and"*

#### 6 B Amendment of Article 13 (*presiding committee of the general shareholders' meeting*).

#### DETAILED RATIONALE

It is proposed to amend section 2 of Article 13 of the Rules and Regulations for the General Shareholder's Meeting in order to reflect the ability to have more than one vice secretary and to coordinate this amendment with the amendment of Article 29 of the Bylaws proposed by the board of directors under item 5 E of the agenda.

The current text of section 2 of Article 13 of the Rules and Regulations for the General Shareholders' Meeting proposed to be amended is shown, for information purposes only, highlighting the changes proposed to be introduced:

#### **Article 13. Presiding Committee of the General Shareholders' Meeting**

[...]

2. The Chair of the Board of Directors or, in his absence, the Vice Chair serving in his stead pursuant to the Bylaws, and in the absence of both the Chair and the Vice Chair, the Director designated by the Board of Directors, shall preside over General Shareholders' Meetings, and the General Secretary of the Company shall serve as Secretary. In the absence, incapacity or vacancy of the Secretary, the Vice Secretary (**or, if several Vice Secretaries have been appointed, any of them**) shall serve in his stead, and in the absence of the Vice Secretary, the Director designated by the Board of Directors. In the absence of any express designation pursuant to the foregoing, the shareholders elected by the shareholders present at the Meeting shall serve as Chair and Secretary.

If for any reason during the course of the General Shareholders' Meeting the Chair or the Secretary should have to leave the Meeting, the person to serve in their stead shall be designated pursuant to the provisions of the foregoing paragraph.

## PROPOSED RESOLUTION

To amend section 2 of Article 13 of the Rules and Regulations for the General Shareholders' Meeting, without changing the other sections of said article, such that said section 2 shall hereafter read as follows:

"2. *The Chair of the Board of Directors or, in his absence, the Vice Chair serving in his stead pursuant to the Bylaws, and in the absence of both the Chair and the Vice Chair, the Director designated by the Board of Directors, shall preside over General Shareholders' Meetings, and the General Secretary of the Company shall serve as Secretary. In the absence, incapacity or vacancy of the Secretary, the Vice Secretary (or, if several Vice Secretaries have been appointed, any of them) shall serve in his stead, and in the absence of the Vice Secretary, the Director designated by the Board of Directors. In the absence of any express designation pursuant to the foregoing, the shareholders elected by the shareholders present at the Meeting shall serve as Chair and Secretary.*

*If for any reason during the course of the General Shareholders' Meeting the Chair or the Secretary should have to leave the Meeting, the person to serve in their stead shall be designated pursuant to the provisions of the foregoing paragraph."*

**6 C Amendment of articles relating to remote attendance at the meeting by electronic means: elimination of the Additional Provision (*attendance at the shareholders' meeting by distance means of communication in real time*), insertion of a new Article 15 bis (*remote shareholders' meeting*) and amendment of Article 19 (*proposals*).**

## DETAILED RATIONALE

It is proposed to include in a single article the provisions relating to the holding of remote meetings, whether a hybrid meeting or a meeting held only by remote means, while aligning the text thereof with Sections 182 and 182 bis of the Spanish Capital Corporations Law, as amended and included, respectively, by Law 5/2021, and coordinating the text of the Rules and Regulations for the General Shareholders' Meeting with that of the Bylaws in this area included in Article 34 bis thereof.

To this end, it is proposed to eliminate the Additional Provision of the Rules and Regulations for the General Shareholders' Meeting, replacing it with a new Article 15 bis after Article 15, which would include:

- some of the provisions initially included in said Additional Provision relating to attendance at the meeting by remote means; and
- the basic rules to which remote attendance at the meeting will be subject (including rules common to hybrid meetings and meetings held exclusively by remote means and specific rules for each type of meeting), all coordinated with the rules already contained in Article 34 bis of the Bylaws.

For consistency with this proposal, it is also proposed to amend Article 19 to replace the reference to the Additional Provision with a reference to the new Article 15 bis.

The current text of Article 19 proposed to be amended is shown, for information purposes only, highlighting the changes proposed to be introduced. The text of the new Article 15 bis, which replaces the Additional Provision, can be found in the proposal itself.

**Article 19. Proposals**

Without prejudice to the possibility of submitting proposals for resolutions under the provisions of the Spanish Capital Corporations Law prior to the call to the General Shareholders' Meeting or to what is set forth in ~~the Additional Provision Article 15 bis~~ of these Rules and Regulations for those attending ~~by means of data transmission that permit their real-time connection the meeting by remote means~~, shareholders may, during the shareholder

presentation period, submit proposed resolutions to the General Shareholders' Meeting regarding any matter on the agenda which is not legally required to be made available to the shareholders at the time the call to meeting is published, and regarding those matters that may be debated at the Shareholders' Meeting without such matters appearing on the agenda.

#### PROPOSED RESOLUTION

---

- To eliminate the Additional Provision of the Rules and Regulations for the General Shareholders' Meeting.
- To include a new Article 15 bis after Article 15 within the Rules and Regulations for the General Shareholders' Meeting, which shall read as follows:

##### **“Article 15 bis. Remote Shareholders' Meeting**

1. *If so provided in the announcement of the call to meeting or in any applicable supplementary announcement, together with physical or in-person attendance, attendance at the shareholders' meeting by remote and simultaneous means and the casting of electronic distance votes during the Shareholders' Meeting may also be allowed (hybrid Meeting). In such case, the Board of Directors shall regulate all procedural aspects required in this regard for each General Shareholders' Meeting in compliance with the law, the Bylaws and these Rules and Regulations.*

*Remote attendance at the Shareholders' Meeting in this case shall be subject to the following basic rules, which may be further developed and supplemented by the Board of Directors:*

- Shareholders (or their proxy representatives) desiring to attend the Shareholders' Meeting must identify themselves by means of an electronic signature or other form of identification upon the terms established by the Board of Directors in a resolution adopted for this purpose and providing adequate guarantees of authenticity and of verification of identity of the shareholder (or proxy representative) in question.*
  - The call to meeting shall state how far in advance of the commencement of the meeting shareholders (or their proxy representatives) desiring to attend the Meeting must connect in order to be deemed a shareholder present in person or by proxy. If the connection is made after the established deadline, the shareholder shall not be deemed to be present in person or by proxy.*
  - The rights to participate, receive information, make proposals and vote must be exercised through the means of remote communication designated by the Board of Directors. The Board of Directors shall determine the procedure and deadlines for the exercise of these rights during the course of the Shareholders' Meeting.*
2. *The announcement of the call to meeting or any applicable supplementary announcement to be published may also provide for the meeting to be held exclusively by remote means, without the physical attendance of shareholders or their proxy representatives. The Board of Directors shall regulate all procedural aspects required in this regard for each General Shareholders' Meeting to be held in this form in compliance with the law, the Bylaws and these Rules and Regulations.*

*The Shareholders' Meeting shall in this case be subject to the provisions of law and the Bylaws, as well as to the basic rules set out in paragraphs (i) to (iii) of section 1 above, which may be further developed and supplemented by the Board of Directors. The announcement of the call to meeting shall describe the steps and procedures to register and to prepare the list of attendees, for the attendees to exercise their rights, and for the course of the Shareholders' Meeting to be accurately reflected in the minutes.*

3. *Whether it is a hybrid or exclusively remote Shareholders' Meeting, replies to shareholders or their representatives attending the Shareholders' Meeting through the remote means of communication provided for*

*in this article who exercise their right to request information during the Shareholders' Meeting shall be provided during the course of the meeting. In the event that it is not possible to do so at that time, the directors shall be required to provide the requested information in writing within seven days of the close of the Shareholders' Meeting, except where any of the grounds for denial provided for by law, the Bylaws or these Rules and Regulations applies. Replies provided in writing shall be published on the corporate website.*

*Likewise, pursuant to Section 182 of the Spanish Capital Corporations Law, the directors may decide that presentations and proposed resolutions that those attending by remote means intend to make as allowed by law be submitted to the Company before the General Shareholders' Meeting is established.*

4. *To implement remote attendance and the casting of electronic distance votes during the holding of the Shareholders' Meeting, the Board of Directors may establish, adjust and update the means and procedures as may be appropriate to the state of technology and the circumstances of the Company, especially taking into account the number of its shareholders, in compliance, if appropriate, with the legal provisions applicable to this system and with the provisions of the Bylaws and of these Rules and Regulations. It may also adjust the provisions established for physical presence to cases where shareholders or their proxy representatives are not physically present. Such means, procedures and adjustments shall be published on the Company's website or within the tool through which remote attendance at the Shareholders' Meeting is implemented.*
  5. *If due to technical circumstances not attributable to the Company, remote attendance at the Shareholders' Meeting in the expected manner should not be possible or if there is an interruption of the communication or it is ended during the course of the Shareholders' Meeting, this circumstance cannot be invoked as an illegitimate deprivation of shareholder rights."*
- To amend Article 19 of the Rules and Regulations for the General Shareholders' Meeting, which shall hereafter read as follows:
 

*"Without prejudice to the possibility of submitting proposals for resolutions under the provisions of the Spanish Capital Corporations Law prior to the call to the General Shareholders' Meeting or to what is set forth in Article 15 bis of these Rules and Regulations for those attending the meeting by remote means, shareholders may, during the shareholder presentation period, submit proposed resolutions to the General Shareholders' Meeting regarding any matter on the agenda which is not legally required to be made available to the shareholders at the time the call to meeting is published, and regarding those matters that may be debated at the Shareholders' Meeting without such matters appearing on the agenda."*

## 6 D Amendment of Article 17 (presentations).

### DETAILED RATIONALE

It is proposed to amend Article 17 of the Rules and Regulations for the General Shareholders' Meeting in order to reduce the minimum time of shareholder presentations at the general shareholders' meeting from five to three minutes. This amendment is intended to allow the meeting to be held in a more agile and flexible way.

The proposed amendment only affects the minimum time allotted for presentations, which of course does not prevent the chair of the meeting from approving a longer time than the one initially allotted or extending the time when he so deems appropriate. Furthermore, insofar as presentations should be confined to the business properly before the meeting, it is considered sufficient to allocate three minutes to each presentation.

The current text of Article 17 of the Rules and Regulations for the General Shareholders' Meeting proposed to be amended is shown, for information purposes only, highlighting the changes proposed to be introduced:

**Article 17. Presentations**

Presentations by the shareholders shall occur in the order in which they are called for such purpose by the Presiding Committee.

The Chair, considering the circumstances, shall determine the time initially allotted for each presentation, which shall be the same for all and never less than **three five** minutes.

In the exercise of the Chair's powers to preside over the Shareholders' Meeting, and without prejudice to other action that may be taken, the Chair:

- (i) may extend the time initially allocated to each shareholder, when the Chair so deems it appropriate;
- (ii) may request the presenting parties to clarify issues that have not been understood or which have not been sufficiently explained during the presentation;
- (iii) may call the presenting shareholders to order so that they limit their presentation to business properly before the Shareholders' Meeting and refrain from making improper statements or exercising their right in an abusive or obstructionist manner;
- (iv) may announce to the presenting parties that the time for their presentations will soon be ending so that they may adjust their discourse and, when the time granted for their presentation has ended, or if they persist in the conduct described in the paragraph (iii) above, may withdraw the floor from them; and
- (v) if the Chair believes that their presentation might upset the proper order and normal conduct of the meeting, the Chair may order them to leave the premises and, if appropriate, adopt the measures required for compliance with this provision.

**PROPOSED RESOLUTION**

To amend Article 17 of the Rules and Regulations for the General Shareholders' Meeting, which shall hereafter read as follows:

***"Article 17. Presentations***

*Presentations by the shareholders shall occur in the order in which they are called for such purpose by the Presiding Committee.*

*The Chair, considering the circumstances, shall determine the time initially allotted for each presentation, which shall be the same for all and never less than three minutes.*

*In the exercise of the Chair's powers to preside over the Shareholders' Meeting, and without prejudice to other action that may be taken, the Chair:*

- (i) may extend the time initially allocated to each shareholder, when the Chair so deems it appropriate;*
- (ii) may request the presenting parties to clarify issues that have not been understood or which have not been sufficiently explained during the presentation;*
- (iii) may call the presenting shareholders to order so that they limit their presentation to business properly before the Shareholders' Meeting and refrain from making improper statements or exercising their right in an abusive or obstructionist manner;*
- (iv) may announce to the presenting parties that the time for their presentations will soon be ending so that they may adjust their discourse and, when the time granted for their presentation has ended, or if they persist in the conduct described in the paragraph (iii) above, may withdraw the floor from them; and*

- (v) *if the Chair believes that their presentation might upset the proper order and normal conduct of the meeting, the Chair may order them to leave the premises and, if appropriate, adopt the measures required for compliance with this provision."*

## 7 Share capital.

Each of the proposals formulated under items 7 A through 7 D shall be submitted to a separate vote.

**7 A Authorisation to the board of directors to increase the share capital on one or more occasions and at any time, within a period of 3 years, by means of cash contributions and by a maximum nominal amount of €4,335,160,325.50. Delegation of the power to exclude pre-emptive rights.**

### REPORT OF THE BOARD

In compliance with the provisions of Sections 286, 296.1, 297.1 and 506 of the Spanish Capital Corporations Law, the board has prepared this report to provide a rationale for the proposal submitted to the shareholders at the general shareholders' meeting under item 7 A of the agenda.

- **Ability to increase capital.** The purpose of the proposal is to provide the board with an instrument allowed by current corporate law. Pursuant to Section 297.1.b) of the Spanish Capital Corporations Law, the shareholders acting at a general shareholders' meeting may, by fulfilling the requirements established to amend the Bylaws, delegate to the board of directors the power to approve, on one or more occasions, an increase in share capital to a particular amount, at the time and in the amount that the board decides, without previously consulting the shareholders at a general shareholders' meeting. Such capital increases may in no event exceed one-half of the Company's capital at the time of the authorisation and must be carried out within a maximum period of 5 years from the resolution adopted at the meeting.

In order for commercial companies, and particularly large companies, to be able to act with the speed and agility they require, it is important that their governing and management bodies have the most appropriate instruments at their disposal at all times to respond to the needs that arise in the light of market circumstances. These needs may include the need to provide the Company with new funds, which will normally be accomplished by means of new capital contributions.

It is generally not possible to anticipate what the Company's capital needs will be. In addition, recourse to a general meeting to increase share capital leads to delay and increased costs and may affect the speed and efficiency with which the Company must respond to market needs.

The delegation provided by Section 297.1.b) of the Spanish Capital Corporations Law allows for the circumvention of these difficulties and gives the board of directors flexibility to meet the Bank's needs.

- **Term of the authorisation.** The proposal provides that the directors may make use of the delegated powers to increase share capital over a period of 3 years from the date the meeting is held. This period is less than the maximum period of 5 years contemplated by law, which allows the Bank to benefit from the use of the delegation of powers, but in turn requires that, in the event that a renewal or modification of the authorisation is desired upon the expiration thereof, consultation with the shareholders must occur earlier than would be required should the maximum 5-year period that is legally allowed be used up. This, in the Board's opinion, is a good practice.
- **Exclusion of pre-emptive rights.** As allowed by Section 506 of the Spanish Capital Corporations Law in the case of listed companies, when the shareholders at a general meeting delegate to the directors the power to increase



share capital in accordance with the provisions of Section 297.1.b), they may also be given the power to exclude pre-emptive rights in these issuances of shares when so required in the Company's interest, provided, however, that such proposed exclusion must be stated in the call to the general meeting and may not cover more than 20% of the share capital.

- (i) Ability. The additional ability to exclude pre-emptive rights notably increases the manoeuvrability and responsiveness offered by a delegation of the power to increase share capital upon the terms of Section 297.1.b) of the Spanish Capital Corporations Law.

The total or partial exclusion of pre-emptive rights is a power that the shareholders at the general shareholders' meeting give to the board, which, in view of the circumstances and taking account of any legal requirements, may decide whether or not to exercise it at any time.

If the board decides to eliminate pre-emptive rights in a capital increase made pursuant to the authorisation:

- in approving the increase, the board shall issue a report describing the reasons of corporate interest justifying the decision. This report shall be made available to the shareholders and disclosed at the first general meeting held after the adoption of the resolution to increase capital; and
- if provided by law or otherwise deemed appropriate, the Bank may voluntarily obtain a report from an independent expert, other than the Company's external auditor, on the fair value of the Bank's shares, the underlying value of the excluded pre-emptive rights, and the reasonableness of the data contained in the directors' report.

- (ii) Rationale. Any exclusion of pre-emptive rights may be justified by several reasons:

- *Flexibility and agility*. Sometimes it is necessary to act quickly in financial markets in order to take advantage of the most favourable conditions.
- *Reduction in costs*. The elimination of pre-emptive rights tends to reduce the costs associated with the transaction (especially the fees of the financial institutions participating in the issue) as compared to an issue with pre-emptive rights.
- *Less distortion*. The elimination of pre-emptive rights normally reduces distortion in trading in the Company's shares during the issue period, which also tends to be shorter than for an issue with such rights.
- *Optimal raising of funds*. The exclusion may be necessary when it is planned to raise funds in international markets or through the use of bookbuilding.

