



# March 2021 Agenda Annual General Meeting

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At the information desks in this room, the shareholders will find at their disposal the individual and consolidated annual accounts for financial year 2020 and the corresponding directors and auditors' reports, together with the rest of documents which, by virtue of a legal mandate, have been made available to the shareholders.



# Notice of call



# Ordinary general shareholders' meeting

The board of directors of this Bank has resolved to call the shareholders to the ordinary general shareholders' meeting to be held in Boadilla del Monte (Madrid), at the Centro de Formación El Solaruco (Ciudad Grupo Santander), located at Avenida de Cantabria, s/n, on 26 March 2021 at 12:00 p.m. (CET), on second call, in the event that, due to failure to reach the required quorum, such meeting cannot be held on first call, which is also hereby called to be held at the same place and time on 25 March 2021, in order for the shareholders to consider and resolve upon items One through Twelve, and also to provide a consultative vote on item Thirteen of the following

## AGENDA

- One.-** Annual accounts and corporate management.
  - One A.-** Examination and, if appropriate, approval of 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 its consolidated Group, all with respect to the financial year ended 31 December 2020.
  - One B.-** Examination and, if appropriate, approval of the consolidated statement of non-financial information for the financial year ended 31 December 2020, which is part of the consolidated directors' report.
  - One C.-** Examination and, if appropriate, approval of the corporate management for financial year 2020.
- Two.-** Application of results obtained during financial year 2020.
- Three.-** Board of directors: appointment, re-election or ratification of directors.
  - Three A.-** Setting of the number of directors.
  - Three B.-** Ratification of the appointment of Ms Gina Lorenza Díez Barroso.
  - Three C.-** Re-election of Ms Homaira Akbari.
  - Three D.-** Re-election of Mr Álvaro Antonio Cardoso de Souza.
  - Three E.-** Re-election of Mr Javier Botín-Sanz de Sautuola y O'Shea.
  - Three F.-** Re-election of Mr Ramiro Mato García-Ansorena.

- Three G.-** Re-election of Mr Bruce Carnegie-Brown.
- Four.-** Re-election of the external auditor for financial year 2021.
- Five.-** Amendment of the following articles of the Bylaws:
- Five A.-** Amendment of articles relating to the issuance of non-convertible debentures: article 18 (*convertible and exchangeable debentures*) and article 20 (*distribution of powers*).
  - Five B.-** Amendment of article relating to the powers of the general shareholders' meeting (*share-based compensation*): article 20 (*distribution of powers*).
  - Five C.-** Amendment of articles relating to the shareholders' participation at the general shareholders' meeting: article 27 (*attendance at the general shareholders' meeting by proxy*) and article 34 (*distance voting*).
  - Five D.-** Amendment of article relating to attending the meeting from a distance by remote means of communication: article 34 (*distance voting*). Introducing a new article 34 bis (*remote shareholders' meeting*).
- Six.-** Amendment of the following articles of the Rules and Regulations for the General Shareholders' Meeting:
- Six A.-** Amendment of article 2 (*General Shareholders' Meeting*), relating to the powers of the shareholders at a general meeting (issuance of debentures).
  - Six B.-** Amendment of article 2 (*General Shareholders' Meeting*), relating to the powers of the shareholders at a general meeting (share-based compensation).
  - Six C.-** Amendment of article 8 (*proxies*), relating to proxy representation at a general meeting.
  - Six D.-** Amendment of article 20 (*voting by distance means of communication*), relating to the means for distance voting.
  - Six E.-** Amendment of article 26 (*publication of resolutions*), relating to publication of the resolutions approved at the general meeting.
- Seven.-** Delegation to the board of directors of the power to issue all kinds of fixed-income securities, preferred interests (*participaciones preferentes*) or debt instruments of a similar nature (including certificates (*cédulas*), promissory notes and warrants) that are not convertible, depriving of effect, to the extent of the unused amount, the delegation in such respect conferred by resolution Eight II) approved by the shareholders acting at the ordinary general meeting of 3 April 2020.
- Eighth.-** Director remuneration policy.

- Nine.-** Director remuneration system: setting of the maximum amount of annual remuneration to be paid to all of the directors in their capacity as such.
- Ten.-** Remuneration system: 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.
- Eleven.-** Approval of the application of remuneration plans involving the delivery of shares or share options:
- Eleven A.-** Deferred Multiyear Objectives Variable Remuneration Plan.
  - Eleven B.-** Deferred and Conditional Variable Remuneration Plan.
  - Eleven C.-** Digital Transformation Award.
  - Eleven D.-** Application of the Group's buy-out regulations.
  - Eleven E.-** Plan for employees of Santander UK Group Holdings plc. and other companies of the Group in the United Kingdom by means of options on shares of the Bank linked to the contribution of periodic monetary amounts and to certain continuity requirements.
- Twelve.-** Authorisation to the board of directors to interpret, remedy, supplement, implement and develop the resolutions approved by the shareholders at the meeting, as well as to delegate the powers received from the shareholders at the meeting, and grant of powers to convert such resolutions into notarial instruments.
- Thirteen.-** Annual director remuneration report.

During the general shareholders' meeting, the shareholders will be informed of the amendments to the Rules and Regulations of the Board of Directors approved since the holding of the last general shareholders' meeting.

### **LIMITATION ON SEATING CAPACITY AND RECOMMENDATION TO PARTICIPATE IN THE GENERAL MEETING FROM A DISTANCE**

In these extraordinary times and in view of how the Covid-19 health situation is evolving, this general meeting is being held in Boadilla del Monte (Madrid), rather than in Santander, as is customary, due to the advisability of minimising the need to travel for a significant number of people, including many shareholders, employees and other people involved in the organisation of an event such as this.

Likewise, in order to protect the general interest and the health and safety of shareholders, employees and other persons who participate in organising and holding the general meeting, and in accordance with the health regulations in force, the board of directors recommends that shareholders use the different channels and means that the Bank has made available to participate in this ordinary general shareholders' meeting; thus, avoiding, to the extent possible, physical attendance at the premises where the meeting will be held. The abovementioned channels that the Bank has made available to its shareholders to participate in the ordinary general shareholders' meeting from a distance are those described in this call to the meeting and they fully safeguard the shareholders' voting and related rights.

It is also noted that, as at the date of this call to the meeting and pursuant to Order 668/2020 of 19 June of the Regional Health Ministry of Madrid (*Consejería de Sanidad de la Comunidad de Madrid*), the number of persons who can attend these events may not exceed 75% of the maximum capacity of the venue where the meeting is to take place and, in any event, attendees must keep a minimum distance of 1.5 meters from each other. This means that it will not be possible to access the venue of the general meeting once the maximum capacity has been reached. Likewise, please bear in mind that attendees should access Ciudad Grupo Santander through the Centro de Visitas El Faro, from where it takes approximately a further 15 minutes to get to the venue of the meeting (the auditorium of the Centro de Formación El Solaruco).

If the venue of the meeting cannot be accessed because its maximum capacity is reached due to the aforementioned and other constraints caused by the changing health and epidemiological situation, shareholders or their representatives are informed that 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 this announcement. For this reason, it is advisable for shareholders to participate through and register in advance for any of the alternative channels as explained in this announcement.

Shareholders are reminded that the Spanish legal provisions and the Bank's bylaws and rules and regulations for the general shareholders' meeting govern and safeguard the rights to receive information, to remotely attend and vote at the general shareholders' meeting without having to attend in person, using the software application to attend the meeting remotely through data transmission means, which enables a real-time connection with the Centro de Formación El Solaruco where the meeting is to be held. All information required to be able to attend the meeting in this way is provided in section B) REMOTE ATTENDANCE AT THE MEETING.

Finally, please bear in mind that, depending on how the health situation evolves, the relevant authorities may pass new regulations that may restrict the freedom of movement, which would hinder the organisation and ordinary course of the meeting, or limit how many persons can attend the meeting physically, or could even result in the meeting having to be held exclusively online. In anticipation of a scenario of greater restrictions on meeting or movement, the Centro de Formación El Solaruco, at the Bank's facilities in Boadilla del Monte, has all the necessary technological and operational resources to ensure the proper holding of the meeting and the exercise of the

shareholders' fully protected rights even under the most extreme circumstances, as was already shown on occasion of the general meeting held exclusively online on 3 April 2020 and the one held in hybrid format on 27 October 2020. Likewise and aside from the above, the Bank reserves the right to amend the call to the meeting as appropriate in light of the circumstances or the statutory changes that may arise, including, as the case may be and under the conditions established by law, the possibility of holding the meeting exclusively by remote means. The board of directors will continue to monitor the entire situation and will update the information contained in this announcement if necessary.

## **SUPPLEMENT TO THE CALL TO MEETING**

Shareholders representing at least three per cent of the share capital may request the publication of a supplement to this call, including one or more items on the agenda. This right must be exercised by means of certified notice that must be received at the Company's registered office within five days of the publication of this call to meeting, indicating the name of the shareholders who are exercising such right and the number of shares they hold, as well as the items to be included on the agenda, attaching a rationale or substantiated proposals for resolutions concerning such items and, if appropriate, any other relevant documentation. The same shareholders holding at least three per cent of the share capital may, by certified notice to be received at the registered office of the Company within five days of the publication of this call to meeting, submit duly grounded proposed resolutions concerning matters that are already included or must be included on the agenda, all as provided in section 519.3 of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*). The foregoing is without prejudice to the right of any shareholder, during the course of the general shareholders' meeting, to make alternative proposals or proposals concerning items that need not be included on the agenda pursuant to the provisions of the Spanish Capital Corporations Law.

## **PARTICIPATION OF A NOTARY AT THE MEETING**

The board of directors has resolved to request the presence of a Notary Public to record the minutes of the meeting pursuant to section 203 of the Spanish Capital Corporations Law, read together with article 101 of the Regulations of the Commercial Registry (*Reglamento del Registro Mercantil*) and article 4.2 of the Rules and Regulations for the General Shareholders' Meeting.

## **RIGHT TO ATTEND THE MEETING**

Every holder of any number of the Bank's shares registered in the shareholder's name five days prior to the date on which the general shareholders' meeting is to be held and who meets the other requirements established in the Bylaws has the right to attend this meeting. Such right to attend may be delegated pursuant to the provisions governing this matter under sections 184 and 522 *et seq.* of the Spanish Capital Corporations Law, the Bylaws and the Rules and Regulations for the General Shareholders' Meeting.