- (iii) Maximum limit. The proposal provides that pre-emptive rights may only be excluded in connection with capital increases representing, individually or in the aggregate, up to a maximum of €867,032,065, equal to 10% of the share capital of the Bank as of the date of this report, after rounding downwards to the nearest multiple of the par value per unit of the shares. This limit is lower than the maximum of 20% provided for in the Spanish Capital Corporations Law, and is therefore considered good practice.

The proposal provides that the amount of the capital increases made pursuant to resolution Seven II) adopted by the shareholders at the general shareholders' meeting of 12 April 2019 (delegation to the board of the power to issue debt instruments convertible into shares of the Bank) or pursuant to any other resolution that the shareholders may adopt in this regard at a future general meeting to accommodate the conversion of debentures issued with the exclusion of pre-emptive rights shall be deemed to be included within this limit, with the exception described below.

- (iv) Issue of CoCos and maximum limit. Among other instruments, solvency rules provide for the ability to compute the following issues as additional tier 1 equity instruments and, therefore, as eligible for



compliance with the solvency requirements: (a) those that are perpetual or that have no conversion and/or repayment period; and (b) those under which conversion is contingent and contemplated to meet regulatory requirements for the computability of the securities issued as equity instruments pursuant to the solvency regulations applicable at any time ("**Contingently Convertible Issues**" or "**CoCos**"); so long as provision is made, among other characteristics, for their contingent conversion into newly-issued shares when the solvency ratios fall below a pre-established threshold.

This possibility allows credit institutions to meet their solvency requirements in a more flexible manner and under more suitable financial and capital management conditions. The Bank and many other financial institutions also routinely make Contingently Convertible Issues, in the Bank's case regardless of whether individual or consolidated capital ratios are significantly higher than required. For this reason, and in line with Additional Provision Fifteen of the Spanish Capital Corporations Law, it is considered appropriate that issues of CoCos should not be counted for the purposes of the general limit of 10% of share capital for issues where pre-emptive rights are excluded. Instead, the general limit of one-half of the share capital existing on the date of the authorisation shall apply.

- **Revocation of prior authorisation.** The proposed revocation of resolution Six II) adopted by the shareholders at the ordinary general shareholders' meeting of 3 April 2020 is due to the board not being able to simultaneously hold two authorisations to increase capital.

It is proposed to renew, on the above terms, the current authorisation to increase capital, which would expire on 3 April 2023, to ensure that, regardless of when the ordinary general meeting is held in 2023, the Bank will at all times have an authorisation in effect to increase capital if so required.

#### PROPOSED RESOLUTION

---

- **Revocation of prior authorisation**

To rescind and deprive of effect, to the extent unused, the authorisation granted pursuant to resolution Six II) approved at the ordinary general shareholders' meeting of 3 April 2020.

- **New authorisation**

To again authorise the board of directors, as broadly as may be necessary under the law:

- (i) so that it can increase the share capital pursuant to the provisions of Section 297.1.b) of the Spanish Capital Corporations Law:
  - on one or more occasions and at any time, within a period of 3 years from the date of this meeting;
  - by the maximum amount of €4,335,160,325.50;
  - through the issue of new shares (with or without a premium);
  - with cash contributions as consideration for the new shares to be issued;
  - with the ability to set the terms and conditions of the capital increase and the characteristics of the shares, as well as to freely offer the new shares unsubscribed during the pre-emptive subscription period or periods, and to establish that, in the case of an incomplete subscription, the capital shall be increased only by the amount of subscriptions made;
- (ii) to amend the article of the Bylaws relating to capital;
- (iii) to totally or partially exclude pre-emptive rights upon the terms of Section 506 of the Spanish Capital Corporations Law, provided, however, that this power shall be limited to capital increases carried out under

this delegation of powers up to the amount of €867,032,065 (10% of the current share capital of the Bank); and

- (iv) to delegate (with the power of substitution when appropriate) to the executive committee or to any director with delegated powers, those delegable powers granted pursuant to this resolution, all without prejudice to the representative powers that currently exist or may be granted.

- **Calculation of the authorisation and convertible debentures**

The amount of the capital increases, if any, made to accommodate the conversion of debentures under the provisions of resolution Seven II) from among those adopted by the shareholders at the ordinary general shareholders' meeting of 12 April 2019 or any other resolution adopted in this connection by the shareholders at a general meeting shall be deemed to be included within the limit available at any time in the maximum amount of €4,335,160,325.50 authorised by this resolution.

- **Issue of CoCos and maximum limit**

For the purposes of the limit available for the total or partial exclusion of pre-emptive rights (10% of the Bank's current share capital), issues that are perpetual or that have no conversion and/or repayment period and under which conversion is contingent and contemplated to meet regulatory requirements for the computability of the securities issued as equity instruments pursuant to the solvency regulations applicable at any time ("**Contingently Convertible Issues**" or "**CoCos**"), in which pre-emptive rights are excluded and which may be approved under the provisions of resolution Seven II) from among those adopted by the shareholders at the ordinary general shareholders' meeting of 12 April 2019 or pursuant to any other resolution on this issue that the shareholders may adopt at a general meeting, shall not be counted. Pursuant to Additional Provision Fifteen of the Spanish Capital Corporations Law, the general limit of 50% of the Bank's share capital shall apply to capital increases carried out to cover the conversion of such issues if pre-emptive rights are excluded.

## 7 B Reduction in share capital in the amount of €129,965,136.50, through the cancellation of 259,930,273 own shares. Delegation of powers.

### REPORT OF THE BOARD

In compliance with the provisions of Sections 286 and 318 of the Spanish Capital Corporations Law, the board has prepared this report to provide a rationale for the proposal submitted to the shareholders at the general shareholders' meeting under item 7 B of the agenda.

- **Rationale for the proposal.** In the context of the shareholder remuneration policy, the board of directors considers that it is appropriate to reduce the share capital by cancelling the own shares of the Company. The main effect of the aforementioned capital reduction will be an increase in the earnings per share of the Company, which will benefit its shareholders. The reduction will entail the necessary cancellation of the 259,930,273 shares acquired within the framework of the buy-back programme announced by means of notices of inside information dated 28 September 2021 and 6 October 2021, and which was completed on 25 November 2021 (the "**First Programme**"). The First Programme was approved and implemented by the board of directors pursuant to applicable legal provisions and under the authorisation for the acquisition of own shares granted by the shareholders at the ordinary general shareholders' meeting held on 3 April 2020 under item Five II) of the agenda (the "**Shareholder Authorisation**").
- **Main terms and conditions of the reduction in share capital**
  - The proposed reduction is for a nominal value of €129,965,136.50, corresponding to the 259,930,273 own shares to be cancelled, at a rate of €0.50 per share, all acquired within the framework of the First Programme.

- The purpose of the capital reduction is to cancel own shares, contributing to the remuneration of the Company's shareholders by increasing earnings per share, which is inherent to the decrease in the number of shares. The reduction is a nominal or write-down reduction, as the implementation thereof does not entail a return of contributions to the shareholders.
  - The capital reduction will not entail the return of contributions to the shareholders, given that, at the time of implementation of the reduction, the Company will be the owner of the shares to be cancelled. The recognition for accounting purposes of the capital reduction is described in the proposal, with a statement for purposes of the provisions of Section 335 of the Spanish Capital Corporations Law that a reserve for amortised capital in an amount equal to the nominal value of the cancelled shares, which may only be used subject to the same requirements as for a reduction in share capital, will be funded from the share premium reserve or, in the absence of the corresponding regulatory authorisation, from other unrestricted reserves accounts. Therefore, pursuant to the provisions of Section 335 c) of the Spanish Capital Corporations Law, the creditors' right of opposition set out in Section 334 of said law shall not apply.
  - For purposes of the provisions of Section 411 of the Spanish Capital Corporations Law and in accordance with Additional Provision One of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, it is hereby stated for the record that, as the Bank is a credit institution and the other requirements set forth in the aforementioned Additional Provision are met, the consent of the bondholder syndicates for the outstanding debenture and bond issues is not required for the implementation of the reduction.
- **Bylaw amendment.** If the proposed resolution covered by this report is approved, Article 5 of the Bylaws would be amended to reflect the new amount of capital and the new number of outstanding shares, after deducting the own shares proposed to be cancelled.
  - **Delegation of powers and authorisations.** The implementation of the reduction is subject to receipt of the corresponding regulatory approval. It is proposed to authorise the board to implement the capital reduction resolution and to decide those matters that have not been expressly established in the proposed resolution or that are a consequence thereof, and to take such actions and execute such public or private documents as may be necessary or advisable for the fullest implementation of the capital reduction. In particular, it is proposed to authorise the board of directors to take the necessary steps and actions so that, once the capital reduction resolution has been implemented, the cancelled shares are delisted from trading on the Spanish and foreign stock exchanges and the corresponding book-entry records are cancelled, in accordance with the procedures established at each of these stock exchanges or securities markets. Furthermore, and in relation to the current authorisation for the acquisition of own shares approved by the shareholders at the ordinary general shareholders' meeting of 3 April 2020, it is clarified that the shares cancelled are excluded from the calculation corresponding to the aforementioned authorisation.

Finally, it is also proposed that the shareholders authorise the board of directors to delegate to the executive committee and/or any director with delegated powers all the delegable powers referred to in the proposed resolution that is covered by this report.

## PROPOSED RESOLUTION

---

- **Reduction in share capital through the cancellation of own shares**

It is hereby resolved to reduce the share capital of the Bank in the nominal value of €129,965,136.50 by cancelling 259,930,273 own shares (the "**First Programme Reduction**"), which were acquired through the own shares buy-back programme addressed to all shareholders, which was announced by means of notices of inside information dated 28 September 2021 and 6 October 2021 and which was completed on 25 November 2021.

- **Purpose of the First Programme Reduction**

The purpose of the First Programme Reduction is to cancel own shares, contributing to the remuneration of the Company's shareholders by increasing the earnings per share, which is inherent to the decrease in the number of shares. This reduction is a nominal or write-down reduction, as the implementation thereof does not entail a return of contributions to the shareholders.

- **Implementation period and reserves to which the First Programme Reduction will be charged**

The own shares acquired by the Company under the First Programme will be cancelled within one month of the approval of this resolution by the shareholders or the receipt of the relevant regulatory approvals, whichever occurs later. Therefore, the First Programme Reduction must be implemented within that period.

The First Programme Reduction will not entail the return of contributions to the shareholders, given that, at the time of implementation of the reduction, the Bank will be the owner of the shares to be cancelled.

The cancellation of own shares to implement the First Programme Reduction will be booked to the reduction of share capital by an amount equivalent to the nominal value of the shares cancelled, and the excess, up to the price paid for their acquisition, will be charged against the share premium reserve or, if the corresponding regulatory approval is not obtained, against other unrestricted reserves accounts.

Furthermore, for purposes of the provisions of Section 335 of the Spanish Capital Corporations Law, it is stated for the record that a reserve for amortised capital in an amount equal to the nominal value of the cancelled shares, which may only be used subject to the same requirements as for a reduction in share capital, will be funded from the share premium reserve or, in the absence of regulatory authorisation, from other unrestricted reserves accounts. Therefore, pursuant to the provisions of Section 335 c) of the Spanish Capital Corporations Law, the creditors' right of opposition set out in Section 334 of said law shall not apply.

For purposes of the provisions of Section 411 of the Spanish Capital Corporations Law and in accordance with Additional Provision One of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, it is hereby stated for the record that, as the Bank is a credit institution and the other requirements set forth in the aforementioned Additional Provision are met, the consent of the bondholder syndicates for the outstanding debenture and bond issues is not required for the implementation of the First Programme Reduction.

- **Amendment of Article 5 of the Bylaws**

Article 5 of the Bylaws is hereby amended as regards the amount of share capital and the number of shares, which shall hereafter read as follows:

**"Article 5. Share capital**

1. *The share capital is 8,540,355,514.50 euros.*
2. *The share capital is represented by 17,080,711,029 shares having a nominal value of fifty euro cents each, all of which belong to the same class and series.*
3. *All the shares have been fully paid-up."*

- **Delegation of powers and authorisations**

The implementation of the First Programme Reduction is subject to receipt of the corresponding regulatory approvals required by applicable legal provisions.

The power to establish the terms and conditions of this resolution as to all matters not expressly provided for herein is delegated to the board of directors. Specifically, and for illustrative purposes only, the following powers are delegated to the board of directors:

- (a) To determine all those matters that have not been expressly set out in this resolution or that are a consequence hereof.
- (b) To adopt such resolutions, take such actions and execute such public or private documents as may be necessary or advisable for the fullest implementation of this resolution, including, but not limited to, the publication of such notices as may be legally required and the making of such requests and communications as may be appropriate in order to delist the cancelled shares from the stock exchange, and to request and carry out such formalities and actions as may be necessary to exclude the cancelled shares from trading on any other stock exchanges or securities markets on which the Company's shares are or may be listed, in accordance with the procedures established on each such stock exchange or securities market, and the cancellation of the corresponding book-entry records.
- (c) To request and obtain from the competent regulators in each case such authorisations, consents or permits as may be necessary for the full implementation of the First Programme Reduction.
- (d) To take such actions as may be necessary or appropriate to implement and formalise the First Programme Reduction before any public or private, Spanish or foreign authorities or agencies, including actions for purposes of statement, supplementation, or correction of defects or omissions that might prevent or hinder the full effectiveness of the preceding resolutions, all on the broadest terms thereof.

Pursuant to the provisions of Section 249 bis.l) of the Spanish Capital Corporations Law, the board of directors is expressly authorised to delegate in turn (with the power of substitution when appropriate) to the executive committee and/or to any director with delegated powers, all delegable powers referred to in this resolution, all without prejudice to the representative powers that currently exist or may be granted in relation to this resolution.

Furthermore, and in relation to the current authorisation for the acquisition of own shares approved by the shareholders at the ordinary general shareholders' meeting of 3 April 2020, it is stated for the record that the shares hereby cancelled are excluded from the calculation corresponding to the aforementioned authorisation.

## 7 C Reduction in share capital in the maximum amount of €865,000,000, through the cancellation of a maximum of 1,730,000,000 own shares. Delegation of powers.

### REPORT OF THE BOARD

---

In compliance with the provisions of Sections 286 and 318 of the Spanish Capital Corporations Law, the board has prepared this report to provide a rationale for the proposal submitted to the shareholders at the general shareholders' meeting under item 7 C of the agenda.

- **Rationale for the proposal.** In the context of the shareholder remuneration policy, the board of directors considers that it is appropriate to reduce the share capital through the cancellation of the Company's own shares. The main effect of the aforementioned capital reduction will be an increase in the earnings per share of the Company, which will benefit its shareholders. This reduction is linked to the buyback programme that was approved by the board of directors at its meeting held on 24 February 2022 and that, subject to receiving the relevant regulatory approvals, is expected to be implemented pursuant to applicable legal provisions and under the authorisation for the acquisition of own shares granted by the shareholders at the ordinary general shareholders' meeting held on 3 April 2020 under item Five II) of the agenda (the "**Second Programme**" and the "**Shareholder Authorisation**", respectively).
- **Main terms and conditions of the reduction in share capital**
  - The maximum investment of the Second Programme is €865,000,000, equivalent to, approximately, 20% of the Group's ordinary profit in the second half of 2021.

- The proposed reduction is in the maximum nominal amount of €865,000,000, corresponding to a maximum of 1,730,000,000 own shares that could be acquired in the Second Programme. This number of shares results from considering the maximum investment indicated above and the minimum purchase price of fifty euro cents pursuant to the Shareholder Authorisation (corresponding to the nominal value per share). However, it is noted that the amount of the reduction is likely to be lower, as the maximum number of shares to be acquired under the Second Programme will depend on the average price at which the purchases take place, and it is reasonable that said purchases are made at an average price above the nominal value of the share.

For illustrative purposes only, if the acquisitions under the Second Programme were made at a price of €3.13 per share, a total of 276,357,827 own shares could be acquired (amount resulting from dividing the maximum investment under the Second Programme by the acquisition price). In this scenario, the amount of the capital reduction would amount to €138,178,913.50, that is, the aggregate amount of the nominal value of the number of shares to be cancelled.

- The purpose of the capital reduction is to cancel own shares, contributing to the remuneration of the Company's shareholders by increasing earnings per share, which is inherent to the decrease in the number of shares. The reduction is a nominal or write-down reduction, as the implementation thereof does not entail a return of contributions to the shareholders.
- The capital reduction will not entail the return of contributions to the shareholders, given that, at the time of implementation of the reduction, the Company will be the owner of the shares to be cancelled. The recognition for accounting purposes of the capital reduction is described in the proposal, with a statement for purposes of the provisions of Section 335 of the Spanish Capital Corporations Law that a reserve for amortised capital in an amount equal to the nominal value of the cancelled shares, which may only be used subject to the same requirements as for a reduction in share capital, will be funded from the share premium reserve (or, in the absence of regulatory authorisation, from other unrestricted reserves accounts). Therefore, pursuant to the provisions of Section 335 c) of the Spanish Capital Corporations Law, the creditors' right of opposition set out in Section 334 of said law shall not apply.
- For purposes of the provisions of Section 411 of the Spanish Capital Corporations Law and in accordance with Additional Provision One of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, it is hereby stated for the record that, as the Bank is a credit institution and the other requirements set forth in the aforementioned Additional Provision are met, the consent of the bondholder syndicates for the outstanding debenture and bond issues is not required for the implementation of the reduction.
- **Delegation of powers and authorisations.** The implementation of the reduction is subject to receipt of the corresponding regulatory approval. It is proposed to authorise the board to implement the capital reduction resolution and to decide those matters that have not been expressly established in the proposed resolution or that are a consequence thereof, and to take such actions and execute such public or private documents as may be necessary or advisable for the fullest implementation of the capital reduction. The delegation also includes the grant of powers to the board of directors to, among other things, implement the reduction once the Second Programme is completed, amend the article of the Bylaws relating to the amount of capital and the number of shares, and obtain the corresponding regulatory approval. It is also proposed to authorise the board of directors to take the necessary steps and actions so that, once the capital reduction resolution has been implemented, the cancelled shares are delisted from trading on the Spanish and foreign stock exchanges and the corresponding book-entry records are cancelled, in accordance with the procedures established at each of these stock exchanges or securities markets. Furthermore, and in relation to the current authorisation to acquire own shares that the shareholders approved at the ordinary general meeting of 3 April 2020, it is clarified that the cancelled shares are excluded from the calculation corresponding to the aforementioned authorisation.

Finally, it is also proposed that the shareholders authorise the board of directors to delegate to the executive committee and/or any director with delegated powers all the delegable powers referred to in the proposed resolution that is covered by this report.

## PROPOSED RESOLUTION

---

- **Reduction in share capital through the cancellation of own shares**

It is hereby resolved to reduce the Bank's share capital by the maximum amount indicated below, in the aggregate nominal value represented by the shares with a nominal value of fifty euro cents each that are to be acquired through a share buyback programme addressed to all shareholders, which was approved by the board at its meeting held on 24 February 2022 and that, subject to obtaining the relevant regulatory approvals, is expected to be implemented pursuant to applicable legal provisions and under the authorisation for the acquisition of own shares granted by the shareholders at the ordinary general shareholders' meeting held on 3 April 2020 under item Five II) of the agenda (the "Second Programme" and the "Shareholder Authorisation", respectively). The maximum amount of the Second Programme is €865,000,000, for which reason, taking into account the minimum purchase price of fifty euro cents pursuant to the Shareholder Authorisation (corresponding to the nominal value per share), the maximum number of own shares to be acquired would be up to 1,730,000,000 (the "MNOSA"). Accordingly, the maximum amount of the capital reduction will be the aggregate nominal value of the number of shares, each having a nominal value of fifty euro cents, to be acquired through the Second Programme, up to the stated maximum of 1,730,000,000 shares (the "Second Programme Reduction").

- **Purpose of the Second Programme Reduction**

The purpose of the Second Programme Reduction is to cancel own shares, contributing to the remuneration of the Company's shareholders by increasing the earnings per share, which is inherent to the decrease in the number of shares. This reduction is a nominal or write-down reduction, as the implementation thereof does not entail a return of contributions to the shareholders.

- **Procedure, implementation period and reserves to which the Second Programme Reduction will be charged**

The shares to be cancelled will be acquired pursuant to the Shareholder Authorisation and in accordance with applicable legal provisions on market abuse and the securities market, for which reason it will not be necessary to make a public takeover bid for shares of the Company acquired under the Second Programme. The shares will be acquired on the price and volume conditions established in applicable legal provisions.

Pursuant to Section 340.3 of the Spanish Capital Corporations Law, if the Bank does not reach the maximum number of shares to be acquired under the Second Programme (i.e. the MNOSA), the capital will be reduced by the nominal value corresponding to the number of shares actually acquired under the Second Programme.

The own shares acquired by the Company under the Second Programme will be cancelled within one month of the later of the approval of this resolution by the shareholders, the termination of the Second Programme, or the receipt of the relevant regulatory approvals. Therefore, the Second Programme Reduction must be implemented within this period.

The Second Programme Reduction will not entail the return of contributions to the shareholders, given that, at the time of implementation of the reduction, the Bank will be the owner of the shares to be cancelled.

The cancellation of own shares to implement the Second Programme Reduction will be booked to the reduction of share capital by an amount equivalent to the nominal value of the shares cancelled, and the excess, up to the price paid for their acquisition, will be charged against the share premium reserve or, if the corresponding regulatory approval is not obtained, against other unrestricted reserves accounts.



Furthermore, for purposes of the provisions of Section 335 of the Spanish Capital Corporations Law, it is stated for the record that a reserve for amortised capital in an amount equal to the nominal value of the cancelled shares, which may only be used subject to the same requirements as for a reduction in share capital, will be funded from the share premium reserve (or from another unrestricted reserve if the relevant regulatory approval is not obtained). Therefore, pursuant to the provisions of Section 335 c) of the Spanish Capital Corporations Law, the creditors' right of opposition set out in Section 334 of said law shall not apply.

For purposes of the provisions of Section 411 of the Spanish Capital Corporations Law and in accordance with Additional Provision One of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, it is hereby stated for the record that, as the Bank is a credit institution and the other requirements set forth in the aforementioned Additional Provision are met, the consent of the bondholder syndicates for the outstanding debenture and bond issues is not required for the implementation of the Second Programme Reduction.

- **Delegation of powers and authorisations**

The implementation of the Second Programme Reduction is subject to receipt of the corresponding regulatory approvals required by applicable legal provisions.

The power to establish the terms and conditions of this resolution as to all matters not expressly provided for herein is delegated to the board of directors. Specifically, and for illustrative purposes only, the following powers are delegated to the board of directors:

- (a) To proceed with the implementation of the Second Programme Reduction and declare the approved Second Programme Reduction to be closed and executed, approving the cancellation of the shares acquired under the Second Programme. To determine the reserves against which the excess of the price paid over the nominal value of the shares to be cancelled is to be charged, as well as the reserve provided for in Section 335 of the Spanish Capital Corporations Law.
- (b) To request and obtain from the competent regulators in each case such authorisations, consents or permits as may be necessary for the full implementation of the Second Programme Reduction.
- (c) To amend the article of the Bylaws relating to capital and the number of shares.
- (d) To take any actions, make any statements or engage in any formalities that may be required in relation to the provision of public information and any actions that may be required before the National Securities Market Commission and the Stock Exchanges on which the shares of the Company are admitted to trading, as well as before the regulators and governing bodies of the markets on which the Company's shares are traded.
- (e) To publish such announcements as may be necessary or appropriate in relation to the Second Programme Reduction and take all actions necessary for the effective cancellation of the own shares referred to in this resolution.
- (f) To engage in such formalities and take such actions as are necessary and to submit to the competent bodies such documents as may be required such that, once the cancellation of the shares of the Company and the execution of the corresponding capital reduction instrument and the registration thereof with the Commercial Registry have occurred, the cancelled shares will be excluded from trading through the Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market) on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and the corresponding book-entry records will be cancelled; and to make such requests and engage in such formalities and actions as may be necessary to exclude the cancelled shares from trading on any other stock exchanges or securities markets on which the Company's shares are or may be listed, in accordance with the procedures established on each such stock exchange or securities market, and to cancel the corresponding book-entry records.



- (g) To take such actions as may be necessary or appropriate to implement and formalise the Second Programme Reduction before any public or private, Spanish or foreign authorities or agencies, including actions for purposes of statement, supplementation, or correction of defects or omissions that might prevent or hinder the full effectiveness of the preceding resolutions, all on the broadest terms thereof.

Pursuant to the provisions of Section 249 bis.l) of the Spanish Capital Corporations Law, the board of directors is expressly authorised to delegate in turn (with the power of substitution when appropriate) to the executive committee and/or to any director with delegated powers, all delegable powers referred to in this resolution, all without prejudice to the representative powers that currently exist or may be granted in relation to this resolution.

Furthermore, and in relation to the current authorisation to acquire own shares that the shareholders approved at the ordinary general meeting of 3 April 2020, it is clarified that the cancelled shares are excluded from the calculation corresponding to the aforementioned authorisation.

**7 D Reduction in share capital in the maximum amount of €867,032,065, equivalent to 10% of the share capital, through the cancellation of a maximum of 1,734,064,130 own shares.  
Delegation of powers.**

#### REPORT OF THE BOARD

---

In compliance with the provisions of Sections 286 and 318 of the Spanish Capital Corporations Law, the board has prepared this report to provide a rationale for the proposal submitted to the shareholders at the general shareholders' meeting under item 7 D of the agenda.

- **Rationale for the proposal.** In the context of the shareholder remuneration that the board may approve for the results of the financial year 2022 and subsequent financial years, the board deems it advisable for the Company to have all the necessary mechanisms in place to fully implement and execute the own share buyback programme or programmes for the cancellation of shares that are approved and implemented by the board of directors after the holding of the general shareholders' meeting or to cancel other own shares acquired by other legally permitted means, both with respect to the launch of the programme and the actual cancellation of the shares acquired and the corresponding reduction in share capital, all in an agile and flexible manner, without the need to call and hold a meeting on occasion of each implementation, but always within the limits, terms and conditions established by the Spanish Capital Corporations Law and by the shareholders acting at general meeting, and after obtaining any relevant regulatory approvals. The main effect of the aforementioned capital reduction will be an increase in the earnings per share of the Company, which will benefit its shareholders.
- **Main terms and conditions of the reduction in share capital**
  - The reduction is proposed in the maximum amount of up to €867,032,065, equivalent to 10% of the share capital of the Bank as at the date of preparation of this report, corresponding to a maximum of 1,734,064,130 shares of a nominal value of fifty euro cents each. Under the proposal submitted to the shareholders, the final amount of the reduction will be set by the board of directors within this maximum limit, depending on the final number of own shares that the board resolves to cancel and that have been acquired by the Bank under the existing authorisation for the acquisition of own shares, as approved by the shareholders at the ordinary general shareholders' meeting of 3 April 2020, any other resolution that may hereafter replace it, or any resolution of the shareholders relating to the acquisition of own shares.
  - The purpose of the capital reduction is to cancel own shares, contributing to the remuneration of the Company's shareholders by increasing earnings per share, which is inherent to the decrease in the number of shares. The reduction is a nominal or write-down reduction, as the implementation thereof will not entail a return of contributions to the shareholders.

- The reduction must be implemented before the passage of one year or the holding of the next ordinary general meeting, whichever occurs earlier. Upon the expiration of this period, the resolution shall be deprived of effect to the extent of the reduction that has not been implemented by that time. Likewise, the reduction shall be deprived of effect if the board does not exercise the powers delegated thereto in the resolution within the period set by the shareholders for implementation thereof.
- During this period of effectiveness, the reduction may be implemented in whole or in part, in the manner and on the occasions that the board of directors deems most appropriate, within the limits established in the resolution itself and by law. Furthermore, if the board does not consider it advisable to implement the reduction in view of the circumstances (market conditions, the Bank's conditions, or those arising from significant social or economic facts or events), it may, within said period, submit to the shareholders the possibility of revoking it.
- The capital reduction will not entail the return of contributions to the shareholders, given that, at the time of implementation of the reduction, the Company will be the owner of the shares to be cancelled. The recognition for accounting purposes of the capital reduction is described in the proposal. In this regard, for purposes of Section 335 of the Spanish Capital Corporations Law, it is stated for the record that at the time the reduction is implemented, the board of directors may decide to fund a reserve for amortised capital from the share premium reserve or from another unrestricted reserve if the corresponding regulatory approval is not obtained in an amount equal to the nominal value of the cancelled shares, which may only be used subject to the same requirements as for a reduction in share capital. If such a reserve were to be funded, the creditors' right of opposition set out in Section 334 of said law shall not apply.
- For purposes of the provisions of Section 411 of the Spanish Capital Corporations Law and in accordance with Additional Provision One of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, it is hereby stated for the record that, as the Bank is a credit institution and the other requirements set forth in the aforementioned Additional Provision are met, the consent of the bondholder syndicates for the outstanding debenture and bond issues is not required for the implementation of the capital reduction.
- **Delegation of powers.** It is proposed to authorise the board to implement the capital reduction resolution and to decide those matters that have not been expressly established in the proposed resolution or that are a consequence thereof, and to take such actions and execute such public or private documents as may be necessary or advisable for the fullest implementation of the capital reduction. In particular, it is proposed to authorise the board of directors to take the necessary steps and actions so that, once the capital reduction resolution has been implemented, the cancelled shares are delisted from trading on the Spanish and foreign stock exchanges and the corresponding book-entry records are cancelled, in accordance with the procedures established at each of these stock exchanges or securities markets. Furthermore, and in relation to the current authorisation to acquire own shares that the shareholders approved at the ordinary general meeting of 3 April 2020, it is clarified that the cancelled shares are excluded from the calculation corresponding to the aforementioned authorisation.

Finally, it is also proposed that the shareholders authorise the board of directors to delegate to the executive committee and/or any director with delegated powers all the delegable powers referred to in the proposed resolution that is covered by this report.

## PROPOSED RESOLUTION

- **Reduction in share capital through the cancellation of own shares**

It is hereby resolved to reduce the share capital of the Bank by up to a maximum amount of €867,032,065, equal to 10% of the share capital of the Bank as at the date of formulation of this proposed resolution, corresponding to a maximum of 1,734,064,130 shares of a nominal value of fifty euro cents each, through the cancellation of own shares acquired by the Company under the current authorisation to acquire own shares approved by the shareholders at the ordinary general shareholders' meeting of 3 April 2020, any other resolution that may hereafter replace it, or any resolution of the shareholders relating to the acquisition of own shares, all pursuant to the provisions of applicable law and regulations and after obtaining any relevant regulatory approvals (the "**Capital Reduction**").

- **Implementation period**

The period for implementation of this resolution shall be the shorter of one year or by the date of the next ordinary general meeting, and this resolution shall be deprived of effect to the extent of the capital reduction not implemented by the end of such period.

During the effective period of the authorisation, the Capital Reduction may be implemented in whole or in part in the manner and on the occasions that the board of directors or, by delegation thereof, the executive committee and/or any director with delegated powers, deems most appropriate, within the limits established in this resolution and by law. Notwithstanding the foregoing, if the board of directors (with express powers of substitution to the executive committee or any director with delegated powers) does not consider it advisable to implement the Capital Reduction within the aforementioned period in consideration of market conditions, conditions of the Bank itself or those arising from any significant social or economic fact or event, it may submit to the shareholders the possibility of revoking it.

The Capital Reduction shall also be deprived of all effect if the board of directors, or by substitution, the executive committee or any director with delegated powers, does not exercise the powers delegated thereto within the period set by the shareholders for the implementation thereof, in which case this will be reported to the next general meeting to be held.

- **Final amount**

The final amount of the Capital Reduction shall be set by the board of directors or, by delegation, by the executive committee and/or any director with delegated powers, within the maximum limit set forth above, based on the final number of own shares that the board of directors (or, by delegation, the executive committee and/or any director with delegated powers) cancels pursuant to the provisions of this resolution.

- **Purpose of the Capital Reduction**

The purpose of the Capital Reduction is to cancel own shares, contributing to the remuneration of the Company's shareholders by increasing earnings per share, which is inherent to the decrease in the number of shares. This reduction is a nominal or write-down reduction, as the implementation thereof will not entail a return of contributions to the shareholders.

- **Reserves to which the Capital Reduction will be charged**

The cancellation of own shares to implement the Capital Reduction will be booked to the reduction of share capital by an amount equivalent to the nominal value of the shares cancelled, and the excess, up to the price paid for their acquisition, will be charged against the share premium reserve or against other unrestricted reserves accounts.

Furthermore, for purposes of Section 335 of the Spanish Capital Corporations Law, it is stated for the record that at the time the Capital Reduction is implemented, the board of directors may resolve to fund a reserve for amortised capital from the share premium reserve or, in the absence of regulatory authorisation, from other unrestricted reserves accounts in an amount equal to the nominal value of the cancelled shares, which may only be used subject to the same

requirements as for a reduction in share capital. Pursuant to Section 335 c) of the Spanish Capital Corporations Law, if such a reserve were to be funded, the creditors' right of opposition set out in Section 334 of said law shall not apply.

For purposes of the provisions of Section 411 of the Spanish Capital Corporations Law and in accordance with Additional Provision One of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, it is hereby stated for the record that, as the Bank is a credit institution and the other requirements set forth in the aforementioned Additional Provision are met, the consent of the bondholder syndicates for the outstanding debenture and bond issues is not required for the implementation of the Capital Reduction.