## **PROXY-GRANTING, DISTANCE VOTING AND REMOTE ATTENDANCE AT THE MEETING**

Shareholders having the right to attend may grant a proxy and exercise their voting rights through remote means of communication and prior to the holding of the meeting, pursuant to the provisions of articles 27 and 34 of the Bylaws and articles 8 and 20 of the Rules and Regulations for the General Shareholders' Meeting and on the terms and conditions described in the "Annual General Meeting" section of the Bank's corporate website ([www.santander.com](http://www.santander.com)). The mechanisms for the exercise of voting rights and proxy-granting prior to the meeting by electronic means made available on the Bank's corporate website ([www.santander.com](http://www.santander.com)), at the Bank's Internet address [www.juntasantander.com](http://www.juntasantander.com), on the "Santander Shareholders and Investors" application for mobile devices compatible with Android or Apple iOS operating systems, as well as on the Superlínea telephone line (915 123 123), will cease operation at 6:00 p.m. (CET) on 24 March 2021. For those wishing to use the digital platform made available at the Branches of the Bank, 24 March 2021 will also be the last day to do so, during the hours for which such Branches are open to the public and, in any case, until 6:00 p.m. (CET).

In addition, as permitted by the provisions of section 6 of article 34 of the Bylaws and the Additional Provision of the Rules and Regulations for the General Shareholders' Meeting, the board has resolved that attendance at the meeting is also possible through the use of data transmission means that allow for real-time connection with the premises where the meeting is held ("remote attendance"). The means to remotely attend the meeting will be available on the Bank's corporate website ([www.santander.com](http://www.santander.com)) at 10:30 a.m. (CET) on 25 March 2021 (first call) and, if applicable, at 10:30 a.m. (CET) on the following day, 26 March 2021 (second call); shareholders (or their representatives) wishing to attend remotely, whether on first or second call, must register no later than 11:30 a.m. on the relevant day. For those persons who attend the meeting remotely, the mechanisms for remote attendance will cease

operation at the end of the general meeting or, if applicable, upon determination that the quorum required to hold the meeting is not present.

In reliance on the aforementioned provisions, the board of directors has developed the following rules applicable to proxy-granting and distance voting prior to the meeting and to remote attendance:

### **A) PROXY-GRANTING AND DISTANCE VOTING PRIOR TO THE MEETING**

#### **1. Proxy-granting by remote means of communication**

##### **Means whereby a proxy may be granted**

The remote means of communication that are valid to grant such proxy representation are the following:

##### **(i) Electronic means:**

In order to grant a proxy by means of electronic communication with the Company, the shareholders of the Bank must do so through the Bank's corporate website ([www.santander.com](http://www.santander.com)), through the Bank's Internet address [www.juntasantander.com](http://www.juntasantander.com) or by telephone using the Superlínea telephone line (915 123 123). They may also do so in person at any Branch of the Bank using their signature in the digital platform made available for this purpose. Shareholders with a mobile device compatible with Android or Apple iOS operating systems may also use the "Santander Shareholders and Investors" application, which they must have previously downloaded from Google Play or the App Store, respectively.

The mechanisms to grant a proxy by electronic means must be such as properly guarantee the security and the identity of the person granting the proxy. Therefore, shareholders wishing to use these proxy-granting mechanisms must have previously signed one of the following agreements with the Bank, giving them a set of passwords to access the distance voting and proxy-granting software applications and, by means thereof, an electronic signature:

- (a) Consumer Digital Banking Agreement: shareholders who are individuals and who have already entered into a Consumer Digital Banking Agreement with the Bank may make use thereof, using the passwords already available to them under such agreement for purposes of electronic proxy-granting. The security passwords of Openbank will also work for these purposes.
- (b) Agreement for Access to Electronic Voting and Proxy-Granting and Remote Attendance: shareholders who are individuals and have not entered into a Consumer Digital Banking Agreement and shareholders that are legal entities (even if they have entered into a Consumer Digital Banking Agreement) must execute, for the sole purpose of using the electronic voting and proxy-granting mechanisms, and without any charge by the Bank, an Agreement for access to and use of the area for voting and proxy-granting by electronic means and attendance at the meeting through remote means of communication ("Agreement for Access to Electronic Voting and Proxy-Granting and Remote Attendance").

From the date of publication of the announcement of the call to meeting, the information and requirements to sign either of such agreements may be viewed on the Bank's corporate website ([www.santander.com](http://www.santander.com)). Once a shareholder has signed either of the aforementioned agreements and the shareholder has the corresponding set of passwords, such shareholder may, through the "Annual General Meeting" section of the Bank's corporate website ([www.santander.com](http://www.santander.com)), through the Bank's Internet address [www.juntasantander.com](http://www.juntasantander.com) or through the "Santander Shareholders and Investors" application (for mobile devices compatible with Android or Apple iOS operating systems), or by telephone using the Superlínea telephone line (915 123 123), grant a proxy to another person to represent the shareholder at the meeting, all on the terms and conditions described in each case.

In addition, those shareholders who use the digital platform made available at the Branches of the Bank may grant a proxy to another person to represent them at the meeting without having to sign the aforementioned agreements. Said agreements also need not be signed by those shareholders who use the Superlínea telephone line (915 123 123) to grant

a proxy and who do not use access passwords to establish their identity but rather use other alternative means whereby their identity can reasonably be guaranteed in accordance with the instructions from time to time provided by the Superlínea telephone line or the Shareholder Helpline.

Shareholders who grant a proxy by electronic means undertake to notify the appointed representative of the proxy granted. Where a proxy is granted to a director and/or the general secretary of the Bank or a remote attendee at the meeting, such notice shall be deemed given upon receipt by the Bank of such electronic proxy.

Electronic proxies must be accepted by the proxy-holder, and may not be used without such acceptance. For such purpose, all electronic proxies granted to persons other than the directors and/or the general secretary and/or a remote attendee at the meeting must be printed, signed and produced, together with an identifying document, by the appointed proxy-holder to the staff in charge of the shareholders' register on the date and at the place of the meeting, beginning one hour prior to the time established for commencement of the meeting. In the case of electronic proxies sent through the Bank and granted to persons attending the meeting from a distance, the Bank's software application will show such remote attendees the proxies received in order for them to accept such proxies, if they are willing to do so. The person to whom voting powers are delegated may only exercise such powers by attending the meeting in person (physically or from a distance).

- (ii) Hand-delivery or postal correspondence:

In order to grant a proxy by hand-delivery or postal correspondence, shareholders must complete and sign the "Proxy" section of the printed attendance, proxy and distance voting card issued by the Bank. Such proxies must be accepted by the proxy-holder, without which acceptance they may not be used. For such purpose, the proxy-holder may sign in the appropriate space on the attendance and proxy card itself. The person to whom voting powers are delegated may only exercise such powers by attending the meeting in person, for which purpose, if he/she physically attends the meeting, he/she must produce an identifying document when entering the premises where the meeting is held. In the case of proxies granted by hand-delivery or postal correspondence to persons who attend the meeting

remotely, and provided that such proxies have been sent through the Bank, the Bank's software application will show such remote attendees the proxies received in order for them to accept said proxies, if they are willing to do so.

The duly completed and signed paper card must be delivered at any Branch of the Bank or sent by postal correspondence to Registro de Accionistas, Apartado de Correos número 683 F.D. 28080 Madrid.

In addition, as is customary and pursuant to the provisions of the Rules and Regulations for the General Shareholders' Meeting, the duly completed and signed proxy card may also be submitted, together with an identifying document, by the appointed proxy-holder who physically attends the meeting to the staff in charge of the shareholders' register on the date and at the place where the general shareholders' meeting is to be held, beginning one hour prior to the time established for commencement thereof.

## **2. Voting prior to the meeting by remote means of communication**

### **Means for casting a vote from a distance**

The remote means of communication that are valid for purposes of casting a vote from a distance are the following:

(i) Electronic means:

In order to cast a vote from a distance through electronic communication with the Company, the shareholders of the Bank must do so through the Bank's corporate website ([www.santander.com](http://www.santander.com)), through the Bank's Internet address [www.juntasantander.com](http://www.juntasantander.com) or by telephone using the Superlínea telephone line (915 123 123). They may also do so in person at any Branch of the Bank using their signature in the digital platform made available for this purpose. Shareholders with a mobile device compatible with Android or Apple iOS operating systems may also use the "Santander Shareholders and Investors" application, which they must have previously downloaded from Google Play or the App Store, respectively.

The mechanisms to cast votes from a distance by electronic means must be such as properly guarantee security and the identity of the person casting the vote. To such end, shareholders who wish to use these voting mechanisms must have previously signed one of the agreements specified in section 1 (i) above.

Once a shareholder has signed either of the aforementioned agreements and the shareholder has the corresponding set of passwords, such shareholder may cast his/her vote from a distance in connection with the items on the agenda for the general shareholders' meeting, either through the "Annual General Meeting" section of the Bank's corporate website ([www.santander.com](http://www.santander.com)), through the Bank's Internet address [www.juntasantander.com](http://www.juntasantander.com) or through the "Santander Shareholders and Investors" application (for mobile devices compatible with Android or Apple iOS operating systems), or by telephone using the Superlínea telephone line (915 123 123), all on the terms and conditions described in each case.

The aforementioned agreements need not be signed by those shareholders who use the digital platform made available at the Branches of the Bank or those who access through Superlínea without using passwords, upon the terms set forth in section 1 (i) above.

(ii) Hand-delivery or postal correspondence:

In order to cast a vote from a distance by hand-delivery or postal correspondence, shareholders must complete and sign the "Distance Voting" section of the printed attendance, proxy and distance voting card issued by the Bank. The duly completed and signed paper card must be delivered at any Branch of the Bank or sent by postal correspondence to Registro de Accionistas, Apartado de Correos número 683 F.D. 28080 Madrid.

### 3. Basic rules on voting and proxy-granting prior to the meeting and attendance in person (physically or from a distance)

#### 3.1 Deadline for receipt by the Company of proxies granted and votes cast from a distance prior to the meeting

##### 3.1.1 Proxies and distance votes sent by hand-delivery or postal correspondence

In order to be valid, and pursuant to the provisions of the Bylaws, both proxies granted from a distance and votes cast from a distance sent by hand-delivery or postal correspondence must be received by the Company before midnight of the third day prior to the date on which the meeting is to be held on first call, i.e., prior to midnight (CET) on 22 March 2021. Those who wish to deliver proxies or distance votes to any Branch of the Bank must do so no later than that date during the hours for which such Branches are open to the public.