- **Delegation of powers**

Delegation to the board of directors of the power to establish the terms and conditions of this resolution as to all matters not expressly provided for herein. Specifically, and for illustrative purposes only, the following powers are delegated to the board of directors:

- (a) To determine the number of shares to be cancelled in each implementation, with the power to decide to refrain from implementing the resolution in whole or in part if no acquisition of own shares for cancellation ultimately occurs or if, the shares having been acquired, it is advisable to refrain from doing so in the corporate interest due to market conditions, conditions of the Bank or any significant social or economic condition. All of the foregoing shall be reported to the shareholders at the general meeting.
- (b) To declare executed each of the implementations of the Capital Reduction to be finally approved, setting, where appropriate, the final number of shares to be cancelled in each implementation, and therefore the amount by which the share capital of the Company must be reduced in each implementation, all subject to the limits established in this resolution. To determine the reserves against which the excess of the price paid over the nominal value of the shares to be cancelled is to be charged. To resolve to fund a reserve for amortised capital in an amount equal to the nominal value of the amortised shares, for the purposes of Section 335 of the of the Spanish Capital Corporations Law.
- (c) To request and obtain from the competent regulators in each case such authorisations, consents or permits as may be necessary for the full implementation of the Capital Reduction.
- (d) To amend the article of the Bylaws relating to capital and the number of shares.
- (e) To take any actions, make any statements or engage in any formalities that may be required in relation to the provision of public information and any actions that may be required before the National Securities Market Commission and the Stock Exchanges on which the shares of the Company are admitted to trading, as well as before the regulators and governing bodies of the markets on which the Company's shares are traded.
- (f) To publish such announcements as may be necessary or appropriate in relation to the Capital Reduction and each implementation thereof and take all actions necessary for the effective cancellation of the own shares referred to in this resolution.
- (g) To engage in such formalities and take such actions as are necessary and to submit to the competent bodies such documents as may be required such that, once the cancellation of the shares of the Company and the execution of the corresponding capital reduction instrument and the registration thereof with the Commercial Registry have occurred, the cancelled shares will be excluded from trading through the Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market) on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and the corresponding book-entry records will be cancelled; and to make such requests and engage in such formalities and actions as may be necessary to exclude the cancelled shares from trading on any other stock exchanges or securities markets on which the Company's shares are or may be listed, in accordance with the procedures established on each such stock exchange or securities market, and to cancel the corresponding book-entry records.

- (h) To take such actions as may be necessary or appropriate to implement and formalise the Capital Reduction before any public or private, Spanish or foreign authorities or agencies, including actions for purposes of statement, supplementation, or correction of defects or omissions that might prevent or hinder the full effectiveness of the preceding resolutions, all on the broadest terms thereof.

Pursuant to the provisions of Section 249bis.l) of the Spanish Capital Corporations Law, the board of directors is expressly authorised to delegate in turn (with the power of substitution when appropriate) to the executive committee and/or to any director with delegated powers, all delegable powers referred to in this resolution, all without prejudice to the representative powers that currently exist or may be granted in relation to this resolution.

Furthermore, and in relation to the current authorisation to acquire own shares that the shareholders approved at the ordinary general meeting of 3 April 2020, it is clarified that the cancelled shares are excluded from the calculation corresponding to the aforementioned authorisation.

## 8 Remuneration.

*Each of the proposals formulated under Items 8 A through 8 F shall be submitted to a separate vote.*

### 8 A Directors' remuneration policy.

#### REASONED PROPOSAL OF THE BOARD

In compliance with the provisions of subsection 4 of Section 529 *novodecies* of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*), the board has prepared this reasoned proposal for purposes of the proposed approval of the remuneration policy of the directors of the Bank (the "**Remuneration Policy**") that is submitted to the shareholders at the general shareholders' meeting under item 8 A of the agenda.

The text of the Remuneration Policy arises from the report and the proposal received from the remuneration committee, with which the board concurs in all the terms thereof, has been prepared as required by Section 529 *novodecies* of the Spanish Capital Corporations Law, and appears in sections 6.4 and 6.5 of the "Corporate governance" chapter of the consolidated directors' report included in the 2021 annual report available on the corporate website ([www.santander.com](http://www.santander.com)) since the date of the call to meeting and which is also available to the shareholders for delivery or mailing free of charge.

- **Period of application.** The period covered by the Remuneration Policy includes financial year 2022, as from the time it is approved, as well as financial years 2023 and 2024.
- **Remuneration of directors in their capacity as such.** The Remuneration Policy sets forth the remuneration system for the directors in their capacity as such, including mention of the maximum annual amount to be paid to all of the directors in such capacity and the criteria for distribution thereof among the directors. This remuneration is consistent with the provisions of Article 58 of the Bylaws and Article 33 of the Rules and Regulations of the Board and with the proposed establishment of the maximum amount of such remuneration submitted to the shareholders at the general shareholders' meeting under the following item of the agenda.
- **Remuneration for performance of executive duties.** The Remuneration Policy describes the remuneration to be received by the executive directors for the performance of executive duties. This remuneration (as well as the manner in which it is described in said policy) complies with the requirements established by the Spanish Capital Corporations Law and with the principles and rules set forth in the Company's Bylaws and rules and regulations of the board, as well as with such existing provisions as are especially applicable to the directors of the Company because of the status thereof as a credit institution (primarily, Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, Circular 2/2016 of 2 February from Banco de España to credit

institutions on supervision and solvency, which completes the adjustment of the Spanish legal system to Directive 2013/36/EU and to Regulation (EU) no 575/2013, and other related provisions).

- **Assessment by the board.** The board believes that the Remuneration Policy proposed for approval is reasonably in proportion to the importance of the Company, is in line with the financial situation thereof and is consistent with market standards at comparable companies. Furthermore, the factors that affect the various components of remuneration for the performance of executive duties are compatible with the Company's strategy, objectives, values and interests over the long term and with an appropriate and effective management of risks, without offering incentives to assume risks that exceed the level tolerated by the Company.

#### PROPOSED RESOLUTION

---

To approve, pursuant to the provisions of Section 529 *novodecies* of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*), the directors' remuneration policy of the Bank for financial years 2022, 2023 and 2024, the text of which has been made available to the shareholders within the framework of the call to the general meeting, which appears in sections 6.4 and 6.5 of the "Corporate governance" chapter of the consolidated directors' report included in the 2021 annual report and which, regarding the variable components of the remuneration of executive directors for 2022 and to the extent that they make up a remuneration system that includes the delivery of shares of the Bank or of rights thereto, is also submitted to the shareholders at the general shareholders' meeting under item 8 D.

#### 8 B Setting of the maximum amount of annual remuneration to be paid to all the directors in their capacity as such.

#### PROPOSED RESOLUTION

---

To approve, for purposes of the provisions of section 2 of Article 58 of the Bylaws, the establishment of the fixed annual amount of remuneration of the directors in their capacity as such at €6,000,000, which amount shall be applicable to remuneration corresponding to financial year 2022 and shall remain effective for so long as the shareholders acting at a general shareholders' meeting do not resolve to amend it, the board of directors being able to reduce it on the terms established in the aforementioned provision of the Bylaws.

#### 8 C Approval of maximum ratio between fixed and variable components of total remuneration of executive directors and other employees belonging to categories with professional activities that have a material impact on the risk profile.

#### DETAILED RECOMMENDATION OF THE BOARD

---

The regulations applicable to the Bank provide that, on a general basis, the variable component of the total remuneration of a person whose professional activities have a material impact on the risk profile of the Group (including the executive directors of the Bank) may not exceed 100% of the fixed component, unless the shareholders acting at a general meeting approve increasing such limit, provided always that the limit of 200% may in no case be exceeded (said limit shall hereinafter be referred to as "**Maximum Variable Remuneration Ratio**").

The approval of a Maximum Variable Remuneration Ratio of 200% for a specific group of staff is submitted to the shareholders under item 8 C of the agenda for the reasons set out in this detailed recommendation. It should be noted that the proposed resolution is understood without prejudice to the need for the companies of the Group in which the potential beneficiaries to which the resolution refers provide services to comply with the obligations that correspond to them in each case for purposes of permitting the 100% ratio to be exceeded.

It is noted that in preparing the proposed resolution to which this detailed recommendation refers, the board has especially taken into account the levels and evolution of solvency of the Group.



- **Potential beneficiaries.** The group with respect to which such approval is required is made up of certain persons included within the scope of what applicable legal provisions (specifically, Section 32 of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions and the implementing regulations) call "*categories of staff whose professional activities have a material impact on the risk profile of the institution*" (the "**Identified Staff**"). In accordance with the criteria applicable to this definition, certain persons who do not currently receive variable remuneration, like the non-executive directors of the Bank, are deemed to be included in the Identified Staff.

This resolution proposes renewing the authorisation of a Maximum Variable Remuneration Ratio of 200% for a portion of the Identified Staff of the Santander Group. Specifically, the persons for whom this authorisation must be requested on the grounds supporting this proposal and described below, have been selected from among all persons making up the Identified Staff at 31 December 2021. The [Exhibit](#) to this report (which can be viewed at the end of the document) includes a breakdown of the aforementioned number of beneficiaries at 31 December 2021 and the respective positions thereof.

In view of the customary changes as to members of the Identified Staff, the possibility of the criteria for its composition being adjusted, and the possibility of new persons being included in that group, the board proposes that the authorisation also cover up to a maximum of 50 other persons not included in the [Exhibit](#) so that they can also be beneficiaries of a Maximum Variable Remuneration Ratio of 200%. This additional provision allows for an adequate degree of flexibility that makes it possible to combine the application of the remuneration policies with the inclusion of new businesses within the Group, as well as with the rigorous process of determining the Identified Staff each financial year.

Therefore, the maximum number of members of the Identified Staff for which the authorisation is requested, including those listed in the [Exhibit](#), is 746 (0.38% of the total staff).

- **Remuneration policy for the Identified Staff.** The remuneration policy applicable to the members of the Identified Staff is guided by principles similar to those described in connection with executive directors in the directors' remuneration policy, which is submitted to the shareholders for approval under item 8 A of the agenda. Therefore, the purpose of variable remuneration of the Identified Staff is to reward employee performance consistently with rigorous risk management, without encouraging inappropriate risk-taking and seeking an alignment with the interests of the shareholders and with the Group's strategic objectives, thus fostering the creation of value over the long term.

Thus, for example, among the variable components of the remuneration of some members of this group for 2022, which includes executive directors, is an incentive (whose terms in relation to executive directors are described in the directors' report and the proposal included under the following item 8 D), to be received partly in cash and partly in Santander shares and options on Santander shares. In line with the provisions of the preceding paragraph, the collection of a portion of this incentive will be deferred over a period of four to five or even seven years (depending on the beneficiary's profile and the local regulations that may apply thereto). The accrual of the aforementioned incentive is also subject to metrics that allow for the alignment thereof with the Group's strategic plan and which take into account, among other aspects, the quality of the results achieved, the efficient consumption of capital or the suitability of business growth in view of the market and competitive environment in which the Bank does business; in addition, the accrual of part of the deferred remuneration is subject to the achievement of specific long-term metrics, which will allow for confirmation, if applicable, that the decisions initially made have supported the generation of sustainable long-term results.

- **Rationale.** The authorisation of a Maximum Variable Remuneration Ratio for certain categories of employees that is higher than that generally provided gives the Bank greater flexibility to adapt the remuneration schemes applicable to each employee profile, without jeopardising the general objectives of bringing the remuneration policy into line with the Group's risk profile, as such ratio is subject in all cases to the legal limit of 200%, to the remuneration policy approved by the Company, and to all other legal restrictions applicable to variable

remuneration. Along these lines, the total remuneration package for each employee and the structure thereof must be competitive, such that it facilitates attracting and retaining, as well as adequately remunerating, the persons included in the Identified Staff, taking into account the duties and responsibilities assigned to each of them. In this regard, the following considerations are in order:

- *Flexibility and competitiveness vis-à-vis global institutions.* Compliance with the regulatory provisions applicable to the Bank is required to European credit institutions regardless of where they operate, whereas non-European Community institutions are subject to them only with respect to their activities in Europe. As a consequence, global institutions like the Santander Group must compete in terms of talent attraction and retention with institutions that are not subject to the same regulations, such that it is advisable to have maximum flexibility in remuneration matters within applicable legal limits.
- *Flexibility and competitiveness vis-à-vis European competitors.* Even in the European banking sector, the Bank has verified that its main competitors approved Maximum Variable Remuneration Ratios in excess of 100% in financial year 2021, as they did in prior years. Therefore, the proposal submitted to the shareholders at the general meeting under item 8 C of the agenda will allow the Bank to compete on similar terms with the European institutions whose activities and size are similar to those of the Company.
- *Maximum ratios.* It is not expected that ratios of 100% will be exceeded in all cases. In practice, the average ratio of the total of variable components to the total of fixed components of the remuneration for all of the categories of management or employees within the Identified Staff during the past financial year is far less than the maximum percentage of 200%. Specifically, on average in 2021, the variable components of remuneration of the Identified Staff represented 120% of the fixed components (154% for the executive directors). Approximately 36% of members of the Identified Staff exceeded the ratio of 100% in 2021, the median being a 82% ratio and percentile 75 reaching a 126% ratio. Only 5% of the Identified Staff reached ratios over 195%.
- *More efficient management.* In addition, the renewal of this authorisation for certain members of the Identified Staff continues to allow for simpler and more efficient payroll management. The annual adjustment of the components of remuneration of the members of the Identified Staff with a view to maintaining an appropriate level of motivation, the high level of internal mobility within the Group, and the remuneration structure that is peculiar to each business area make it advisable to have as much flexibility as possible. For example, a feature of the wholesale business is that it adopts remuneration structures in which the weight of variable remuneration over fixed remuneration is more significant than in other businesses. Talent attraction and retention in these businesses requires maintaining remuneration structures that are aligned with market practices, and therefore, it is particularly desirable to obtain the authorisation to pay a Maximum Variable Remuneration Ratio in excess of 100% to those who perform duties in this area. In this regard, approximately 18% of the Identified Staff performs duties in the Group's wholesale business.
- *Talent retention.* Moreover, the authorisation of higher Maximum Variable Remuneration Ratios within legal limits is more efficient as a tool to retain talent in view of possible competitor moves than increasing the amount of the fixed components of remuneration, which, if it occurred, might entail an increase in the Group's fixed costs.
- *Alignment of incentives.* Finally, without prejudice to all other regulations applicable in the area of remuneration in order to avoid excessive risk-taking by Group employees, a Maximum Variable Remuneration Ratio of up to 200% would also allow, in certain positions that are key to the prudent achievement of results and business objectives, for a more significant portion of total remuneration to be subject to the achievement of such results and objectives, thus making it possible to reward outstanding performance where appropriate.



- **Calculation.** For purposes of calculating the Maximum Variable Remuneration Ratio the total remuneration of the relevant members of the Identified Staff for all items has been taken into account, with a breakdown into variable components (i.e. those the accrual of which is subject to the achievement of results or specific objectives) and fixed components (all other remuneration items), as described in more detail in the directors' remuneration policy.

As stated, the ratio of 200% is not expected to be reached for all the members of the Identified Staff for whom this limit is requested, taking into account their benchmark incentives and the variable remuneration policy established for this financial year. In this regard, the following considerations are in order:

- In a scenario of standard achievement of targets, the total amount of the variable components of remuneration would be similar to the total amount of the fixed components (i.e. an average ratio of 100%).
- Assuming a scenario where targets are generally achieved at 125%, the excess of the variable components of remuneration over 100% of the fixed components would be €84 million, considering only those that would exceed a ratio of 100%. Not all members of the Identified Staff benefiting from a 200% ratio would have reached a ratio in excess of 100% in such estimate, and it is not possible to estimate the number of persons that in fact would, since this will depend on the level of achievement of the objectives of the Group and its units in 2022, among other circumstances.
- The hypothetical maximum amount in 2022 of the excess of the variable components of remuneration over 100% of the fixed components for the 696 persons benefiting from this proposal at 31 December 2021, if all such persons reached the Maximum Variable Remuneration Ratio of 200%, would be €294 million.

It should be noted that the approval of the proposed authorisation would not affect the Bank's maintenance of a solid equity base or its obligations under the solvency rules. Specifically, the impact on both the total phase-in and fully loaded capital ratios of the Santander Group at 31 December 2021 in the aforementioned circumstances estimated by the Bank (€84 million of excess of variable remuneration over 100% of the fixed components) would amount to 2 basis points, considering only those who would exceed a ratio of 100%, and, in a scenario in which the ratio for all members of the Identified Staff for which authorisation is requested reached 200%, it would amount to 6 basis points.

## PROPOSED RESOLUTION

---

To approve a maximum ratio of 200% between the variable and fixed components of the total remuneration of the executive directors and of certain employees belonging to categories with professional activities that have a material impact on the risk profile of the Group upon the terms set forth below:

- **Number of affected persons:** certain members of the Identified Staff (696 at 31 December 2021, as itemised in the [Exhibit](#) to the detailed recommendation prepared by the board of directors), and up to 50 additional beneficiaries, up to a total maximum of 746 persons.

The beneficiaries of this resolution include the executive directors of Banco Santander and other employees of the Bank or other companies of the Group belonging to the "**Identified Staff**", i.e. to categories with professional activities that have a material impact on the risk profile of the Bank or of the Group, including senior executives, risk-taking employees or employees engaged in control functions, as well as other workers whose total remuneration places them within the same remuneration bracket as that of the foregoing categories. However, it is noted that the categories of personnel who engage in control duties are generally excluded from the scope of this resolution. The members of the Identified Staff have been selected pursuant to Article 32.1 of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions and the standards established in Commission Delegated Regulation (EU) 2021/923 of 25 March 2021, supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material

business unit's risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of that Directive.

- **Grant of powers**

Without prejudice to the provisions of item 9 of the agenda or to the powers of the board of directors in remuneration matters, the board is hereby authorised to implement this resolution, with the power to elaborate, as necessary, on the content hereof and that of the agreements and other documents to be used or adapted for such purpose. Specifically, and merely by way of example, the board of directors shall have the following powers:

- (a) To determine any modifications that should be made in the group of Identified Staff members that benefit from the resolution, within the maximum limit established by the shareholders at the general meeting, as well as the composition and amount of the fixed and variable components of the total remuneration of said persons.
- (b) To approve the basic content of the agreements and of such other supplementary documentation as may be necessary or appropriate.
- (c) To approve all such notices and supplementary documentation as may be necessary or appropriate to file with the European Central Bank, Banco de España or any other public or private entity.
- (d) To take any action, carry out any procedure or make any statement before any public or private entity or agency to secure any required authorisation or verification.
- (e) To interpret the foregoing resolutions, with powers to adapt them to the circumstances that may arise at any time without affecting their basic content, including any regulations or provisions or recommendations from supervisory bodies that may prevent their implementation upon the terms approved or that may require the adjustment thereof.
- (f) In general, to take any actions and execute all such documents as may be necessary or appropriate.

The board of directors is authorised to delegate (with the power of substitution when appropriate) to the executive committee or to any director with delegated powers, those delegable powers granted pursuant to this resolution, all without prejudice to the representative powers that currently exist or may be granted in relation to this resolution.

The Company shall communicate the approval of this resolution to all Group companies engaging executives or employees belonging to the Identified Staff and who are beneficiaries of this resolution, without prejudice to the exercise by such of the Bank's subsidiaries as may be appropriate in each case of the powers they hold to implement the remuneration policy with respect to those executives and employees and, if applicable, to adjust such policy to regulations or to the requirements of competent authorities in the respective jurisdiction, or to compliance with the obligations that bind them for such purpose.

## 8 D Deferred Multiyear Objectives Variable Remuneration Plan.

### REPORT OF THE BOARD

Article 20.2.(x) of the Bylaws, Article 2.XII of the Rules and Regulations for the General Shareholders' Meeting and Section 219 of the Spanish Capital Corporations Law grant the shareholders at a general meeting the power to approve the application of compensation systems consisting of the delivery of shares or of rights thereto when the beneficiaries are directors of the Bank.

For this reason, the implementation of the Deferred Multiyear Objectives Variable Remuneration Plan (the "**Plan**") is submitted to the shareholders for approval under item 8 D of the agenda as regards the inclusion of executive directors among the beneficiaries thereof, which the board of directors has approved and the main characteristics of which are set forth below:

- **Seventh cycle of the Plan**

The application of an award to be paid in cash, Santander shares and options on Santander shares implemented by means of the seventh cycle of the Plan (the "**Award**") is proposed to the shareholders for approval at the general meeting as regards the inclusion of executive directors among the beneficiaries thereof. This seventh cycle falls within the variable remuneration policy for the Identified Staff for financial year 2022, which is a continuation of the policy applied since financial year 2016, although:

- The short-term quantitative metrics used to determine variable remuneration have been simplified, with the four used in 2021 being reduced to a total of three. Detailed quantitative metrics, together with the qualitative evaluation and weightings, are set out in section 6.4 of the "Corporate governance" chapter of the consolidated directors' report, which is part of the 2021 annual report.
- Using stock options as a variable remuneration instrument is introduced to achieve greater alignment with shareholder return.
- Metrics linked to achieving multi-year objectives have been updated. In this respect, the relative performance of total shareholder return (TSR) compared to the weighted TSRs of the peer group is maintained, but the percentile from which remuneration accrues is increased, making it more demanding for the remuneration for this metric to accrue. The return on tangible equity (RoTE), which reflects long-term value creation, is also introduced, giving it a weight comparable to the TSR objective. Lastly, five metrics relating to ESG aspects (environmental, social and governance) are also included, in line with five of the Group's most representative responsible banking commitments: women in management positions, financially empowered persons, green financing, setting sector-specific decarbonisation targets in line with the Net Zero Banking Alliance (NZBA) commitment and meeting decarbonisation targets for the electric power generation sector.
- The possibility has been included for the maximum achievement ratio to increase from 100% to 125% overall, in order to encourage the executive directors to exceed the objectives set.

In formulating the Plan and carrying out the review of the remuneration policies of the Group during financial year 2021, the board has taken into account Directive 2013/36/EU of 26 June, as updated based on the amendments made by Directive 2019/878/EU of 27 November 2019, Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, and Banco de España's Circular 2/2016 of 2 February as currently in force after update of the aforementioned Directive was implemented. The board has also taken into account the guidelines published in this field by the European Banking Authority, and particularly the new Guidelines on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04) of 2 July 2021.

- **Beneficiaries of the Award**

The beneficiaries of the Award are the executive directors of the Bank, senior management and country heads of the main countries in which the Group operates, all of them belonging to the "**Identified Staff**", although the shareholders' approval is requested exclusively in relation to the application thereof to the executive directors of the Bank.

- **Overall description of the Award**

- *Determination of the Award.* At the beginning of 2023 and following a proposal of the remuneration committee, the board of directors will verify if the targets on which the maximum amount of the 2022 Award is contingent have been met. Subsequently, if applicable, the 2022 Award for each beneficiary of the Plan (therefore including the executive directors) will be established based on the target award for such financial year. The Award setting will take into account the quantitative metrics and qualitative factors applicable to the Award and which have been revised with respect to those corresponding to previous financial years.

- *Form of payment of the Award to the executive directors.* Any Award to the executive directors will be paid as follows:

- 40% of the Award will be paid in 2023, net of taxes, after applying the corresponding withholding or payment on account (this portion of the total amount of the Award, the "**Immediate Payment Amount**").
- 60% of the Award will be paid on a deferred basis in five equal parts in financial years 2024, 2025, 2026, 2027 and 2028, subject to the conditions for accrual set forth below (the "**Deferred Payment Amount**").

50% of all Award payments will be made in cash, 25% in options on Santander shares and 25% in Santander shares, although the executive directors will be entitled to opt to receive in options the entire portion payable in Santander shares.

The deferral periods and the deferred amount may be increased (but not reduced) if necessary to conform them to applicable legal provisions at any time.

- *Conditions for accrual of the deferred portion of the Award.* In addition to the beneficiary remaining within the Group, the accrual of the deferred portion of the Award is conditional upon the non-existence of improper risk-taking under the Group's *malus* and clawback policy that triggers the application of *malus* clauses. Furthermore, pursuant to applicable legal provisions, the amounts paid shall be subject to clawback in the instances provided for in the applicable policy of the Bank.

Additionally, the accrual of the deferred portion of the Award to be paid to the executive directors in financial years 2026, 2027 and 2028 (the "**Deferred Portion Subject to Objectives**") is subject to the achievement of certain targets for the 2022-2024 period (the "**Multiyear Objectives**") and to the metrics and achievement scales associated with such Multiyear Objectives.

The Multiyear Objectives approved by the board are:

- A. Achievement of the return on tangible equity ("**RoTE**") target of the Bank in 2024.
- B. Relative performance of total shareholder return ("**TSR**") of the Bank for the 2022-2024 period compared to the weighted TSRs of a peer group of 9 credit institutions.
- C. Level of progress on the Bank's public agenda responsible banking commitments in environmental, social and corporate governance (ESG) matters.

The proposed resolution provides a detailed description of the metrics and achievement scales associated with the Multiyear Objectives and of the weighting thereof for purposes of the calculation of the annual amount of the Deferred Portion Subject to Objectives, if any, that should be paid to the executive directors in financial years 2026, 2027 and 2028.

- **Limit on variable remuneration and maximum amount distributable in shares and share options**

It is noted that the variable components of the total remuneration of the executive directors for financial year 2022 will not exceed 200% of the fixed components, if the proposal under item 8 C of the agenda is approved, or 100% if it is not.

It has been estimated that the maximum amount of the Award to be delivered to the executive directors in shares and share options comes to €11.5 million. If none of the executive directors ask to receive share options for the portion corresponding to shares, the maximum amount distributable in shares would be €5.75 million, and the maximum amount distributable in share options would be €5.75 million. If the executive directors asked in all cases to receive share options for the amount payable in shares, the maximum amount distributable in share options would come to a maximum of €11.5 million.

The maximum number of shares and share options to be delivered under the Plan will be determined based on the foregoing amounts and in the manner described in the proposed resolution.

- **Delegation of powers**

Finally, it is provided that the powers granted to the board include the ability to adjust the level of achievement of the Multiyear Objectives upwards or downwards, at the proposal of the remuneration committee, in order to eliminate any effects thereon of regulatory changes or extraordinary circumstances (such as write-offs, corporate transactions, share buy-back programmes or restructurings) affecting the suitability of the metric and achievement scale established in each case and resulting in an impact unrelated to the performance of the executive directors.

#### PROPOSED RESOLUTION

---

To approve, as regards the inclusion of the executive directors among the beneficiaries thereof, the implementation of the seventh cycle of the Deferred Multiyear Objectives Variable Remuneration Plan, which has been approved by the board of directors, inasmuch as it is a remuneration system that includes the delivery to them of shares of the Bank or of rights thereon or that is linked to the value of the shares:

- **Object and beneficiaries**

The seventh cycle of the Deferred Multiyear Objectives Variable Remuneration Plan will be implemented in connection with the variable remuneration or award (hereinafter, the "**Award**") for financial year 2022 that is approved by the board of directors or the appropriate body in each case, for executive directors of Banco Santander, senior management and the country heads from the main countries in which the Group operates, all of them belonging to the "**Identified Staff**" or "**Material Risk Takers**" (i.e. to categories of staff whose professional activities have a material impact on the risk profile of the institution in accordance with Section 32.1 of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, and the regulations in implementation thereof).

The implementation of the seventh cycle exclusively as regards the variable remuneration of the executive directors of the Bank is submitted to the shareholders for approval at the general meeting.

The purpose of this seventh cycle of the Deferred Multiyear Objectives Variable Remuneration Plan as regards the executive directors of the Bank is (a) to defer a portion of the Award over a period of five years, subject to the non-occurrence of certain circumstances, (b) in turn, to link a portion of such amount to the performance of the Bank over a multiyear period, (c) for any payment thereof in cash, share options and Santander shares, and (d) also paying the other portion of such variable remuneration in cash, share options and Santander shares at the outset, all in accordance with the rules set forth below. Without prejudice to the foregoing, it is provided that the executive directors will be entitled to opt to receive in options the entire portion payable in shares.

- **Operation**

The Award for the executive directors for financial year 2022 will be paid as follows:

- 40% of the Award will be paid, if applicable, in 2023, net of taxes, after applying the corresponding withholding or payment on account (this portion of the total amount of the Award, the **"Immediate Payment Amount"**): 50% in cash, 25% in options on Santander shares and 25% in Santander shares, although the beneficiaries may opt to receive in options the entire portion payable in shares (the **"Initial Date"**, meaning the specific date on which the Immediate Payment Percentage is paid).
- Payment of the remaining amount (the **"Deferred Payment Amount"**) will be deferred over a period of 5 years (the **"Deferral Period"**), which amount will be paid in fifths within thirty days of the anniversaries of the Initial Date in 2024, 2025, 2026, 2027 and 2028 (the **"Anniversaries"**), provided that the conditions described below are met.
- The deferred portion of the Award will be divided into fifths (each one, an **"Annual Payment"**), which will determine the maximum amount to be paid, if applicable, on each of the Anniversaries.
- Each of the payments that are to be made on the Anniversaries will be made 50% in cash, and the other 50%, one half in options on Santander shares and one half in Santander shares (unless the executive director opts to receive in share options the entire portion corresponding to shares), after applying any withholding or payment on account applicable at any time.
- The beneficiaries receiving Santander shares and options on Santander shares pursuant to the preceding paragraphs may not directly or indirectly hedge them before delivery thereof. They may likewise not transfer them or directly or indirectly hedge the shares and the options for one year as from the delivery thereof. If the beneficiary exercises the share options received within one year since they are delivered, the shares or cash received when the share options are settled shall be subject to the applicable retention periods in each case.
- Pursuant to the Group's policy on holding shares, the executive directors of Banco Santander may not transfer Santander shares that they receive pursuant to the preceding paragraphs for three years from the date of delivery thereof, unless the director holds an amount in Santander shares equal to two times the director's annual fixed remuneration.
- On occasion of each payment of the deferred amount in cash, and subject to the same requirements, the beneficiary may be paid an amount in cash that offsets the effect of inflation on said deferred amount in cash.

In addition to continuity of the director within the Group<sup>2</sup>, the accrual of all Annual Payments is conditional upon the absence of any of the circumstances giving rise to the application of *malus* provisions as set out in the *malus* and clawback chapter of the Group's remuneration policy during the period prior to each of the deliveries. Likewise, the

<sup>2</sup> When termination of the relationship with the Bank is due to retirement, early retirement or pre-retirement of the beneficiary, for termination judicially declared to be improper, unilateral separation for good cause by an employee (which includes, in any case, the situations set forth in section 10.3 of Royal Decree 1382/1985 of 1 August governing the special relationship of senior management, for the persons subject to these rules), permanent disability or death, as well as in cases of mandatory redundancy, the right to delivery of the shares, options on shares and the cash amounts that have been deferred, as well as any amounts arising from the inflation adjustment of deferred amounts in cash, shall remain under the same conditions in force as if none of such circumstances had occurred.

In the event of death, the right shall pass to the successors of the beneficiary.

In cases of justified temporary leave due to temporary disability, suspension of the contract of employment due to maternity or paternity, or leave to care for children or a relative, there shall be no change in the rights of the beneficiary.

If the beneficiary goes to another company of the Group (including through international assignment and/or expatriation), there shall be no change in the rights thereof.

If the relationship terminates by mutual agreement or because the beneficiary obtains a leave not referred to in any of the preceding paragraphs, the terms of the termination or temporary leave agreement shall apply.

None of the above circumstances shall give any right to receive the deferred amount in advance, except where necessary to comply with mandatory regulations or, where appropriate, to avoid a conflict of interest. If the beneficiary or the successors thereof maintain the right to receive deferred remuneration in shares, options on shares and in cash, such remuneration shall be delivered within the periods and upon the terms set forth in the plan rules.

amounts of the Award already paid will be subject to possible clawback by the Bank in the instances and for the period described in said policy, all upon the terms and conditions set forth therein.

The application of *malus* and clawback provisions is triggered in those events in which there is a deficient financial performance of the entity as a whole or of a specific division or area thereof or of exposures generated by the staff, for which purpose at least the following factors must be taken into account:

- Significant errors in risk management committed by the entity or by a business or risk control unit.
- An increase in the capital needs of the entity or a business unit that was not expected at the time the exposures were generated.
- Regulatory sanctions or adverse court awards for facts that might be attributable to the unit or to the staff responsible for them. Also a breach of the entity's internal codes of conduct.
- Improper conduct, whether individual or collective. Negative effects from the sale of unsuitable products and the responsibility of the persons or bodies making such decisions shall be especially considered.

Additionally, the accrual of the third, fourth and fifth Annual Payments (these Annual Payments, together, the "**Deferred Portion Subject to Objectives**") is subject to the achievement of certain targets referring to the 2022-2024 period (the "**Multiyear Objectives**") and to the metrics and achievement scales associated with such Multiyear Objectives, which are those set forth below:

A. Achievement of the return on tangible equity ("**RoTE**") target of the Bank in 2024. The RoTE coefficient corresponding to this target will be obtained from the following table:

<b>RoTE in 2024</b>	
(%)	RoTE Coefficient
≥ 15%	1.5
≥ 12% but < 15%	0 – 1.5 <sup>A</sup>
< 12%	0

A. Straight-line increase in RoTE Coefficient based on the specific percentage of RoTE in 2024, within this bracket of the scale.