As provided in the Rules and Regulations for the General Shareholders' Meeting, after the expiration of the above-mentioned deadline, there shall only be admitted such proxies as have been granted in writing and submitted by the appointed proxy-holder who physically attends the meeting to the staff in charge of the shareholders' register, on the date and at the place where the meeting is to be held, and beginning one hour prior to the time established for commencement thereof.

##### 3.1.2 Proxies and distance votes sent by electronic means

Pursuant to the provisions of the Bylaws and of the Rules and Regulations for the General Shareholders' Meeting, on the occasion of this general meeting, the board of directors has resolved to reduce the minimum advance period established to receive proxies and votes from a distance sent by electronic means, the deadline now being set at 6:00 p.m. on the day prior to the date on which the meeting is to be held on first call. Therefore, in order to be valid, both proxies granted from a distance and votes cast from a distance through electronic means must be received by the Company prior to 6:00 p.m. on the day prior to the date on which the meeting is to be held on first call, i.e., prior to 6:00 p.m. (CET) on 24

March 2021. The mechanisms for the exercise of voting rights and proxy-granting prior to the meeting by electronic means will cease operation on the Bank's corporate website ([www.santander.com](http://www.santander.com)), at the Bank's Internet address [www.juntasantander.com](http://www.juntasantander.com), on the "Santander Shareholders and Investors" application (for mobile devices compatible with Android or Apple iOS operating systems) and on the Superlínea telephone line (915 123 123) at 6:00 p.m. (CET) on 24 March 2021. For those wishing to use the digital platform made available at the Branches of the Bank, 24 March 2021 will also be the last day to do so, during the hours for which such Branches are open to the public and, in any case, until 6:00 p.m. (CET).

As provided in the Rules and Regulations for the General Shareholders' Meeting, after the expiration of the above-mentioned deadline, there shall only be admitted such proxies as have been granted in writing and submitted by the appointed proxy-holder who physically attends the meeting to the staff in charge of the shareholders' register, on the date and at the place of the meeting and beginning one hour prior to the time established for commencement thereof.

#### 3.2 Rules of priority among proxies, distance voting and attendance in person (physically or from a distance)

##### 3.2.1 Priorities among proxies, distance voting and attendance in person

- (i) Attendance at the meeting in person (whether physically or from a distance) by a shareholder who has previously granted a proxy or voted from a distance, irrespective of the means used to cast such vote, shall invalidate said proxy or vote. Personal physical attendance will invalidate remote personal attendance.
- (ii) Likewise, the vote, irrespective of the means used to cast it, shall invalidate any electronic or written proxy, whether granted previously, in which case it shall be deemed revoked, or subsequently, in which case it shall be deemed not to have been granted.

### 3.2.2 Priorities based upon the means used to grant the proxy or cast the vote

- (i) In the event that a shareholder validly grants a proxy, electronically, on the one hand, and by means of a printed card, on the other, the latter shall prevail over the former, regardless of the respective dates thereof.
- (ii) Likewise, a vote validly cast under a handwritten signature on the printed card shall invalidate a vote cast electronically, whether previously or subsequently.

### 3.3 Modification of the vote cast from a distance

Once cast, a distance vote may not be modified, except in the event of attendance at the meeting in person (whether physically or from a distance) by the shareholder who cast such vote or, in the case of electronic voting, also by a subsequent vote cast within the established deadline, by means of the attendance, proxy and distance voting card (hand-delivery or postal correspondence).

### 3.4 Other matters

#### 3.4.1 Proxies

All proxies that do not expressly state the name of the individual or legal entity to which the proxy is granted shall be deemed granted to the Chairman of the board of directors.

It is noted for the record that if the appointed representative is a director of the Bank, such director may be affected by a potential conflict of interest in connection with items One C, Three B through Three G (if the appointment, re-election or ratification thereof is submitted to the shareholders under said item), Eight, Nine and Thirteen on the agenda, and if the appointed representative is an executive director, also in connection with items Ten, Eleven A and Eleven C. Furthermore, the proxy granted to the Chairman shall be deemed granted to the person who chairs the meeting if the Chairman is unable to attend.

In order to give specific voting instructions in the case of proxy-granting, the corresponding box must be checked in the table containing the items on the agenda in the attendance, proxy and distance voting card (proxy section). If any of such boxes is not checked, the shareholder granting the proxy shall be deemed to give a specific instruction to vote in favour of the proposal submitted by the board of directors.

If the representative appointed as set forth above is affected by a conflict of interest when voting on any of the proposals submitted to the shareholders, whether or not they are included in the agenda, and the shareholder granting the proxy has not given specific voting instructions as provided for such purpose, the proxy shall be deemed granted to the General Secretary. In any event, if the appointed representative is the General Secretary, he may be affected by a potential conflict of interest in connection with items Ten, Eleven A and Eleven C on the agenda.

As regards possible proposals relating to items not included in the agenda of the call to meeting, the proxy shall be deemed to also cover the proposals regarding items not included in the agenda unless indicated otherwise by the shareholder granting the proxy (in which case, it shall be deemed that the shareholder instructs the representative to abstain). If the proxy also covers any such proposals, the specific instruction to the representative shall be that of voting in the negative, unless indicated otherwise by the shareholder granting the proxy. A conflict of interest shall arise if matters are submitted to the shareholders at the meeting that are not included in the agenda and that refer to the removal of or the commencement of a derivative action (*acción social de responsabilidad*) against the representative, if the latter is in turn a director of the Bank.

#### 3.4.2 Distance votes

In the case of distance voting on items included in the agenda, the shareholder must check the corresponding box in the table containing the items on the agenda in the attendance, proxy and distance voting card (distance voting section). Distance voting on possible proposals not included in the agenda is not allowed. If none of the boxes provided for voting is checked in relation to any of the items on the agenda, the shareholder shall be deemed to vote in favour of the proposal submitted by the board of directors.

### 3.4.3 *Additional matters*

In the event that electronic means are used, only one electronic session shall be allowed for each type of operation (advance proxy-granting and voting, and remote attendance).

Both the proxy granted and the vote cast from a distance shall be rendered ineffective by the disposition of shares of which the Company is aware.

Either or any of the joint holders of deposited shares may vote, grant a proxy or attend the meeting, and the rules of priority set forth in sub-section 3.2 hereof shall apply. For purposes of the provisions of section 126 of the Spanish Capital Corporations Law, it is presumed that the joint holder who carries out an act (proxy-granting, voting, or attending physically or from a distance) at any time has been appointed by the other joint holders to exercise the rights accruing to a shareholder.

Shareholders that are legal entities or do not reside in Spain must call the Shareholder Helpline in order to adapt, with proper safeguards, the distance voting and proxy-granting mechanisms to their particular situation.

Shareholders shall be solely responsible for safeguarding the passwords for accessing and using the electronic proxy-granting and voting service. If the shareholder is a legal entity, it shall give notice of any modification or revocation of the powers vested in its representative, and the Bank therefore disclaims any and all liability until such notice is given.

## 4. **Technical incidents**

The Bank reserves the right to modify, suspend, cancel or restrict the mechanisms for electronic voting and proxy-granting prior to the general shareholders' meeting, when so required or imposed for technical or security reasons.

The Bank shall not be liable for any damage that shareholders may sustain as a result of failures, overloads, downtime, failed connections or any other events of the same or a similar nature that are beyond the Bank's control and prevent the use of the mechanisms for electronic voting and proxy-granting prior to the meeting.

## B) **REMOTE ATTENDANCE AT THE MEETING**

In order to ensure the identity of the attendees, the proper exercise of their rights, real-time interactivity and the proper progress of the meeting, shareholders (or their representatives) who wish to use the remote attendance mechanisms must have previously entered into one of the following agreements with the Bank, whereby they can obtain a set of passwords in order to access the remote attendance software application and, by means thereof, an electronic signature:

- (a) Consumer Digital Banking Agreement: individuals who have already entered into a Consumer Digital Banking Agreement with the Bank may make use thereof, using the passwords already available to them under such agreement for purposes of remote attendance. The security passwords of Openbank will also work for these purposes.
- (b) Agreement for Access to Electronic Voting and Proxy-Granting and Remote Attendance: individuals who have not entered into a Consumer Digital Banking Agreement and legal entities (even if they have entered into a Consumer Digital Banking Agreement) must execute, for the sole purpose of remote attendance at the meeting and of casting a vote thereat and without any charge by the Bank, an Agreement for Access to Electronic Voting and Proxy-Granting and Remote Attendance.

From the date of publication of the announcement of the call to meeting, the information and requirements to sign either of such agreements may be viewed on the Bank's corporate website ([www.santander.com](http://www.santander.com)). Once a shareholder (or his/her representative) has executed either of the aforementioned agreements and has his/her corresponding set of passwords, such shareholder may, through the "Annual General Meeting" section on the Bank's corporate website ([www.santander.com](http://www.santander.com)) or through the Bank's Internet address [www.juntasantander.com](http://www.juntasantander.com), attend and vote at the meeting by remote means of communication in real time.

Remote attendance at the meeting shall be subject to the following basic rules, and all matters not expressly contemplated herein shall be governed by the provisions posted on the Bank's corporate website and by those set forth in the law, the Bylaws and the Rules and Regulations for the General Shareholders' Meeting:

- (i) Logging-on, registration and attendance: Pursuant to the provisions of the Rules and Regulations for the

General Shareholders' Meeting, and in order to permit the appropriate management of remote attendance systems, shareholders (or their representatives) who wish to attend the meeting and vote by remote means of communication shall register by logging on between 10:30 a.m. and 11:30 a.m. on the date of the meeting. No attendee registration shall be admitted outside of this time period.

In the event that the meeting is held on second call, attendees who have registered for the meeting on first call will be required to carry out the registration process again in order to be able to attend.