B. Relative performance of the Bank's TSR for the 2022-2024 period compared to the weighted TSRs of a peer group of 9 credit institutions.

For these purposes:

- "**TSR**" means the difference (expressed as a percentage) between the final value of an investment in ordinary shares of the Bank and the initial value of that investment, taking into account that for the calculation of such final value, dividends or other similar items (such as the *Santander Dividendo Elección* scrip dividend scheme) received by the shareholder due to such investment during the corresponding period of time will be considered as if they had been invested in more shares of the same class on the first date on which the dividend or similar item is payable to the shareholders and at the average weighted listing price on said date. To calculate TSR, the average weighted daily volume of the average weighted listing prices for the fifteen trading sessions prior to 1 January 2022 (excluded) (for the calculation of the initial value) and for the fifteen trading sessions prior to 1 January 2025 (excluded) (for the calculation of the final value) will be taken into account.
- "**Peer Group**" means the group made up of the following 9 financial institutions: BBVA, BNP Paribas, Citi, Credit Agricole, HSBC, ING, Itaú, Scotiabank and Unicredit.



For this TSR metric, the following achievement scale is established:

TSR Position of the Bank	TSR Coefficient
Achievement of percentile 100	1.5
Between percentiles 75 and 100 (not including the latter)	1 – 1.5 <sup>A</sup>
Between percentiles 40 and 75 (not including the latter)	0.5 – 1 <sup>A</sup>
Below percentile 40	0

A. Proportional increase in TSR coefficient according to the number of positions moved up in the ranking within this bracket of the scale.

C. Level of progress on the Bank's public agenda responsible banking commitments, measured by means of the following metrics related to environmental, social and corporate governance (ESG) matters:

i. Target regarding women in management positions at the Promontorio, Faro and Solaruco corporate segments at year-end 2024:

% of women in management positions <sup>B</sup>	Coefficient 1
≥ 30.5%	1.25
≥ 30% but < 30.5%	1 – 1.25 <sup>A</sup>
≥ 28% but < 30%	0 – 1 <sup>A</sup>
< 28%	0

A. Proportional increase in the coefficient according to its position within this bracket of the scale.

B. Senior management positions represent 1% of the total payroll.

ii. Target regarding financially empowered persons between 2019 and 2024:

Financially empowered persons <sup>B</sup> (millions)	Coefficient 2
≥ 14	1.25
≥ 13 but < 14	1 – 1.25 <sup>A</sup>
≥ 9 but < 13	0 – 1 <sup>A</sup>
< 9	0

A. Proportional increase in the coefficient according to its position within this bracket of the scale.

B. Persons (who have limited or no access to banking services or are financially vulnerable) who are given access to financial services, financing and financial education to broaden their understanding and become more resilient through financial education. This target is more ambitious than the announced public commitment due to the good evolution of this metric. Furthermore, the financial inclusion target will always conform to the Group's credit risk policy and not alter loanbook performance. The public commitment is measured with cumulative data since 2019.

iii. Green financing target between 2019 and 2024:

Green financing <sup>B</sup> (billions of euros)	Coefficient 3
≥ 170	1.25
≥ 160 but < 170	1 – 1.25 <sup>A</sup>
≥ 120 but < 160	0 – 1 <sup>A</sup>
< 120	0

A. Proportional increase in the coefficient according to its position within this bracket of the scale.

B. Includes Santander's total contribution to green financing: project finance, syndicated loans, green bonds, working capital finance, advisory services, structuring and other products to aid our customers in the transition to a low-carbon economy. It includes the public commitment and also the planned launch of new green products and green finance in retail banking. The public commitment is measured with cumulative data since 2019.



iv. Setting sector-specific decarbonisation targets in line with the Net Zero Banking Alliance (NZBA) commitment:

Number of sectors with decarbonisation targets <sup>B</sup>	Coefficient 4
≥ 11	1.25
= 10	1
≥ 0 but < 10	0 – 1 <sup>A</sup>

A. Proportional increase in the coefficient according to its position within this bracket of the scale.

B. The Bank may set and announce by March 2024, an interim emissions-related target for 2030 (or earlier) for portfolios linked to climate-relevant sectors, among which the following ten sectors covered by NZBA's commitment are noted: power generation, coal, oil and gas, transport, iron and steel, aluminium, cement, mortgages, real estate and agriculture. Establishing these targets will set the Bank's roadmap to achieve its ambition to be net zero by 2050, by aligning the Bank's climate-relevant portfolios with the Paris Agreement's goals.

v. Decarbonisation target for the electric power generation sector between 2019 and 2024:

Percentage of intensity reduction in electric power generation <sup>B</sup>	Coefficient 5
≥ 18.75%	1.25
≥ 15% but < 18.75%	1 – 1.25 <sup>A</sup>
≥ 0% <sup>C</sup> but < 15%	0 – 1 <sup>A</sup>

A. Proportional increase in the coefficient according to its position within this bracket of the scale

B. The metrics in the chart measure the evolution of the decarbonisation target between 2019 and 2024, and will put the Bank on the right track to reach the targets for 2025 and 2030 on lowering the emissions intensity of the electricity generation portfolio. In this vein, in accordance with the "IEA - Net Zero emissions" scenario and the Bank's target for 2025, the emissions of the Bank's electricity generation portfolio shall be lowered by 21.7% by 2025 vis-à-vis 2019 (from 0.23 tCO<sub>2</sub>e/MWh in 2019 to 0.18 tCO<sub>2</sub>e/MWh in 2025).

C. In case of increased intensity, achievement would also be 0%.

Each of the five Responsible Banking commitments described in sections (i) to (v) above will have the same weight, such that the level of achievement of this Multiyear Objective will be determined by using the following formula:

$$C = (1/5 \times \text{Coefficient 1} + 1/5 \times \text{Coefficient 2} + 1/5 \times \text{Coefficient 3} + 1/5 \times \text{Coefficient 4} + 1/5 \times \text{Coefficient 5})$$

Thus, the following formula will be applied to determine the annual amount of the Deferred Portion Subject to Objectives, if any, payable in financial years 2026, 2027 and 2028 (each of these payments, a "Final Annual Payment"), without prejudice to any adjustments that may result from *malus* clauses:

$$\text{Final Annual Payment} = \text{Amt.} \times (2/5 \times A + 2/5 \times B + 1/5 \times C)$$

where:

- "Amt." means one third of the Deferred Portion Subject to Objectives.
- "A" is the RoTE Coefficient according to the scale and terms and conditions in paragraph A above based on the achievement of the return on tangible equity target in 2024.
- "B" is the TSR Coefficient according to the scale in paragraph B above based on the relative performance of the TSR of the Bank for the 2022-2024 period with respect to the Peer Group.
- "C" is the coefficient resulting from adding up the weighted coefficients for each of the five responsible banking commitments by 2024, as set forth in paragraph C above.
- Assuming in any case that if "(2/5 x A + 2/5 x B + 1/5 x C)" yields a figure greater than 1.25, 1.25 shall be applied as the multiplier.

- **Maximum number of shares to be delivered**

The final number of shares, if any, delivered to each executive director, including both those for immediate payment and those for deferred payment, shall be calculated taking into account: (i) the amount resulting from applying applicable taxes (or withholdings or payments on account), and (ii) the average weighted daily volume of the average weighted listing prices of the shares of Santander for the fifteen trading sessions prior to the Friday (exclusive) of the week prior to the date on which the board of directors approves the Award for the executive directors of the Bank for financial year 2022 (hereinafter, the **"2023 Listing Price"**).

It has been estimated that the maximum amount of the Award to be delivered to the executive directors in shares under the Award comes to €5.75 million (the **"Maximum Amount Distributable in Shares for Executive Directors"** or **"MADSED"**). The maximum number of Santander shares that may be delivered to the executive directors under this plan (the **"Limit on Shares for Executive Directors"** or **"LSED"**) will be determined, after deducting any applicable taxes (including withholdings and payments on account), by applying the following formula:

$$\text{LSED} = \frac{\text{MADSED}}{\text{2023 Listing Price}}$$

- **Maximum number of share options to be delivered and applicable rules**

Each share option will have one share as underlying asset and the exercise price of each option will be equal to the 2023 Listing Price. Settlement of the options upon exercise may take place by delivery of Santander shares upon payment of the strike price or through a settlement by difference between the strike price for the option and the applicable Santander share market price at exercise.

The final number of options on shares, if any, to be delivered to each executive director, for both those which are paid immediately and those that are deferred, shall be calculated taking into account: (i) the amount resulting from applying the corresponding taxes (or withholding or payment on account); (ii) the executive director's decision, if any, opting to receive in options the portion to be paid in shares; and (iii) the fair value (**"FV"**) calculated in accordance with generally applicable accounting standards (IFRS - International Financial Reporting Standards) for share-based payments on the date the options are granted, i.e. the Initial Date, which will be a fraction of the 2023 Listing Price.

The maximum number of share options to be delivered (the **"Limit on Award Share Options for Executive Directors"** or **"LASOED"**) will be determined based on the maximum number of shares that would be delivered to each executive director as a result of the exercise of share options if payment was made by delivery of Santander shares, which must be calculated taking into account: (i) FV; and (ii) the 2023 Listing Price.

Taking into account that the maximum amount of the Award to be delivered in share options to the executive directors amounts to €5.75 million (or, if the executive directors ask to be paid in share options the portion payable in shares, to €11.5 million) (the **"Maximum Amount Distributable in Award Share Options for Executive Directors"** or **"MADASOED"**), the LASOED will be determined, after deducting any applicable taxes (including withholdings and payments on account), by applying the following formula:

$$\text{LASOED} = \frac{\text{MADASOED}}{\text{2023 Listing Price} \times \text{FV}}$$

Options may be exercised from the moment each of them is delivered and until they expire, which shall happen ten years after the Initial Date, and during specific timeframes throughout the year as determined in the corresponding plan regulations.

- **Other rules:**

In the event of a change in the number of shares due to a decrease or increase in the par value of the shares or a transaction with an equivalent effect, the number of shares to be delivered and the conditions for exercising the share options to be granted will be modified so as to maintain the percentage of the total share capital represented by them.

Information from the stock exchange with the largest trading volume will be used to determine the listing price of the share.

If necessary or appropriate for legal, regulatory or similar reasons, the delivery mechanisms provided for herein may be adapted in specific cases without altering the maximum number of shares or share options linked to the award or the basic conditions upon which the delivery thereof is made contingent. Such adaptations may include the substitution of the delivery of shares or of share options with the delivery of equivalent amounts in cash, or vice versa.

The shares to be delivered may be owned by the Bank or by any of its subsidiaries, be newly-issued shares, or be obtained from third parties with whom agreements have been signed to ensure that the commitments made will be met.

- **Grant of powers**

Without prejudice to the general provisions of item 9 or to those set forth in preceding sections, and without prejudice to the powers of the board of directors in remuneration matters, the board is hereby authorised to implement this resolution, with the power to elaborate, as necessary, on the rules set forth herein and on the content of the agreements and other documents to be used. Specifically, and merely by way of example, the board of directors shall have the following powers:

- (i) To approve the basic content of the agreements and of such other supplementary documentation as may be necessary or appropriate.
- (ii) To approve all such notices and supplementary documentation as may be necessary or appropriate to file with any public or private agency, including, if required, the respective prospectuses.
- (iii) To take any action, carry out any procedure or make any statement before any public or private entity or agency to secure any required authorisation or verification.
- (iv) To determine the specific number of shares and shares options to be received by each of the executive directors, observing the established maximum limits.
- (v) To apply the measures and mechanisms that may be appropriate to compensate for the dilution effect, if any, that may occur as a result of corporate transactions and shareholder distributions for so long as the shares are not delivered to the executive directors; and, in the event that the maximum amount distributable in shares or options to be delivered to the executive directors is exceeded, to authorise their deferral and payment in options or shares, respectively, of the excess or, if both limits are exceeded, to authorise the deferral and payment of the excess in cash.
- (vi) To define whether when the option is exercised settlement is to be made in kind by delivering shares or by settling differences and regulating any mechanisms necessary or appropriate to implement such exercise, including the procedure for determination of the applicable market price. If the options are settled within one year from when they are delivered, to establish and develop the applicable retention period regulations that need to be implemented.
- (vii) To extend the deferral period if so required in order to adapt to the applicable legal provisions in force at any given time or to the requirements of the competent authority, making such adjustments as may be necessary to adapt the Award to the new deferral period.

- (viii) To approve, where applicable, the engagement of one or more internationally recognised third parties to verify the achievement of the Multiyear Objectives. In particular, and merely by way of example, it may ask such third parties: to obtain, from appropriate sources, the data upon which the calculations of TSR are to be based; to perform the calculations of the TSR of the Bank and the TSRs of the entities within the Peer Group; to compare the Bank's TSR with the TSRs of the entities within the Peer Group; and to provide advice on the decision as to how to act in the event of unexpected changes in the Peer Group that may require adjustments to the rules for comparison among them or on the amendment of the Peer Group in light of objective circumstances that justify such amendment (like non-organic transactions or other extraordinary circumstances).
- (ix) To interpret the foregoing resolutions, with powers to adapt them, without affecting their basic content, to the circumstances that may arise at any time, including, in particular, adapting the delivery mechanisms, without altering the maximum number of shares and share options linked to the plan or the basic conditions upon which the delivery thereof is made contingent, which may include the substitution of the delivery of shares or share options with the delivery of share options or shares, respectively, or equivalent amounts in cash, or the alteration of the mechanisms for net delivery of shares or share options in accordance with the procedures that are established for the payment of taxes, or when so required for regulatory, tax, operational or contractual reasons. In addition, the board may adapt the aforementioned plan (including the adjustment or removal of any metrics and achievement scales for the Multiyear Objectives, the inclusion of additional targets for the delivery of any deferred amount of the Award or the increase of the portion corresponding to the Deferred Payment Amount or the extension of the Deferral Period) to any mandatory regulations or administrative interpretation that may prevent the implementation thereof on the approved terms.
- (x) To adjust the level of achievement of the Multiyear Objectives upwards or downwards, at the proposal of the remuneration committee, when regulatory changes, non-organic transactions, material changes to the Group's composition or size or other extraordinary circumstances (such as write-offs, legal changes, corporate transactions, share buy-back programmes or restructurings) have occurred which affect the suitability of the metric and achievement scale established in each case and resulting in an impact unrelated to the performance of the executive directors being evaluated.
- (xi) To develop and specify the conditions upon which the receipt by the executive directors of the corresponding shares, share options or deferred amounts is contingent, as well as to determine whether, according to the plan to which this resolution refers, the conditions upon which the receipt by the executive directors of the respective shares, share options or cash amounts is made contingent have been fulfilled, with the power to modulate the cash amounts and the number of shares and share options to be delivered depending on the existing circumstances, all following a proposal of the remuneration committee.
- (xii) In general, to take any actions and execute all such documents as may be necessary or appropriate.

Moreover, in those areas falling within the scope of the board of directors' responsibility, it is authorised to further develop, modify, alter or adapt the terms and conditions of the seventh cycle of the Deferred Multiyear Objectives Variable Remuneration Plan and of the other cycles of said plan that remain in effect.

The board of directors is also authorised to delegate (with the power of substitution when appropriate) to the executive committee or to any director with delegated powers those delegable powers granted pursuant to this resolution, all without prejudice to the representative powers that currently exist or may be granted in relation to this resolution.

## 8 E Application of the Group's buy-out regulations.

### REPORT OF THE BOARD

---

Article 20.2.(x) of the Bylaws, Article 2.XII of the Rules and Regulations for the General Shareholders' Meeting and Section 219 of the Spanish Capital Corporations Law grant the shareholders at a general meeting the power to approve the application of compensation systems consisting of the delivery of shares or of rights thereto when the beneficiaries are directors of the Bank.

The Group's remuneration policy contains buy-out regulations aimed at establishing homogeneous rules applicable to hiring by any entity of the Group in which such hiring entity assumes, as a part of the job offer to the corresponding executive or employee (whether or not he or she belongs to the Identified Staff), the cost of the variable remuneration that such persons would have been paid by their previous company and that they would lose as a consequence of accepting the offer from the Group.

These types of rules are compatible with the regulations and recommendations applicable to the Company and are widespread in the market; their purpose is to maintain a degree of flexibility to be able to attract the best talent and to be fair with respect to the loss of rights that an executive or employee incurs due to joining the Group.

Before the approval of the buy-out regulations, the Group generally assumed payment of such amounts in cash, paying the executive or employee the corresponding amounts. However, the new buy-out regulations introduced the possibility of paying such amounts in Santander shares, which permits a better alignment with the Company's long-term interests.

To the extent that these buy-out regulations apply to persons who may join the Group as executive directors of the Bank, the delivery of shares of the Bank within the framework of the application of such regulations with respect to any executive director who might join the Group during financial year 2022 and during financial year 2023, until the holding of the ordinary general shareholders' meeting in 2023, is submitted for the approval of the shareholders at the general meeting under item 8 E of the agenda.

### PROPOSED RESOLUTION

---

To authorise, as regards the inclusion of executive directors among its beneficiaries and inasmuch as it is a remuneration system that includes the delivery to them of shares of the Bank or of rights thereon or that is linked to the price of the shares, the (immediate or deferred) delivery of shares of the Bank within the framework of the application of the Group's buy-out regulations which have been approved by the board of directors of the Bank, following a proposal of the remuneration committee.

Such buy-out regulations are an instrument to be selectively used in the engagement of executives or employees who, as a result of accepting a job offer from the Bank (or from other Group companies), lose the right to receive certain variable remuneration from their previous company. Therefore, these rules, which take into account the regulations and recommendations that apply to the Bank, allow for the maintenance of certain flexibility to be able to attract the best talent and to be fair with respect to the loss of rights that an executive or employee incurs due to joining the Group, given that the conditions of the buy-out take into account the conditions that applied to the remuneration the loss of which is compensated for.

The maximum number of shares that may be delivered under this resolution is a number such that, multiplying the number of shares delivered (or recognised) on each occasion by the average weighted daily volume of the average weighted listing prices of the Santander shares for the fifteen trading sessions prior to the date on which they are delivered (or recognised), does not exceed the amount of €40 million.

The authorisation granted hereby may be used to undertake commitments to deliver shares in relation to the engagements that occur during financial year 2022 and during financial year 2023, until the ordinary general shareholders' meeting is held in 2023.

## 8 F Annual directors' remuneration report (consultative vote).

### PROPOSED RESOLUTION

---

The shareholders are asked to provide a consultative vote on the annual directors' remuneration report, approved by the board of directors following a proposal of the remuneration committee, on the terms established by law and in Circular 4/2013 of 12 June of the National Securities Market Commission (as last amended by Circular 3/2021 of 28 September of the National Securities Market Commission). The aforementioned annual report is included in sections 6 (except for 6.4 and 6.6), 9.4 and 9.5 of the "Corporate governance" chapter of the consolidated directors' report, which is part of the 2021 annual report.

## 9 Authorisation to the board and grant of powers for conversion into public instrument.

### PROPOSED RESOLUTION

---

Without prejudice to the delegations of powers contained in the preceding resolutions, it is hereby resolved:

- (a) To authorise the board of directors to interpret, remedy, supplement, implement and further develop the preceding resolutions, including the adjustment thereof to conform to verbal or written evaluations of the Commercial Registry or of any other authorities, officials or institutions which are competent to do so, as well as to comply with the requirements that may legally need to be satisfied for the effectiveness thereof, and, in particular, to delegate to the executive committee or to any director with delegated powers all or any of the powers received from the shareholders at this general shareholders' meeting by virtue of the preceding resolutions as well as under this resolution 9.
- (b) To authorise Ms Ana Patricia Botín-Sanz de Sautuola y O'Shea, Mr José Antonio Álvarez Álvarez, Mr Jaime Pérez Renovales and Mr Francisco Javier Illescas Fernández-Bermejo so that any of them, acting severally and without prejudice to any other existing power of attorney whereby authority is granted to record the corporate resolutions in a public instrument, may appear before a Notary Public and execute, on behalf of the Bank, any public instruments that may be required or appropriate in connection with the resolutions adopted by the shareholders at this general shareholders' meeting. In addition, they are empowered, also on a several basis, to carry out the required filing of the annual accounts and other documentation with the Commercial Registry.

## EXHIBIT TO THE REASONED PROPOSAL OF THE BOARD RELATING TO ITEM 8 C ON THE AGENDA

MEMBERS OF THE IDENTIFIED STAFF AT 31 DECEMBER 2021 WITH RESPECT TO WHICH APPROVAL IS REQUESTED FOR A MAXIMUM VARIABLE REMUNERATION RATIO OF 200%

POSITION	No.	POSITION	No.
<b>ARGENTINA</b>			
GERENTE GENERAL	1		1
<b>BRAZIL</b>			
BRA DIRETOR	2	SENIOR EXECUTIVE (CS)	5
BRA SUPTE EXEC FINANCEIRO (CS)	1	SENIOR EXECUTIVE IB (CS)	1
DIR PRESIDENTE	1	SUPTE EXEC ATENDIMENTO (CS)	1
DIR VICE PRESIDENTE EXEC	10	SUPTE EXEC FINANCEIRO (CS)	1
DIRETOR	17	SUPTE EXEC JURIDICO (CS)	1
DIRETOR EXECUTIVO	1	SUPTE EXEC PARCERIAS (CS)	1
EXEC TRADER MANAGER II	3	SUPTE EXEC TEC E OPERAÇÕES (CS)	2
EXEC TRADER SPECIALIST I	1	SUPTE EXECUTIVO (CS)	2
EXECUTIVE MANAGER ASSET (SAM)	1	SUPTE OUVIDORIA (CS)	1
CEO GETNET	1		
<b>CHILE</b>			
JEFE DIVISIÓN PRODUCTOS	1	JEFE DIVISION BEI	2
DIRECTOR JURIDICO CORPORATIVO	1	JEFE DIVISION CLIENTES EXP Y CALIDAD	1
GERENTE GENERAL	1	JEFE DIVISION COMERCIAL	1
HEAD CORPORATE INVESTMENT BANKING	1	JEFE DIVISION FINANCIERA	1
HEAD FS Y A	1	JEFE DIVISION PERSONAS Y COMUNICACION	1
HEAD GLOBAL MARKETS	2	JEFE DIVISION	1
JEFE BANCA PRIVADA	1	JEFE DIVISION TECNOLOGIA Y OPERACIONES	1
JEFE DIVISION ADMINISTRACION	1	JEFE WEALTH MANAGEMENT	1
JEFE GESTION FINANCIERA	1	PRESIDENTE EJECUTIVO	1
JEFE INNOVACION Y ALIANZAS ESTRATEGICAS	1	JEFE RRLL Y SERVICIO A PERSONAS	1
JEFE NEGOCIOS DIGITALES Y BI	1		
<b>COLOMBIA</b>			
CEO – COUNTRY HEAD SANTANDER COLOMBIA	1		1
<b>CORPORATE CENTRE</b>			
ANALYSIS GROUP VICE-PRESIDENT	1	HR MANAGEMENT VICE-PRESIDENT	1
BANKER (CIB, WEALTH & PRIVATE) DIRECTOR	1	M&A VICE-PRESIDENT	2
BANKER (CIB, WEALTH & PRIVATE) VICE-PRESIDENT	2	MANAGING DIRECTOR	13
BANKER DIRECTOR	1	ORIGINATION DEBT FINANCE VICE-PRESIDENT	1
BANKER GROUP VICE-PRESIDENT	1	PRIVATE BANKER (CIB, WEALTH & PRIVATE) VICE-PRESIDENT	1
GROUP VICE-PRESIDENT	1	PRODUCT - TRADE & WORKING CAPITAL TRANSACTION BANKING VICE-P	1
COO VICE-PRESIDENT	1	PRODUCT SPECIALIST - M2	1
DIGITAL BUSINESS DEVELOPMENT & PARTNERSHIPS VICE-PRESIDENT	1	QUANT DATA ANALYTICS & MODELS VICE-PRESIDENT	2
DIRECTOR	1	RESEARCH & BUSINESS INTELLIGENCE VICE-PRESIDENT	1
DTOR TECNOLOGÍA Y OPERACIONES	1	SALES - IFI TRANSACTION BANKING VICE-PRESIDENT	1



ECM M&A VICE-PRESIDENT	1	SALES (CIB & ASSET MANAGEMENT) VICE-PRESIDENT	3
EXECUTIVE DIRECTOR	1	SALES DIRECTOR	3
GLOBAL CIO DOMAIN PRODUCT & IT PROJECT MANAGEMENT VICE-PRESI	1	SALES EXPERT II	1
GLOBAL HEAD OF FOREIGN EXCHANGE	1	SALES VICE-PRESIDENT	2
HEAD (NIVEL 22)-TOP MANAGEMENT / EXECUTIVES	1	SCIB COO EXECUTIVE VICE-PRESIDENT	1
HEAD OF BANKING & CORPORATE FINANCE	1	SCIB EXECUTIVE VICE-PRESIDENT	7
SCIB FINANCIAL EXECUTIVE VICE-PRESIDENT	1	ANALYSIS GROUP VICE-PRESIDENT	1
SCIB OFFICE GROUP EXECUTIVE VICE-PRESIDENT	1	CEO	1
STRUCTURING DEBT FINANCE VICE-PRESIDENT	1	CIO GROUP EXECUTIVE VICE-PRESIDENT	1
STRUCTURING PRODUCT & SERVICE VALUE PROPOSITION MANAGEMENT V	1	COMMUNICATION GROUP EXECUTIVE VICE-PRESIDENT	1
SYNDICATED LOANS DEBT FINANCE VICE-PRESIDENT	1	COMPENSATION & BENEFITS HR SPECIALIST GROUP VICE-PRESIDENT	2
TRADER VP	1	CONSEJERO DELEGADO	1
TRADING VICE-PRESIDENT	9	COSTS & ORGANIZATION GROUP EXECUTIVE VICE-PRESIDENT	1
UK DIRECTOR (WHL) (CERT)	1	CYBERSECURITY GROUP EXECUTIVE VICE-PRESIDENT	1
VICE-PRESIDENT	4	FINANCIAL ACCOUNTING GROUP EXECUTIVE VICE-PRESIDENT	2
XVA TRADING VICE-PRESIDENT	1	FINANCIAL MANAGEMENT GROUP EXECUTIVE VICE-PRESIDENT	1
HR GROUP EXECUTIVE VICE-PRESIDENT	1	FINANCIAL MANAGEMENT GROUP VICE-PRESIDENT	1
LEGAL GROUP EXECUTIVE VICE-PRESIDENT	2	GLOBAL INTERNAL GOVERNANCE GROUP EXECUTIVE VICE-PRESIDENT	1
MARKETING GROUP EXECUTIVE VICE-PRESIDENT	2	GOVERNANCE GROUP VICE-PRESIDENT	1
MODELS AND DATA GROUP EXECUTIVE VICE-PRESIDENT	1	GROUP EXECUTIVE VICE-PRESIDENT	6
NPA AND STRATEGIC OPS GROUP EXECUTIVE VICE-PRESIDENT	2	GROUP SR. EXECUTIVE VICE-PRESIDENT	12
PRESIDENTE CONSEJO DE ADMINISTRACIÓN	1	GROUP VICE-PRESIDENT	1
REAL ESTATE BUSINESS DEVELOPMENT & PARTNERSHIPS DIRECTOR	1	SECURITY AND INTELLIGENCE GROUP EXECUTIVE VICE-PRESIDENT	1
RESPONSIBLE BANKING GROUP EXECUTIVE VICE-PRESIDENT	1	SR. EXECUTIVE VICE-PRESIDENT	2
TAX GROUP EXECUTIVE VICE-PRESIDENT	1	STRATEGIC & FINANCIAL ANALYSIS GROUP EXECUTIVE VICE-PRESIDENT	1
UNIVERSITIES GROUP EXECUTIVE VICE-PRESIDENT	1	STRATEGY & CORPORATE DEVELOPMENT GROUP VICE-PRESIDENT	1
URUGUAY AND ANDEAN REGION GROUP EXECUTIVE VICE-PRESIDENT	1	STRATEGY & CORPORATE DEVELOPMENT STRATEGY & CORPORATE DEVELOPMENT VICE-PRESIDENT	1
PRESIDENTA	1	STRATEGY GROUP EXECUTIVE VICE-PRESIDENT	2
EXECUTIVE VICE PRESIDENT	2	T&O GROUP EXECUTIVE VICE-PRESIDENT	1
PRODUCT DIRECTOR	1		
<b>SPAIN</b>			<b>56</b>
ACCOUNTING VP	1	DTOR COSTES	1
ASSET & LIABILTY MANAGER II	1	DTOR DESARROLLO NEGOCIO	1
DIR BANCA COMERCIAL	1	DTOR ESTRATEGIA	1
DIR BCA DIGITAL E INNOVACIÓN	1	DTOR INTERVENCION Y CONTAB	1
DIR PLANIFICACIÓN FINANCIERA	1	DTOR OPERACIONES	1
DIR SANTANDER PERSONAL	1	DTOR PLANES NEGOCIOS	1
DIRECTOR DE AREA	6	DTOR RECUPERACIONES	1
DIRECTOR DE AREA	3	DTOR RED DE EMPRESAS	1
DIRECTOR DISTRIBUCIÓN	1	DTOR TERRITORIAL	3

DIRECTOR GESTIÓN	2	DTOR UCR	1
DIRECTOR GRANDES EMPRESAS	1	ESP GRUPO COMPENSATION & BENEF	1
DIRECTOR MARKETING	1	ESP GRUPO DIRECTOR DE AREA (NIVEL 22)-TOP MANAGEMENT / EXECUTIVES	1
DIRECTOR PRODUCTOS EMPRESAS	1	ESP SANCO SENIOR EXECUTIVE VICE-PRESIDENT	1
DTOR ADJUNTO	1	EXECUTIVE VICE-PRESIDENT	1
DTOR AS JURIDICA BCA COMERCIAL	1	HEAD	1
DTOR ASESORÍA FISCAL	1	HEAD	3
DTOR ASESORÍA JCA MAYORISTA	2	PRODUCT MANAGER I	1
DTOR ASESORÍA JCA PROCESAL	1	SALES MANAGER II	1
DTOR ATENCION AL CLIENTE	2	VICEPRESIDENTE	1
SANCO GROUP EXECUTIVE VICE-PRE	1	EXECUTIVE VICE PRESIDENT	1
TOP MGT/EXEC VP	2		
<b>MEXICO</b>			<b>49</b>
DE OPERACIONES	1	MEX DIR EJEC CREDITO PARTICULARES	1
DG CHIEF FINANCIAL OFFICER	1	MEX DIR EJEC DE CAPITAL	1
DG DIGITAL E INNOVACIÓN	1	MEX DIR EJEC DE ESTRATEGIA	1
DG ESTR ASU PUB JEF GAB PR EJ	1	MEX DIR EJEC FISCAL	1
DG ESTRATEGIA NEGOCIOS	1	MEX DIR EJEC GESTION FINANCIERA	1
DG INTERV Y CTRL	1	MEX DIR EJEC GESTION INTEGRAL GAST	1
DG RECURS CORPOR RECUPERACION	1	MEX DIR EJEC GLOB TRANSACT BANKING	1
DG RECURSOS HUMANOS	1	MEX DIR EJEC HEAD REGIONAL RESE AM	1
DIR EJEC SEGMENTO PRIVADA	1	MEX DIR EJEC INTERVENCION GENERAL	1
DIR GRAL ADJ RED COMERCIAL	1	MEX DIR EJEC M&A	1
MEX CTU	1	MEX DIR EJEC MERCADOS	1
MEX DEPUTY HEAD OF TECHNOLOGY	1	MEX DIR EJEC NEGOCIO RECUPERACIONE	1
MEX DGA RED COMERCIAL Y BEI	1	MEX DIR EJEC PLANEACION COMERCIAL	1
MEX DIR EJEC ACPM & ESTRUCTURACION	1	MEX DIR EJEC PLANIFICACION FINANCI	1
MEX DIR EJEC ATENCIÓN AL CLIENTE	1	MEX DIR EJEC PROD TRANS RETENCION	1
MEX DIR EJEC CHIEF OPERA OFFI SCIB	1	MEX DIR EJEC RECUPERACIONES	1
MEX DIR EJEC CIB CORPOR INVEST BAN	2	MEX DIR EJEC RELACION INVERSIONIST	1
MEX DIR EJEC GESTION COMERCIAL	1	MEX DIR GRAL ADJ SANT CORP&INVES B	1
MEX EXECUTIVE DIRECTOR	2	MEX DIR. EJE GDF & PDM	1
MEX HEAD EMPRESAS	1	MEX INFORMATION SECURITY OFFICER	1
MEX HEAD RED COMERCIAL	1	MEX MANAGING DIRECTOR	5
PRESIDENTE EJEC DIR GRAL GF	1		
<b>OPENBANK</b>			<b>4</b>
DIRECTOR RRHH	1	EXECUTIVE TEAM	3
<b>OPENBANK ARGENTINA</b>			<b>1</b>
GERENTE PRINCIPAL	1		
<b>PAGONXT</b>			<b>7</b>
DIGITAL TRANSFORMATION GROUP VICE-PRESIDENT	1	GROUP SENIOR EXECUTIVE VICE-PRESIDENT	1
ESP SANCO DIGITAL TRANSFORMATION GROUP VICE-PRESIDENT	1	PROJECT GROUP VP	1
GROUP EXECUTIVE VICE-PRESIDENT	1	SENIOR EXECUTIVE VICE-PRESIDENT	1
EXECUTIVE VICE PRESIDENT	1		
<b>PERU</b>			<b>2</b>
DIRECTOR GENERAL DE NEGOCIOS RETAIL	1	GERENTE GENERAL	1
<b>POLAND</b>			<b>54</b>
CHIEF CUSTOMER OFFICER	1	RETAIL BANKING TRANSFORMATION DIRECTOR	1
CHIEF INFORMATION OFFICER	1	ALM ANALYSIS OFFICE DIRECTOR	1