In order to ensure the quality of the connection of the remote channel of attendance to the meeting and to provide attendees with an additional explanatory guide to facilitate such connection, all shareholders (or their representatives) with the required passwords to access and who intend to remotely attend the meeting are kindly requested to send an email to [asistentesjunta@gruposantander.com](mailto:asistentesjunta@gruposantander.com) confirming this intention before 7:00 p.m. (CET) on 25 March 2021 (the day prior to the day of holding the meeting on second call). All of the foregoing is without prejudice to the required registration of the attendee between 10:30 a.m. and 11:30 a.m. on the day of the meeting and compliance with all other requirements as stated in this announcement, on the Bank's corporate website ([www.santander.com](http://www.santander.com)) or at [www.juntasantander.com](http://www.juntasantander.com).

If persons attending from a distance have been granted proxies, and provided that such proxies have been received by the Company within the deadlines for admission thereof, the software application will show them such proxies so that they accept them, if they are willing to do so.

Attendees who wish to state before the Notary that they expressly leave the meeting must do so by using the form included for such purpose in the remote attendance software application. Once they have notified the Notary of their express intention of leaving the meeting, all actions taken by such shareholders thereafter shall be deemed not taken. In any event, by means of a connection to the software application, the Notary will be aware of the actions taken by the persons who attend the meeting from a distance, including the votes that may be cast by them.

(ii) Participation: Shareholders (or their representatives) who, in the exercise of their rights, intend to participate in the meeting and, where applicable, request information or clarification in connection with the items on the agenda, request clarification regarding information accessible to the public that has been provided by the Company to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) since the holding of the last general shareholders' meeting or regarding the auditor's report or make proposals must express their intent to do so at the time of registration. Following such expression of intent, and exclusively by means of the participation form available for such purpose, persons attending remotely may state in writing and send the contents of their participation or their question or proposal from the time the Chairman declares a valid quorum to have been established for the meeting until the participation period ends. Persons attending from a distance who wish their participation to be recorded in the minutes of the meeting must expressly state such desire in the text in which the contents of their participation are set forth.

As the participation of each person attending from a distance is received, such participation will be accessible to the attendees who are physically present at the place of the meeting. In turn, remote attendees shall be able to access each such participation by logging onto the website indicated in the software application.

Requests for information or clarification made by remote attendees will be answered in writing within seven days of the meeting, pursuant to the provisions of the Spanish Capital Corporations Law.

(iii) Voting: Votes on the proposals relating to the items on the agenda may be cast as from the moment when the Chairman declares the meeting to be validly convened and provided always that the attendee has registered by following the procedure described in sub-section (i) above; in the event of alternative proposals, the provisions of the second paragraph of article 21.1 of the Rules and Regulations for the General Shareholders' Meeting shall apply, with a vote in favour of a proposed resolution by the shareholders at the general shareholders' meeting being deemed to be a vote against alternative proposals that are incompatible therewith. As regards proposed resolutions on matters that, as prescribed by law, need not be specified on the agenda, remote attendees may cast their vote as from the moment

when the secretary for the general meeting reads out such proposals for a vote to be taken thereon. In all events, the remote voting process with respect to all the proposals submitted to the shareholders acting at the general shareholders' meeting will come to an end when, following the reading of the summaries of the proposed resolutions by the secretary for the meeting, the vote commences on the proposed resolutions at the premises where the meeting is held.

The vote on the proposed resolutions shall be governed by the procedure contemplated in the Bylaws and in the Rules and Regulations for the General Shareholders' Meeting.

- (iv) Other matters: Legal entities and non-residents of Spain must call the Shareholder Helpline in order to adapt, with proper safeguards, the mechanisms for attending the meeting by remote means of communication in real time.

In the event that more than one of the joint holders of deposited securities are in attendance, the joint holder who is the first to register (physically or from a distance) shall be deemed an attendee, and therefore, any subsequent access by the other joint holders shall be denied. In connection with the foregoing, and for purposes of the provisions of section 126 of the Spanish Capital Corporations Law, the joint holder who registers first (physically or from a distance) shall be deemed to have been appointed by the other joint holders to exercise the rights accruing to a shareholder.

Shareholders (or their representatives) shall be solely responsible for safeguarding the passwords for accessing and using the remote attendance service. If the shareholder is a legal entity, it shall give notice of any modification or revocation of the powers vested in its representative, and the Bank therefore disclaims any and all liability until such notice is given.

The Bank reserves the right to modify, suspend, cancel or restrict the mechanisms for remote attendance at the general shareholders' meeting when so required or imposed for technical or security reasons. The Bank shall not be liable for any damage that shareholders may sustain as a result of failures, overloads, downtime, failed connections or any other events of the same or a similar nature that are

beyond the Bank's control and prevent the use of the mechanisms for remote attendance at the meeting.

For further information on proxy-granting and distance voting and remote attendance at the meeting, shareholders may write to the e-mail address [junta.accionistas@santander.com](mailto:junta.accionistas@santander.com), call the Shareholder Helpline 91 276 92 90 or go to the Santander Shareholder and Investor Relations Office, Ciudad Grupo Santander, Avda. Cantabria, s/n, 28660 - Boadilla del Monte (Madrid). Further information is also available on the Bank's corporate website ([www.santander.com](http://www.santander.com)).

## **RIGHT TO RECEIVE INFORMATION**

In addition to the provisions of section 197 of the Spanish Capital Corporations Law, starting on the date of the publication of the announcement of the call to meeting, shareholders may obtain from the Company, immediately and free of charge, the annual accounts, the directors' report (including the statement of non-financial information) and the auditor's report for financial year 2020, as well as the consolidated accounts, the Group's directors' report (including the consolidated statement of non-financial information) and the auditor's report for such financial year.

In connection with items Five A through Five D, Six A through Six E, Eight and Ten of the agenda, starting on the date of publication of the announcement of the call to meeting, shareholders may examine at the registered office of the Company (Paseo de Pereda 9 al 12, 39004 Santander, Cantabria) the full text of the proposed resolutions and the mandatory reports prepared by the directors (or, in the case of item Ten, of the detailed recommendation of the board of directors), as well as request that such documents be delivered or sent to them free of charge. The reasoned proposal regarding the director remuneration policy (item Eight), together with the text thereof and the specific report of the remuneration committee on the policy, are available to the shareholders, who may also request that they be delivered or mailed to them free of charge, at the Bank's registered office and on the Bank's corporate website ([www.santander.com](http://www.santander.com)).

Similarly, shareholders may also obtain, at the registered office of the Company, the full text of the other documents (including the annual report on directors' remuneration and the explanatory report of the board on the expertise, experience and merits of the candidates referred to in items Three B to Three G, which includes the reasoned proposal of the appointments committee and the curricula vitae of the aforementioned candidates) and

other proposed resolutions submitted to the shareholders' decisive or consultative vote at the general shareholders' meeting.

In connection with the above, shareholders are informed that, due to the ongoing refurbishment works at the Company's registered office, access to the premises may be limited. Therefore, shareholders can also consult all the documentation made available at the Bank's registered office, at the provisional office of the Bank's General Secretariat located at calle Calvo Sotelo 19, first floor, in Santander. The documentation will also be available on the Bank's corporate website, as explained below.

Pursuant to the provisions of the Spanish Capital Corporations Law and the Rules and Regulations for the General Shareholders' Meeting, from the publication of the call to the general shareholders' meeting and until the fifth day, inclusive, prior to the holding thereof on first call, shareholders may deliver written requests for information or clarification, or ask written questions that they consider relevant about the items on the agenda for the meeting. In addition, in the same manner and within the same period, shareholders may deliver written requests for clarification concerning information accessible to the public that the Company has provided to the National Securities Market Commission since the last general shareholders' meeting was held and concerning the auditor's reports mentioned above.

Pursuant to the provisions of the Rules and Regulations for the General Shareholders' Meeting, such requests as are admissible in the exercise of the shareholders' right to receive information may be made by e-mail to [junta.accionistas@santander.com](mailto:junta.accionistas@santander.com), in which case, in order to provide the system with adequate guarantees of authenticity and of identity of the shareholder exercising the right to receive information, such shareholder shall set forth in such e-mail his/her first name and surnames (or corporate name), Tax Identification Number and the number of shares held by such shareholder. As provided in section 539 of the Spanish Capital Corporations Law, and unless otherwise indicated by the shareholder, the requests exercising the right to information received at the aforementioned e-mail address may be dealt with by the Bank by means of an answer sent to the e-mail address of the shareholder-sender. The request may also be made by delivering or mailing the written request, bearing the handwritten signature of the requesting party, to the registered office of the Company.

## **DOCUMENTS AVAILABLE ON THE CORPORATE WEBSITE**

Apart from the above-mentioned right to receive information, the following documents and information, among others, shall be available for viewing on the Bank's corporate website ([www.santander.com](http://www.santander.com)) as from the date of publication of the announcement of the call to meeting:

- (i) This announcement of the call to meeting.
- (ii) The total number of shares and voting rights on the date of the call to meeting.
- (iii) The full text of the proposed resolutions regarding all of the items on the agenda for the general shareholders' meeting, as well as, in connection with items Three A to Three G, Five A to Five D, Six A to Six E, Eight, Ten and Eleven A to Eleven E, the corresponding directors' reports, reasoned proposal or detailed recommendation, as applicable (also including, in the case of items Three A through Three G, the reasoned proposal of the appointments committee).
- (iv) 2020 individual annual accounts and directors' report (including the statement of non-financial information) of Banco Santander, S.A. and auditor's report.
- (v) 2020 annual report, which contains:
  - (a) 2020 consolidated annual accounts (which include the annual banking report) and the Group's auditor's report; and
  - (b) the consolidated directors' report, which includes, in relation to financial year 2020:
    - (b.1) the consolidated statement of non-financial information and the independent services provider's verification report ("Responsible banking" chapter); and

- (b.2) the annual report on corporate governance ("Corporate governance" chapter), which includes, among others:
- (b.2.1) the report of the audit committee (which also includes the report on the independence of the auditor) (section 4.5);
  - (b.2.2) the report of the appointments committee (section 4.6);
  - (b.2.3) the report of the remuneration committee (which also includes the specific report on the director remuneration policy to which item Eight of the agenda refers) (section 4.7);
  - (b.2.4) the report of the risk supervision, regulation and compliance committee (section 4.8);
  - (b.2.5) the report of the responsible banking, sustainability and culture committee (section 4.9);
  - (b.2.6) the report of the innovation and technology committee (section 4.10);
  - (b.2.7) the report of the audit committee on related-party transactions (section 4.12);
  - (b.2.8) the director remuneration policy referred to in item Eight on the agenda (section 6.4); and
  - (b.2.9) the annual director remuneration report submitted to a consultative vote under item Thirteen on the agenda (sections 6 (except for 6.6), 9.4 and 9.5).
- (vi) The curricula vitae of the individuals referred to in item Three of the agenda, including the category of each director.
  - (vii) The rules applicable to proxy-granting and voting by remote means of communication and to remote attendance at the meeting and the documentation necessary for such purpose.
  - (viii) The rules of operation of the Electronic Shareholders' Forum.
  - (ix) The current Bylaws, together with the resulting text of the Bylaws if the amendments proposed at the meeting are approved.
  - (x) The current Rules and Regulations for the General Shareholders' Meeting, together with the resulting text of the Rules and Regulations for the General Shareholders' Meeting if the amendments proposed at the meeting are approved.
  - (xi) The current Rules and Regulations of the Board of Directors.
  - (xii) The valid requests for information, clarification or questions asked by shareholders exercising their right to receive information and any answers provided by the directors.
- SPECIAL INFORMATION TOOLS**
- Pursuant to the provisions of section 539.2 of the Spanish Capital Corporations Law, the Bank has made available on its corporate website ([www.santander.com](http://www.santander.com)) an Electronic Shareholders' Forum (hereinafter, the "Forum"), which may be accessed, with all proper safeguards, by shareholders who are individuals as well as by voluntary associations of shareholders that may be created pursuant to the provisions of section 539.4 of the Spanish Capital Corporations Law.
- There may be published in the Forum proposals intended to be presented as a supplement to the agenda announced in the call to meeting, requests for adherence to such proposals, initiatives to reach the percentage required to exercise a minority right as contemplated by Law, and voluntary proxy offers or solicitations.

The Forum does not constitute a device for electronic conversation among the shareholders or a meeting point for virtual debate. Nor is the Forum a channel of communication between the Company and its shareholders. The Forum is made available in order to facilitate communication among the Bank's shareholders on occasion of the call to and until the holding of the general shareholders' meeting.

To access the Forum, shareholders must have previously signed one of the following agreements with the Bank, which will allow them to have a set of access codes for the Forum and, by means thereof, an electronic signature:

- (a) Consumer Digital Banking Agreement: shareholders who are individuals and who have already entered into a Consumer Digital Banking Agreement with the Bank may make use thereof, using the passwords already available to them under such agreement for purposes of accessing the Forum. The security passwords of Openbank will also work for these purposes
- (b) Agreement for Access to Electronic Voting and Proxy-Granting and Remote Attendance: shareholders who are individuals and have not entered into a Consumer Digital Banking Agreement and shareholders that are legal entities (even if they have entered into a Consumer Digital Banking Agreement) must sign an Agreement for Access to Electronic Voting and Proxy-Granting and Remote Attendance for the sole purpose of accessing and using the Forum and, if applicable, of using the electronic voting and proxy-granting mechanisms, without any charge by the Bank.

Legal entities and non-residents of Spain must call the Shareholder Helpline to adapt, with proper safeguards, the mechanisms for participating in the Electronic Shareholders' Forum. From the date of publication of the announcement of the call to meeting, the information and requirements to sign either of such agreements may be viewed on the Bank's corporate website ([www.santander.com](http://www.santander.com)). Access to the Forum and the terms and conditions for the use and operation thereof shall be governed by the provisions of this announcement of the call to meeting and by the rules of operation of the Electronic Shareholders' Forum, the text of which can be viewed on the aforementioned Bank's corporate website.

## **DATA PROTECTION**

Data controller and data protection officer: The entity responsible for processing is Banco Santander, S.A., Paseo de Pereda, números 9 al 12, 39004 Santander (the Company). The Company's Data Protection Officer contact information is: calle Juan Ignacio Luca de Tena, 11, 28027 Madrid; [privacidad@gruposantander.es](mailto:privacidad@gruposantander.es).

Purposes of processing and bases for legitimate use: The personal data set forth herein, those that the shareholders provide to the Company in exercising their attendance, proxy-granting and voting rights at the general shareholders' meeting, including those stated in the attendance, proxy and distance voting card, or that are provided by the banks or brokerage firms or companies with whom shareholders have deposited their shares, through the entity legally entrusted with the book-entry register, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR), as well as the data generated at the general shareholders' meeting and the data that will be obtained through the recording thereof (i.e. image and voice), will be processed in order to manage and control both the shareholding relationship and the call to, holding, audiovisual recording and public broadcasting of the general shareholders' meeting on the corporate website ([www.santander.com](http://www.santander.com)), as well as to comply with its obligations under the law. Said processing is required for the aforementioned purposes, and the legitimacy thereof rests upon performance of the shareholding relationship, compliance with obligations under the law and, as regards the capture and dissemination of images, the legitimate interest of the Bank in disseminating the meeting and the consent given by the interested party by attending the general shareholders' meeting (whether in person or remotely).

By attending the general shareholders' meeting (in person or remotely), the attendee authorises the taking of photographs, the audiovisual recording of image and/or voice, and the reproduction and/or publication and dissemination upon the terms stated above. The legal basis for processing personal data consisting of images and/or voice is both the existence of a legitimate interest of Banco Santander, S.A. in recording and broadcasting the meeting, which is recognised in the transparency rules and principles applicable thereto, and the consent of the attendee given by attending the general shareholders' meeting.

Transfers of data and international transfers: The data will be made available to the notary public who is to attend the general shareholders' meeting, and may be made available to third parties in the exercise of their

right to receive information laid down in the law or be made accessible to the public from any territory, including from outside the European Union, to the extent that they are included in the documents available on the corporate website ([www.santander.com](http://www.santander.com)) or are mentioned at the general shareholders' meeting, the proceedings of which may be subject to public dissemination on such website, on social media and in accredited media.

Data storage: As a general rule, personal data will be processed during the course of the shareholding relationship, and once it has ended, during the limitation period of any legal or contractual liability to which the Company is subject. As regards the processing of data subject to consent, said data will be processed until the data subject withdraws such previously given consent.

Exercise of rights: Data subjects may send their requests for access, correction, erasure, objection, restriction of processing, portability, and for exercise of the right not to be subject to decisions based exclusively on automated processing, as well as withdraw consent previously given and exercise any other rights recognised by data protection laws, all pursuant to General Data Protection Regulation (EU) 2016/679 and other applicable legal provisions, by written communication addressed to Ciudad Grupo Santander, Avda. de Cantabria, edificio de Pereda 2ª Planta, 28660 Boadilla del Monte (Madrid), Spain, or by writing to the following email address: [protecciondedatosaccionistas@gruposantander.com](mailto:protecciondedatosaccionistas@gruposantander.com). Data subjects may also file claims with the competent data protection authority, which in Spain is the Spanish Data Protection Agency (*Agencia Española de Protección de Datos*) ([www.aepd.es](http://www.aepd.es)).

Third-party data: If the attendance, proxy and distance voting card includes personal data relating to individuals other than the holder and if a third party attends the meeting as a representative of the shareholder, the shareholder must inform said person of the particulars stated above in relation to the processing of personal data and comply with any other requirements that might apply for the proper transfer of the personal data to Banco Santander, S.A., without Banco Santander, S.A. having to take any additional action with respect to the data subjects.

Santander, 22 February 2021  
The General Secretary,  
Jaime Pérez Renovales

# Proposals of resolutions and directors' reports



# ORDINARY GENERAL SHAREHOLDERS' MEETING OF BANCO SANTANDER, S.A. – MARCH 2021

## **Item One Annual accounts and corporate management.**

**One A.** Examination and, if appropriate, approval of 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 its consolidated Group, all with respect to the financial year ended 31 December 2020.

**One B.** Examination and, if appropriate, approval of the consolidated statement of non-financial information for the financial year ended 31 December 2020, which is part of the consolidated directors' report.

**One C.** Examination and, if appropriate, approval of the corporate management for financial year 2020.

## Proposals<sup>1</sup>:

**One A.** 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, all for the year ended 31 December 2020, all drawn up in eXtensible HyperText Markup Language (XHTML) electronic format, with the consolidated financial statements tagged using the eXtensible Business Reporting Language (XBRL) standard, in accordance with the provisions of Directive 2004/109/EC

and Delegated Regulation (EU) 2019/815.

**One B.** To approve the consolidated statement of non-financial information for the financial year ended 31 December 2020, which is part of the consolidated directors' report for said financial year ("Responsible Banking" chapter of the 2020 annual report).

**One C.** To approve the corporate management for financial year 2020.

## **Item Two Application of results obtained during financial year 2020.**

RATIONALE SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING THE PROPOSAL REFERRED TO IN ITEM TWO OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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On 3 February 2021, the Bank made public its 2020 results and the board's intention to pay a cash dividend of €2.75 cents per share as shareholder remuneration for 2020, the maximum allowed in accordance with the limits set by the European Central Bank recommendation of 15 December 2020. This dividend will be paid under the resolution for the distribution of share premium approved at the Bank's general shareholders meeting on 27 October 2020.

Besides, in relation to the proposal of application of results detailed below, the charge to share premium is proposed to rebalance the types of reserves, of which there is a high proportion of share premium.

<sup>1</sup> Each of the proposals made under items One A to One C will be submitted to a separate vote.

## Proposal:

To approve the application of results obtained by the Bank in financial year 2020, consisting of losses of 3,557,057,908 euros, to be charged against:

- (i) the share premium reserve account to the extent by which said charge against the share premium reserve account is approved by the European Central Bank under articles 77 and 78 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013; and
- (ii) the voluntary reserve account, in the amount by which said losses are not applied in accordance with paragraph (i) above.

### **Item Three Board of directors: appointment, re-election or ratification of directors.**

#### **Three A. Setting of the number of directors.**

#### **Three B. Ratification of the appointment of Ms Gina Lorenza Díez Barroso.**

#### **Three C. Re-election of Ms Homaira Akbari.**

#### **Three D. Re-election of Mr Álvaro Antonio Cardoso de Souza.**

#### **Three E. Re-election of Mr Javier Botín-Sanz de Sautuola y O'Shea.**

#### **Three F. Re-election of Mr Ramiro Mato García-Ansorena.**

#### **Three G. Re-election of Mr Bruce Carnegie-Brown.**

REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING THE PROPOSALS REFERRED TO IN ITEM THREE OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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This report has been prepared in compliance with the provisions of section 529 *decies* of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*) and is intended to provide a rationale for the proposed ratification or re-election of directors of Banco Santander, S.A. (the "**Bank**" or the "**Company**") that are submitted for the approval of the shareholders acting at the general shareholders' meeting under item Three of its agenda, evaluating for such purposes the expertise, experience and merits of the persons whose ratification or re-election is proposed at the meeting.