CHIEF INFORMATION SECURITY OFFICER	1	SELECT CUSTOMER RELATIONSHIP OFFICE DIRECTOR	1
CHIEF OPERATIONS OFFICER	1	IT ARCHITECTURE CENTER DIRECTOR	1
CHIEF TECHNOLOGY OFFICER	1	INSTITUTIONAL CLIENT DEPARTMENT DIRECTOR	1
MANAGEMENT BOARD MEMBER	5	CAPITAL MARKETS DEPARTMENT DIRECTOR	1
CAPITAL MANAGEMENT AND CAPITAL INVESTMENT MANAGEMENT DIRECTOR	1	CAPITAL ADEQUACY DEPARTMENT DIRECTOR	1
BUSINESS AND CORPORATE BANKING DIRECTOR	1	TREASURY SERVICES DEPARTMENT DIRECTOR	1
CIB FINANCE AND OPERATIONAL SUPPORT DEPARTMENT DIRECTOR	1	REMUNERATION DEPARTMENT DIRECTOR	1
GLOBAL TRANSACTION BANKING DEPARTMENT DIRECTOR	1	DISTRIBUTION DIRECTOR	1
BUSINESS LEGAL SERVICE DEPARTMENT DIRECTOR	1	MACROREGIONAL DIRECTOR	4
BUSINESS PARTNERSHIP DEPARTMENT DIRECTOR	1	MANAGEMENT INFORMATION AREA DIRECTOR	1
AML DEPARTMENT DIRECTOR	1	LEGAL AREA DIRECTOR	1
DEPARTMENT OF TRANSACTIONS ON FINANCIAL MARKETS DIRECTOR	1	FINANCIAL ACCOUNTING AREA DIRECTOR	1
CYBERSECURITY AND TECHNOLOGY MANAGER MANAGEMENT DEPARTMENT DIRECTOR	1	FINANCIAL MARKETS AREA DIRECTOR	1
MANAGEMENT AND PROCESSES TRANSFORMATION DEPARTMENT DIRECTOR	1	SALES AND SUPPORT AREA DIRECTOR	1
CREDIT MARKETS DEPARTMENT DIRECTOR	1	CAPITAL MANAGEMENT TEAM MANAGER	1
CORPORATE COMMUNICATION AND MARKETING AREA DIRECTOR	1	PRESIDENT OF THE MANAGEMENT BOARD	1
BUSINESS AND CORPORATE BANKING PRODUCTS AREA DIRECTOR	1	LEADER BANCASSURANCE	3
BUSINESS AND CORPORATE BANKING PRODUCTS AREA DIRECTOR	1	VICE-PRESIDENT OF THE MANAGEMENT BOARD	3
BUSINESS MODEL AND STRATEGY TRANSFORMATION AREA DIRECTOR	1	CHIEF CORPORATE CLIENTS OFFICER	1
RETAIL CLIENT RELATIONSHIP DEVELOPMENT DIRECTOR	1		
<b>PORTUGAL</b>			<b>41</b>
ADMINISTRADOR EXECUTIVO	4	RESPONSÁVEL DE ÁREA 1	1
DIRETOR	10	RESPONSÁVEL DE ÁREA 2	1
DIRETOR EXECUTIVO	23	VICE PRESIDENTE COMISSÃO EXEC.	1
PRESIDENTE COMISSÃO EXECUTIVA	1		
<b>SANTANDER ASSET MANAGEMENT</b>			<b>5</b>
CEO	1	HEAD OF ILIQUIDS TEAM	1
CHIEF INVESTMENT OFFICER	1	UK CEO	1
GLOBAL HEAD OF GMAS	1		
<b>SANTANDER CONSUMER FINANCE</b>			<b>43</b>
BEREICHSLIMITER	11	CYBERSECURITY VICE - PRESIDENT	1
CEO	2	ESP SCFW ANALYSIS VICE-PRESIDENT	1
CEO SANTANDER CONSUMER FINANCE	1	EXECUTIVE VICE-PRESIDENT	7
CHIEF COMMERCIAL OFFICER	1	GENERAL MANAGEMENT	1
CHIEF EXECUTIVE OFFICER	1	GENERALBEVOLLMÄCHTIGTER	2
COLLECTION DIVISION DIRECTOR	1	HUMAN RESOURCES VICE - PRESIDENT	1
CONSUMER FINANCING SERVICES VICE - PRESIDENT	2	MANAGEMENT OFFICE	1
MB MEMBER	3	VICE-PRESIDENT	1
SALES	1	VORSTAND	4
V-CE PRESIDENT OF MANAGEMENT BOARD	1		
<b>SANTANDER LONDON BRANCH</b>			<b>7</b>
TRADING MGR II (WHL) (CERT)	1	UK DIRECTOR (WHL) (CERT)	6

SWITZERLAND			1
GENERAL MANAGER	1		
UK			100
AFM STAFF	3	DIRECTOR, FINANCIAL SUPPORT CENTRE OF EXCELLENCE	1
CEO - PSA FINANCE	2	DIRECTOR, TRANSFORMATION	1
CEO CHIEF OF STAFF, UNIVERSITIES, SUSTAINABILITY AND CSR	1	ED CONSUMER, RETAIL & HEALTHCARE	1
CHIEF CUSTOMER AND INNOVATION OFFICER	1	ED METALS & MINING/INDUSTRIALS & ATS	1
CHIEF DATA OFFICER & HEAD OF ATA TRANSFORMATION FOR EUROPE	1	ED MULTI-NATIONALS	1
CHIEF INFORMATION TECHNOLOGY OFFICER	1	ED OIL & GAS	1
CHIEF OPERATING OFFICER	1	GBR_HEAD OF REL. MANAGEMENT	1
CHIEF OPERATING OFFICER, CCB	1	GBR_INTERNATIONAL SECONDEE (EXEC)	1
CHIEF RESILIENCE OFFICER	1	GBR_UK DIRECTOR	1
COMMERCIAL DIRECTOR - SANTANDER CONSUMER FINANCE	1	GBR_UK DIRECTOR. (CERT)	5
COMPANY SECRETARY	1	GBR_UK EXEC DIRECTOR (CERT)	7
DIRECTOR CUSTOMER ENGAGEMENT SQUADS & DIGITAL INTERMEDIARIES	1	HEAD OF ASSET FINANCE	1
DIRECTOR OF ALM	1	HEAD OF BUSINESS DEVELOPMENT - SANTANDER SERVICES	1
DIRECTOR OF CUSTOMER INTELLIGENCE, FINANCIAL SUPPORT CENTRE OF EXCELLENCE	1	HEAD OF CCB BUSINESS DEVELOPMENT	1
DIRECTOR OF CUSTOMER OPERATIONS, RETAIL & BUSINESS BANKING	1	HEAD OF CUSTOMER SOLUTIONS	1
DIRECTOR OF ECONOMIC CRIME	1	HEAD OF HOTELS	1
DIRECTOR OF EXTERNAL REPORTING	1	HEAD OF INTERNATIONAL & TRANSACTIONAL BANKING, CCB	1
DIRECTOR OF FUNDING & COLLATERAL MANAGEMENT	1	HEAD OF INTERNATIONAL CLIENT	1
DIRECTOR OF OPERATIONAL EXCELLENCE SERVICES	1	HEAD OF INVOICE FINANCE	1
DIRECTOR OF TRANSFORMATION & SUPPORT, RETAIL DISTRIBUTION	1	HEAD OF LOAN & RESTRUCTURED FINANCE	1
DIRECTOR OF WEALTH MANAGEMENT	1	HEAD OF MORTGAGES	1
DIRECTOR, COMMUNITIES	1	HEAD OF ORIGINATION & CLIENT COVERAGE, CCB	1
DIRECTOR, FINANCIAL PLANNING & ACCOUNTING	1	HEAD OF PORTFOLIO MANAGEMENT	1
HEAD OF PRODUCTS & CHANNELS, TRANSACTIONAL BANKING	1	MANAGING DIRECTOR, EAST OF ENGLAND	1
HEAD OF PROJECT & SPECIALISED FINANCE	1	MANAGING DIRECTOR, HCUK	1
HEAD OF SANTANDER CORPORATE AND INVESTMENT BANKING UK (RING FENCED BANK)	1	MANAGING DIRECTOR, LONDON & SE	1
HEAD OF SECURITY AND PRIVACY SERVICES AND CHIEF INFORMATION SECURITY OFFICER	1	MANAGING DIRECTOR, NORTH WEST	1
HEAD OF STRUCTURED FINANCE, CCB	1	MANAGING DIRECTOR, REAL ESTATE	1
HEAD OF TRADE & SUPPLIER FINANCE	1	MD SANTANDER INTERNATIONAL	1
HEAD, COMMERCIAL CLIENTS	1	MD, HEAD OF SHORT TERM MARKETS & CO-HEAD EUROPEAN SECURITIES FINANCE	1
HEAD, TRANSACTIONAL BANKING & LIQUIDITY SOLUTIONS	1	NATIONAL HEAD OF FINANCIAL SPONSORS	1
IT & OPERATIONS DIRECTOR - SANTANDER CONSUMER FINANCE	1	NATIONAL HEAD OF GROWTH CAPITAL	1
MANAGING DIRECTOR - NORTH EAST, SCOTLAND & NI	2	NATIONAL HEAD SF CORPORATES	1
MANAGING DIRECTOR, COMMUNITIES & WEST MIDLANDS	1	REAL ESTATE & LEISURE	1

REWARD & PERFORMANCE MANAGEMENT DIRECTOR	1	REGIONAL DIRECTOR, L&SE - BUSINESS SERVICES	1
SECTOR HEAD, SOCIAL HOUSING	1	REGIONAL DIRECTOR, L&SE - CONSUMER SERVICES	1
SENIOR BANKER II	1	REGIONAL DIRECTOR, L&SE - INDUSTRIALS	1
STRATEGY, HR AND SPECIAL PROJECTS DIRECT - SANTANDER CONSUMER FINANCE	1	REGIONAL DIRECTOR, REAL ESTATE MIDLANDS & SOUTH WEAT	1
TRADING MGR II (WHL) (CERT)	1	REGIONAL DIRECTOR, REAL ESTATE NORTH & SCOTLAND	1
TRANSACTION BANKING TRANSACTION BANKING VICE-PRESIDENT	1	REGIONAL DIRECTOR, SCOTLAND & NI	1
UK CIB	1	REGIONAL DIRECTOR, SOUTH WEST & SOUTH WALES	1
EXECUTIVE VICE PRESIDENT	1	REGIONAL MANAGING DIRECTOR, SOUTH WEST	1
HEAD OF STRATEGY CORPORATE DEVELOPMENT	1	RELATIONSHIP LEADERSHIP, INVOICE FINANCE	1
<b>URUGUAY</b>			<b>1</b>
GERENTE GENERAL - COUNTRY HEAD	1		
<b>USA</b>			<b>94</b>
CEO OF SANTANDER CONSUMER	1	EXECUTIVE DIRECTOR, INFORMATION SECURITY	1
CFO	1	EXECUTIVE DIRECTOR, MIDDLE MARKET	1
CHIEF ACCOUNTING OFFICER	1	EXECUTIVE DIRECTOR, STRATEGY, UNDERWRITING & PORTFOLIO MANAGEMENT	1
CHIEF ACCOUNTING OFFICER - SC	1	EXECUTIVE DIRECTOR, TOTAL REWARDS & HR TECHNOLOGY	1
CHIEF COMMUNICATIONS OFFICER	1	EXECUTIVE DIRECTOR, TREASURY	1
CHIEF EXEC OFFICER	1	GTB PRODUCT SPECIALIST - M2	1
CHIEF FINANCIAL OFFICER	1	HEAD OF BANKING & CORPORATE FINANCE	1
CHIEF FINANCIAL OFFICER - SC	1	HEAD OF BRANCH BANKING & PRIVATE CLIENT	1
CHIEF HUMAN RESOURCES OFFICER - SC	1	HEAD OF CHRYSLER CAPITAL AND AUTO RELATIONSHIPS	1
CHIEF INFO SECURITY OFFICER US	1	HEAD OF CIB BUSINESS MANAGEMENT	1
CHIEF INFORMATION OFFICER	1	HEAD OF COMMERCIAL AND CORPORATE BANKING	1
CHIEF LEGAL OFFICER - SC	1	HEAD OF COMMERCIAL REAL ESTATE AND VEHICLE FINANCE	1
CHIEF OPERATION OFFICER - CIB	1	HEAD OF CONSUMER AND BUSINESS BANKING	1
CHIEF STRATEGY OFFICER	1	HEAD OF CONSUMER LENDING	1
CHIEF TECHNOLOGY OFFICER - SC	2	HEAD OF DATA & ANALYTICS	1
CHRO	2	HEAD OF DIGITAL TRANSFORMATION	1
CIO	1	HEAD OF FINANCE, OPERATIONS, ORGANIZATION, COSTS & GENERAL SERVICES	1
CIO OF DATA & CORPORATE FUNCTIONS	1	HEAD OF GLOBAL DEBT FINANCE	1
CLO	1	HEAD OF GLOBAL TRANSACTION BANKING	1
CORPORATE BANKING RELATIONSHIP MANAGER - M2	2	HEAD OF INFRASTRUCTURE SHUSA	1
CTO	1	HEAD OF MARKETS	1
EXECUTIVE DIRECTOR, FINANCIAL PLANNING & ANALYSIS	3	HEAD OF NATIONAL BANKING	1
EXECUTIVE DIRECTOR, HEAD OF WEALTH	1	HEAD OF OPERATIONS - SC	1
PRESIDENT OF CHRYSLER CAPITAL AND AUTO RELATIONSHIPS	1	HEAD OF OPERATIONS SBNA	1
PRODUCT SPECIALIST - ABS - IC3	1	HEAD OF PRICING & STRATEGY	1
PRODUCT SPECIALIST - BOND SYNDICATION - IC3	2	HEAD OF SMALL BUSINESS BANKING	1
PRODUCT SPECIALIST - BOND SYNDICATION - M2	1	HEAD OF STRATEGY AND DELIVERY	1
PRODUCT SPECIALIST - CORP SALES - M2	1	HEAD OF TAX- SHUSA	1
PRODUCT SPECIALIST - CREDIT TRADING - M2	2	MANAGING DIRECTOR	1
PRODUCT SPECIALIST - DCM - IC3	1	MRTGE RETL DEVELOPMENT OFFICER	1

PRODUCT SPECIALIST - DCM - M2	3	SR. DIRECTOR, CHIEF INFORMATION OFFICER - SC	1
PRODUCT SPECIALIST - EQUITY - M3	1	SR. DIRECTOR, COLLECTIONS	1
PRODUCT SPECIALIST - ETD - M2	1	SR. DIRECTOR, CREDIT	1
PRODUCT SPECIALIST - INST. SALES - M2	1	SR. DIRECTOR, CUSTOMER AND EMPLOYEE EXPERIENCE	1
PRODUCT SPECIALIST - M2	2	SR. DIRECTOR, CUSTOMER SERVICE	1
PRODUCT SPECIALIST - RATES - IC3	1	SR. DIRECTOR, FINANCIAL PLANNING & ANALYSIS	1
PRODUCT SPECIALIST - RATES - M2	1	SR. DIRECTOR, LEASE END & AUCTION ACCOUNTS	1
PRODUCT SPECIALIST - SHORT-TERM MKTS - M2	1	SR. DIRECTOR, LOAN OPERATIONS	1
SR. DEPUTY GENERAL COUNSEL	1	SR. DIRECTOR, MODEL DEVELOPMENT	1
HEAD OF US CORPORATE & INVESTMENT BANKING	1	SR. DIRECTOR, RESEARCH	1
CHIEF MARKETING OFFICER	1	SR. DIRECTOR, TREASURY	1
CHIEF EXEC OFFICER (SHUSA)	1	TREASURER - SC	1
<b>WEALTH MANAGEMENT</b>			<b>13</b>
BUSINESS SUPPORT ADVISOR LEGAL VICE-PRESIDENT	1	PRODUCT & SERVICE VALUE PROPOSITION MANAGEMENT VICE-PRESIDENT	4
DIRECTOR DE AREA	1	SAM EXECUTIVE VICE-PRESIDENT	3
INSURANCE EXECUTIVE VICE-PRESIDENT	1	SR. EXECUTIVE VICE-PRESIDENT	1
PORTFOLIO INVESTMENT & ASSET MANAGEMENT VICE-PRESIDENT	1	WMI FINANCE AND STRATEGY EXECUTIVE VICE-PRESIDENT	1