Item Three A) also includes a proposal to set the number of the Bank's directors at 15, which is within the threshold established by Recommendation 13 of the current Good Governance Code of Listed Companies.

For purposes of items Three B) to Three G), there is included below a separate evaluation by the board of the expertise, experience and merits of all of the persons whose ratification or re-election is submitted to the shareholders at the general meeting, namely Ms Gina Lorenza Díez Barroso, Ms Homaira Akbari, Mr Álvaro Antonio Cardoso de Souza, Mr Javier Botín-Sanz de Sautuola y O'Shea, Mr Ramiro Mato García-Ansorena and Mr Bruce Carnegie-Brown. All of the foregoing is carried out in view of the reasoned proposal made by the appointments committee on 19 February 2021, in accordance with the aforementioned section 529 *decies* of the Spanish Capital Corporations Law and articles 18.4 and 26 of the rules and regulations of the board, and with which the board concurs in all respects. The aforementioned proposal of the appointments committee is attached as an Exhibit to this directors' report.

Similarly, for the purposes of section 518.e) of the Spanish Capital Corporations Law, this report contains full information on the identity, curriculum vitae and category of each of the directors.

Detailed information is provided below regarding each of the persons included in the proposed appointment, ratification or re-election in each case submitted to the shareholders at the general meeting.

#### **(i) Ms Gina Lorenza Díez Barroso (item Three B)**

##### **(a) Profile description:**

- Born in 1955 in Mexico City (Mexico). Degree in Design from Centro de Diseño of Mexico City.

- She has broad experience of more than 20 years in the real estate, education and financial sectors.
- Other positions of note: until April 2020, she was an independent director of Banco Santander México, S.A. and other companies of the Santander Group in Mexico. She has also been a member of the Board of Directors of the Americas Society and Council of the Americas, Laurel Strategies and the Qualitas of Life Foundation. She is the founder and president of Grupo Diarq, S.A. de C.V. and of Centro de Diseño y Comunicación, S.C. (Universidad Centro). In addition, she is a member of the board of Dalia Women, S.A.P.I. de C.V. (Dalia Empower), a member of "The Committee of 200" (C200), an influential community of the most successful women of the business world, and the representative of Mexico at the W20, the women's initiative of the G20. She is also the founder and a trustee of the Pro-Educación Centro and Diarq foundations.

(b) Evaluation:

The board concurs with the assessment made by the appointments committee and believes that the curriculum vitae and professional background of Ms Gina Díez Barroso, with an extensive career of more than 20 years in the real estate and education sectors, together with the banking experience acquired as an external director of Banco Santander México and other subsidiaries of the Group in that country, and extensive knowledge of responsible business and sustainability as a founder and trustee of foundations focused on education and social support, demonstrate that she has the appropriate expertise, experience and merits to hold the position of director.

(c) Category of director:

The board, which concurs with the considerations of the appointments committee, considers Ms Gina Díez Barroso to be an independent director, as she fulfils the requirements established in sub-section 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.

(ii) **Ms Homaira Akbari (item Three C)**

(a) Profile description:

- Born in 1961 in Tehran (Iran), she holds US and French nationality. Ph.D. in Particle Physics from Tufts University and MBA from Carnegie Mellon University. She was first appointed as a director of the Company on an interim basis at the board meeting of 27 September 2016, her appointment becoming effective on the same day.
- She is the chief executive officer of AKnowledge Partners, LLC.
- Other positions of note: she is currently an independent director of Landstar System, Inc. and Temenos AG. She was non-executive director of Gemalto N.V. and Veolia Environment S.A., chairman and CEO of Sky Bitz, Inc., managing director of True Position, Inc., non-executive director of Covisint Corporation and US Pack Logistics LLC. She has also held various posts at Microsoft Corporation and at Thales Group, and was non-executive chair of WorkFusion, Inc. She is also a non-executive director of Santander Consumer USA Holdings, Inc. and of PagoNxt, S.L.

(b) Evaluation:

The board concurs with the evaluation of the appointments committee and considers that the curriculum vitae and professional career of Ms Homaira Akbari, including her performance both within the Company since her appointment as a director and in positions outside the Company, demonstrate that she has the expertise, experience and merits necessary to hold the position of director.

(c) Category of director:

The board, which concurs with the considerations of the appointments committee, considers Ms Homaira Akbari to be an independent director, as she fulfils the requirements established in sub-section 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.

**(iii) Mr Álvaro Antonio Cardoso de Souza (item Three D)**

(a) Profile description:

- Born in 1948 in Guarda (Portugal). Degree in Economics and Business Administration from Pontificia Universidad Católica de São Paulo, Master of Business Administration (MBA - Management Program for Executives) from the University of Pittsburgh and a graduate of the Investment Banking Marketing Program from Wharton Business School. He was first appointed as a director of the Company at the ordinary general shareholders' meeting of 23 March 2018, and his appointment became effective on 1 April 2018.
- He is the non-executive chairman of Banco Santander (Brasil) S.A.
- Other positions of note: he has held various positions at the Citibank Group, including CEO of Citibank Brazil and various senior positions in the US with respect to the consumer finance, private banking and Latin American businesses. He has also been a member of the board of AMBEV, S.A., Gol Linhas Aéreas, S.A. and Duratex, S.A. In addition, he has been chairman of the World Wildlife Group (WWF) Brazil, a member of the board of WWF International and chairman and a member of the audit and asset management committees of FUNBIO (Fundo Brasileiro para a Biodiversidade). He is also actively involved in various environmental foundations and non-governmental organisations.

(b) Evaluation:

The board concurs with the evaluation of the appointments committee and considers that the curriculum vitae and professional career of Mr Álvaro Antonio Cardoso de Souza, including his performance both within the Company since his appointment as a director and in positions outside the Company, demonstrate that he has the expertise, experience and merits necessary to hold the position of director.

(c) Category of director:

The board, which concurs with the considerations of the appointments committee, considers Mr Álvaro

Antonio Cardoso de Souza to be an independent director, as he fulfils the requirements established in sub-section 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.

**(iv) Mr Javier Botín-Sanz de Sautuola y O'Shea (item Three E)**

(a) Profile description:

- Born in 1973 in Santander (Spain). Degree in Law from the Complutense University of Madrid. He was first appointed as a director of the Company by the board of directors at its meeting of 25 July 2004.
- He is the founder and executive chairman of JB Capital Markets, S.V., S.A.U.
- Other positions of note: Co-founder and executive director of the equities division of M&B Capital Advisers, S.V., S.A. (2000-2008) and legal advisor to the International Legal Department of Banco Santander, S.A. (1998-1999). In addition to his professional activity in the financial sector, he works with several non-profit organisations. He has been chairman of the Botín Foundation since 2014 and is also a trustee of the Princesa de Girona Foundation.

(b) Evaluation:

The board concurs with the evaluation of the appointments committee and considers that the curriculum vitae and professional career of Mr Javier Botín-Sanz de Sautuola y O'Shea, including his performance both within the Company since his appointment as a director and in positions outside the Company, demonstrate that he has the expertise, experience and merits necessary to hold the position of director.

(c) Category of director:

The board, which concurs with the considerations of the appointments committee, considers Mr Javier Botín-Sanz de Sautuola y O'Shea to be an external director, pursuant to the provisions of sub-sections 2

to 4 of section 529 *duodecies* of the Spanish Capital Corporations Law and of article 6.2 of the rules and regulations of the board.

**(v) Mr Ramiro Mato García-Ansorena (item Three F)**

(a) Profile description:

- Born in 1952 in Madrid (Spain). Degree in Economics from the Complutense University of Madrid and Management Development Programme from the Harvard Business School. He was first appointed as a director of the Company on an interim basis at the board meeting of 28 November 2017 (ratified at the ordinary general meeting of 23 March 2018).
- Other positions of note: He has held various positions at Banque BNP Paribas, including Chairman of the BNP Paribas Group in Spain. Previously he held various significant positions at Argentaria. He was a member of the board of the Spanish Banking Association (AEB) and of Bolsas y Mercados Españoles, S.A. (BME) and a member of the board of trustees of the Fundación Española de Banca para Estudios Financieros (FEBEF). He is currently chairman of Ansorena, S.A. and vice-chairman of the board of trustees of Fundación Esperanza y Alegría.

(b) Evaluation:

The board concurs with the evaluation of the appointments committee and considers that the curriculum vitae and professional career of Mr Ramiro Mato García-Ansorena, including his performance both within the Company since his appointment as a director and in positions outside the Company, demonstrate that he has the expertise, experience and merits necessary to hold the position of director.

(c) Category of director:

The board, which concurs with the considerations of the appointments committee, considers Mr Ramiro Mato García-Ansorena to be an independent director, as he fulfils the requirements established in sub-section 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.

**(vi) Mr Bruce Carnegie-Brown (item Three G)**

(a) Profile description:

- Born in 1959 in Freetown (Sierra Leone). Master of Arts degree in English Language and Literature from the University of Oxford. He was first appointed as a director of the Company on an interim basis at the board meeting of 25 November 2014, his appointment becoming effective on 12 February 2015. He is vice chairman and lead independent director of the Company.
- Other positions of note: He was non-executive chairman of Moneysupermarket.com Group plc (2014-2019), non-executive director of Jardine Lloyd Thompson Group plc (2016-2017), and non-executive chairman of Aon UK Ltd (2012-2015) He was also founder and managing partner of the listed private equity division of 3i Group plc and president and CEO of Marsh Europe, S.A. Furthermore, he was lead independent director of Close Brothers Group plc (2006-2014) and Catlin Group Ltd (2010-2014). He previously held various positions at JP Morgan Chase and Bank of America. Currently, he is the non-executive chairman of Lloyd's of London and of Cuvva Limited, and non-executive director of Santander UK plc and of Santander UK Group Holdings plc.

(b) Evaluation:

The board concurs with the evaluation of the appointments committee and considers that the curriculum vitae and professional career of Mr Bruce Carnegie-Brown, including his performance both within the Company since his appointment as a director and in positions outside the Company, demonstrate that he has the expertise, experience and merits necessary to hold the positions of director, vice chairman and lead independent director.

(c) Category of director:

The board, which concurs with the considerations of the appointments committee, considers Mr Bruce Carnegie-Brown to be an independent director, as he fulfils the requirements established in sub-section 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.

## **EXHIBIT**

### **REASONED PROPOSAL OF THE APPOINTMENTS COMMITTEE (19 FEBRUARY 2021)**

REASONED PROPOSAL OF THE APPOINTMENTS COMMITTEE OF BANCO SANTANDER, S.A. REGARDING THE RATIFICATION AND RE-ELECTIONS OF DIRECTORS OF BANCO SANTANDER, S.A. WHICH ARE SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS ACTING AT THE NEXT ORDINARY GENERAL MEETING

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This reasoned proposal is made in accordance with the provisions of section 529 decies of the Spanish Capital Corporations Law and of articles 18.4 and 26 of the rules and regulations of the board, and is intended to propose to the board of directors of Banco Santander, S.A. (the "**Bank**" or the "**Company**") the ratifications and re-elections of directors to be submitted to the shareholders acting at the next ordinary general shareholders' meeting.

Pursuant to the aforementioned article 26 of the rules and regulations of the board of the Company, the appointments committee shall prepare a reasoned report on and proposal for appointments, re-elections and ratifications of directors, regardless of the category to which they are assigned. Similarly, in the event of re-election or ratification of a director, the proposal shall contain an evaluation of work performed and effective dedication to the position during the last period of time during which the proposed director held office.

The update and analysis of the competencies and diversity matrix of the board carried out in financial year 2020 showed, among other things, the advisability of continuing to strengthen the international experience and geographical diversity, especially in the geographic areas in which the Group does business, which required to have a board member with knowledge and experience in Mexico, after Mr Carlos Fernández's resignation. This is covered by the proposed ratification of Ms Gina Lorenza Díez Barroso (Gina Díez Barroso). Likewise, in view of the current board's competencies and diversity matrix, it is considered appropriate to re-elect the persons referred to in section II of this report, also taking into account the analysis that is included herein regarding the evaluation of their work and effective dedication. The 2020 corporate governance report, which will be published upon the call to the next ordinary general meeting, includes the board's competencies and diversity matrix and provides detailed information on attendance of the directors at meetings of the board and of the committees thereof during 2020.

By virtue of all of the foregoing, the proposal of this committee includes setting the number of directors at 15, and as to the specific ratifications and re-elections of directors, is based on the following:

#### **I. Ratification of the appointment of Ms Gina Díez Barroso**

At the proposal of this committee, the Company's board of directors appointed Ms Gina Díez Barroso as a director of the Company on 22 December 2020, under the powers of interim appointment legally assigned thereto. It is therefore necessary to submit the ratification thereof to the shareholders acting at the next ordinary general meeting, as detailed below.

For purposes of the evaluation of the work and effective dedication of this director, it should be taken into account that the aforementioned appointment became effective on 22 December 2020, as the relevant regulatory approvals were obtained prior to the appointment thereof by the board.

The relevant considerations for the proposed ratification of the appointment of Ms Gina Díez Barroso as an independent director are set forth below.

Born in 1955 in Mexico City (Mexico). Degree in Design from Centro de Diseño of Mexico City.

She is currently the president & CEO of Grupo Diarq, a Mexican construction and design company that develops real estate projects in Mexico and the United States, and which she founded in 1990; and the non-executive chair of Centro de Diseño y Comunicación, S.C. (Universidad Centro), the first university in Mexico City specialising in creative studies, with a strong emphasis on business and entrepreneurship, founded by Ms Gina Díez Barroso in 2004. In addition, she is a member of the board of Dalia Women, S.A.P.I. de C.V. (Dalia Empower), a member of "The Committee of 200" (C200), an influential community of the most successful women of the business world, and the representative of Mexico at the W20, the women's initiative of the G20. She is also the founder and a trustee of the Pro- Educación Centro and Diarq foundations.

Until April 2020 she was an independent director of Banco Santander México, S.A., a position to which she was appointed in April 2014, of Casa de Bolsa Santander, S.A. de C.V. and of other companies of the Santander Group in

Mexico. She has also been a member of the board of directors of the Americas Society and Council of the Americas, Laurel Strategy and the Qualitas of Life Foundation.

Ms. Gina Díez Barroso has an extensive career spanning more than 20 years in the real estate and education sectors. In addition to strengthening the gender, geographic and international education diversity of the board, Ms Gina Díez Barroso's professional background brings to the board a deep knowledge of the Mexican market, particularly in the real estate and education sectors, as well as banking experience, acquired as an external director of Banco Santander México and other subsidiaries of the Group in that country, and extensive knowledge of responsible business and sustainability, gained as founder and trustee of foundations focused on education and social support.

Therefore, and particularly for the purposes established in Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Banco Santander's director recruitment, suitability assessment and succession policy, and in the internal procedure for the selection and ongoing evaluation of the suitability of key personnel for the performance of banking activities within the Santander Group, this committee confirms that, at this date, Ms Gina Díez Barroso possesses the necessary knowledge and experience to hold the position of director of the Company and that she is able to carry out good governance thereof, having assessed the content and currency of the reputation and good governance questionnaire completed by the subject and the update of her professional background and technical or horizontal skills. Additionally, according to the information provided, Ms Gina Díez Barroso is within the maximum number of positions established in section 26 of Law 10/2014 of 26 June, and she is considered able to devote sufficient time to performing the duties of her position, and not subject to any conflicts of interest.

With reference to the evaluation of the work and effective dedication of the director from her appointment on an interim basis on 22 December 2020 to the present date, this committee notes the proper performance of the duties of her position and her attendance at and informed participation in all meetings of the board since her appointment on 22 December. Furthermore, Ms Gina Díez Barroso has begun the induction programme designed by the Bank for new directors, which will quickly provide her with sufficient knowledge of the Company and of its Group, including its governance rules. Ms Gina Díez Barroso is expected to complete this programme during 2021. In view of the foregoing, the suitability thereof for holding the position of director is thus verified.

Finally, with respect to the category of director, this committee considers that Ms Gina Díez Barroso fulfils the requirements established in sub-section 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.

## II. Re-elections

Pursuant to article 55.1 of the Bylaws, the term of office of directors shall be three 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. Furthermore, when a seat is not subject to re-election and unless otherwise provided, it will be maintained until its expiration upon the terms provided for by law and the Bylaws.

Accordingly, it is proposed that Ms Homaira Akbari, Mr Álvaro Antonio Cardoso de Souza, Mr Javier Botín-Sanz de Sautuola y O'Shea, Mr Ramiro Mato García-Ansorena and Mr Bruce Carnegie-Brown be re-elected.

A detailed report for each of these directors is set forth below:

### (a) Ms Homaira Akbari

It is proposed to re-elect her as an independent director for the bylaw-mandated period of three years.

Born in 1961 in Tehran (Iran), she holds US and French nationality. She has a Ph.D. in Particle Physics from Tufts University and an MBA from Carnegie Mellon University.

She is currently (i) CEO of AKnowledge Partners, LLC, a company specialised in the Internet of Things, security, Big Data and data analysis; (ii) an independent director of Landstar System, Inc., a logistics company listed on NASDAQ; and (iii) an independent director of Temenos AG, a company specialising in corporate software for banks and financial services. She is also a non-executive director of Santander Consumer USA Holdings, Inc. and of PagoNxt, S.L.

Previously, she was: (i) chairman and CEO of Sky Bitz, Inc., (ii) executive vice-president at True Position Inc.; (iii) non-executive director of Covisint Corporation; (iv) non-executive director of US Pack Logistics LLC; and (v) holder of several positions at Microsoft Corporation and at Thales Group. She was also a non-executive director of Gemalto N.V., a leader in digital security providing services to customers in more than 180 countries, of Veolia Environment S.A., a water management, waste management and energy company with a presence on five continents, and of WorkFusion, Inc., a company dedicated to Intelligent Automation solutions.

Ms Homaira Akbari has significant experience as a business manager and has held executive positions at the highest level in institutions from various sectors and countries. During her professional career, she has held positions of responsibility in France and the United States and is a thought leader in new technologies, principally Big Data and the Internet of Things. She brings to the board broad experience in technology companies and a deep understanding of the challenges of digital transformation, as well as extensive international experience in a wide variety of geographic areas and expertise in water, energy and waste management and treatment, all of which is of particular interest to the Group.

Therefore, and particularly for the purposes established in Law 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions, in Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Banco Santander's director recruitment, suitability assessment and succession policy, and in the internal procedure for the selection and ongoing evaluation of the suitability of key personnel for the performance of banking activities within the Santander Group, this committee confirms that, at this date, Ms Homaira Akbari possesses the necessary knowledge and experience to hold the position of director of the Company and that she is able to carry out good governance thereof, having assessed the content and currency of the reputation and good governance questionnaire completed by the subject and the update of her professional background and technical or horizontal skills. According to the information provided, Ms Homaira Akbari is within the maximum number of positions established in section 26 of Law 10/2014 of 26 June, and she is considered able to devote sufficient time to performing the duties of her position and not subject to any conflicts of interest. In view of the foregoing, the suitability thereof for holding the position of director is thus verified.

With reference to the evaluation of the work and effective dedication of the director from her re-election at the ordinary general meeting of 23 March 2018 to the present date, this committee notes the proper performance of her duties, as well as her attendance at and informed participation in all of the meetings of the board. Likewise, she has attended all the meetings of the audit, innovation and technology, and responsible banking, sustainability and culture committees held since her previous appointment.

Finally, with respect to the category of director, this committee considers that Ms Homaira Akbari fulfils the requirements established in sub-section 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.

**(b) Mr Álvaro Antonio Cardoso de Souza**

It is proposed to re-elect him as an independent director for the bylaw-mandated period of three years.

He holds a degree in Economics and Business Administration from Pontificia Universidad Católica de São Paulo, a Master's in Business Administration (MBA - Management Program for Executives) from the University of Pittsburgh, and is a graduate of the Wharton Business School's Investment Banking Marketing Program.

He has been an independent director of Banco Santander (Brasil), S.A. since 2014 and non-executive chairman of the company since 2016. He is also actively involved in various environmental foundations and non-governmental organisations.

During his professional career he has been the chairman of the remuneration and risk committees of Banco Santander (Brasil), S.A., a member of the board of directors of AMBEV, S.A., a listed Brazilian company in the beverages industry, of Gol Linhas Aéreas S.A., a listed Brazilian airline, and of Duratex, S.A., a listed Brazilian company dedicated to the construction finishes industry (metal fittings and porcelain and wood flooring). He has also held various positions at companies of the Citibank Group. In particular, he has been (a) CEO of Citibank Brazil; (b) Senior Advisor; (c) Executive Vice President for Latin America; (d) Executive Vice President of Capital Markets of Citibank USA; and (e) Vice President of Private Banking and Consumer

Banking of Citibank USA. He has also been chairman of the WorldWildlife Group (WWF) Brazil, a member of the board of WWF International, and chairman and member of the audit and asset management committees of FUNBIO (Fundo Brasileiro para a Biodiversidade).

Mr Álvaro Antonio Cardoso de Souza has significant experience as a business manager and for more than thirty years has held positions at the highest levels in institutions from various countries and industries, including in the area of banking and financial services, with responsibility for a significant number of people. He has noteworthy knowledge of the compliance, risk management and corporate governance areas, having been a leader in Brazil in this last area. He contributes to the board broad experience in international banking, especially in Brazil, a solid understanding of strategy and risk management issues, and knowledge of sustainability.

Therefore, and particularly for the purposes established in Law 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions, in Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Banco Santander's director recruitment, suitability assessment and succession policy, and in the internal procedure for the selection and ongoing evaluation of the suitability of key personnel for the performance of banking activities within the Santander Group, this committee confirms that, at this date, Mr Álvaro Antonio Cardoso de Souza possesses the necessary knowledge and experience to hold the position of director of the Company and that he is able to carry out good governance thereof, having assessed the content and currency of the reputation and good governance questionnaire completed by the subject and the update of his professional background and technical or horizontal skills. Additionally, according to the information provided, Mr Álvaro Antonio Cardoso de Souza is within the maximum number of positions established in section 26 of Law 10/2014 of 26 June, and he is considered able to devote sufficient time to performing the duties of his position and not subject to any conflicts of interest. In view of the foregoing, the suitability thereof for holding the position of director is thus verified.

With reference to the evaluation of the work and effective dedication of the director since the appointment thereof at the ordinary general meeting of 23 April 2018 became effective (1 April 2018) to the present date, this committee notes the proper

performance of the duties of his position as well as his attendance at 88% of the 48 meetings of the board held since his appointment. Also noted is his attendance at and informed participation in 86% of the 37 meetings of the risk supervision, regulation and compliance committee and 83% of the 12 meetings of the responsible banking, sustainability and culture committee held since his appointment.

Finally, with respect to the category of director, this committee considers that Mr Álvaro Antonio Cardoso de Souza fulfils the requirements established in sub-section 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.

**(c) Mr Javier Botín-Sanz de Sautuola y O'Shea**

It is proposed to re-elect him as an external director for the bylaw-mandated period of three years.

He holds a degree in Law from the Complutense University of Madrid.

He is the executive chairman of JB Capital Markets, S.V., S.A., a company he founded. In addition to his professional activity in the financial sector, he works with several non-profit organisations. In particular, he has been chairman of the Botín Foundation since 2014 and is a trustee of the Princesa de Girona Foundation.

He joined as a director of Banco Santander in 2004. Previously he was legal advisor in the International Legal Department of Banco Santander (1998-1999). He was also co-founder and executive director of the equities division of M&B Capital Advisers. S.V., S.A. (2000-2008).

Mr Javier Botín-Sanz de Sautuola y O'Shea has held positions of high responsibility, complexity and expertise as part of the management of various institutions for more than ten years. He contributes to the board strong international and management experience, particularly in the finance and banking sector, as well as a deep understanding of the Santander Group and of its operations and strategy acquired during his extensive experience as a director of the Bank.

Therefore, and particularly for the purposes established in Law 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions, in Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Banco Santander's director recruitment, suitability assessment and succession policy, and in the internal procedure for the selection and ongoing evaluation of the suitability of key personnel for the performance of banking activities within the Santander Group, this committee confirms that, at this date, Mr Javier Botín-Sanz de Sautuola y O'Shea possesses the necessary knowledge and experience to hold the position of director of the Company and that he is able to carry out good governance thereof, having assessed the content and currency of the reputation and good governance questionnaire completed by the subject and the update of his professional background and technical or horizontal skills. Additionally, according to the information provided, Mr Javier Botín-Sanz de Sautuola y O'Shea is within the maximum number of positions established in section 26 of Law 10/2014 of 26 June, and he is considered able to devote sufficient time to performing the duties of his position and not subject to any conflicts of interest. In view of the foregoing, the suitability thereof for holding the position of director is thus verified.

With reference to the evaluation of the work and effective dedication of the director from his re-election at the ordinary general meeting of 12 April 2019 to the present date, this committee notes the proper performance of the duties of his position as well as his attendance at and informed participation in all of the meetings of the board.

Finally, with respect to the category of director and in view of the provisions of sub-sections 2 to 4 of section 529 duodecies of the Spanish Capital Corporations Law and of article 6.2 of the rules and regulations of the board, this committee considers that Mr Javier Botín-Sanz de Sautuola y O'Shea fulfils the requirements to be considered an external director.

**(d) Mr Ramiro Mato García-Ansorena**

It is proposed to re-elect him as an independent director for the bylaw-mandated period of three years.

He has a degree in Economics from the Complutense University of Madrid and is a graduate of the Harvard

Business School's Management Development Programme.

He is currently chairman of Ansorena, S.A. and vice-chairman of the board of trustees of Fundación Esperanza y Alegría.

He has held various positions at Banque BNP Paribas, including chairman of the group in Spain. Previously he held various significant positions at Argentaria. He has been a member of board of the Asociación Española de Banca (AEB) and of Bolsas y Mercados Españoles, S.A. (BME) and a member of the board of trustees of the Fundación Española de Banca para Estudios Financieros (FEBEF).

Mr Ramiro Mato García-Ansorena has significant experience as a business manager and has held executive positions at the highest level at institutions in the financial sector. During his professional career, he has held positions of responsibility involving a profound understanding of the banking business. He contributes to the board significant senior management experience, as well as experience in audit, risks and strategy, mainly in relation to the financial industry.

Therefore, and particularly for the purposes established in Law 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions, in Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Banco Santander's director recruitment, suitability assessment and succession policy, and in the internal procedure for the selection and ongoing evaluation of the suitability of key personnel for the performance of banking activities within the Santander Group, this committee confirms that, at this date, Mr Ramiro Mato García-Ansorena possesses the necessary knowledge and experience to hold the position of director of the Company and that he is able to carry out good governance thereof, having assessed the content and currency of the reputation and good governance questionnaire completed by the subject and the update of his professional background and technical or horizontal skills. In particular, according to the information provided, Mr Ramiro Mato García-Ansorena is within the maximum number of positions established in section 26 of Law 10/2014 of 26 June, and he is considered able to devote sufficient time to performing the duties of his position and not subject to any conflicts of interest. In view of the foregoing, the suitability thereof for holding the position of director is thus verified.

With reference to the evaluation of the work and effective dedication of the director from the re-election thereof at the ordinary general meeting of 12 April 2019 to the present date, this committee notes the proper performance of the duties of his position as well as his attendance at 95% of the 40 meetings of the board held since his previous appointment. Also noted is his attendance at and informed participation in 97% of the 94 meetings of the executive committee, 97% of the 30 meetings of the audit committee, and all meetings of the risk supervision, regulation and compliance and responsible banking, sustainability and culture committees held since his previous appointment.

Finally, with respect to the category of director, this committee considers that Mr Ramiro Mato García-Ansorena fulfils the requirements established in sub-section 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.

**(e) Mr Bruce Carnegie-Brown**

It is proposed to re-elect him as an independent director for the bylaw-mandated period of three years.

He holds a Master of Arts degree in English Language and Literature from the University of Oxford.

Currently, he is non-executive chairman of Lloyd's of London and of Cuvva Limited, and a non-executive director of Santander UK plc and of Santander UK Group Holdings plc.

He was previously non-executive chairman of Moneysupermarket.com Group plc (2014-2019), non-executive director of Jardine Lloyd Thompson Group plc (2016-2017) and non-executive chairman of Aon UK Ltd (2012-2015). He was also founder and managing partner of the listed private equity division of 3i Group plc and president and CEO of Marsh Europe, S.A. Furthermore, he was lead independent director of Close Brothers Group plc (2006-2014) and Catlin Group Ltd (2010-2014). Before that, he worked at JPMorgan Chase for eighteen years and at Bank of America for four years.

Mr. Bruce Carnegie-Brown has an extensive background in the banking sector (particularly

investment banking) and the insurance sector. He also has significant international experience in Europe (UK), the Middle East and Asia. He has held positions of high responsibility and complexity at institutions from different sectors, including the financial sector, for more than thirty years. His experience as a senior executive brings to the board expertise in remuneration, appointments and risk issues. He also has an excellent understanding of investor expectations and broad experience in managing relations with investors and the financial community, acquired in his capacity as lead independent director.

Therefore, and particularly for the purposes established in Law 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions, in Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, in Banco Santander's director recruitment, suitability assessment and succession policy, and in the internal procedure for the selection and ongoing evaluation of the suitability of key personnel for the performance of banking activities within the Santander Group, this committee confirms that, at this date, Mr Bruce Carnegie-Brown possesses the necessary knowledge and experience to hold the positions of director, vice chairman and lead independent director of the Company and that he is able to carry out good governance thereof, having assessed the content and currency of the reputation and good governance questionnaire completed by the subject and the update of his professional background and technical or horizontal skills. In particular, according to the information provided, Mr Bruce Carnegie-Brown is within the maximum number of positions established in section 26 of Law 10/2014 of 26 June, and he is considered able to devote sufficient time to performing the duties of his position and not subject to any conflicts of interest. In view of the foregoing, the suitability thereof for holding the position of director is thus verified.

With reference to the evaluation of the work and effective dedication of the director from the re-election thereof at the ordinary general meeting of 12 April 2019 to the present date, this committee notes the proper performance of the duties of his position as well as his attendance at 98% of the 40 meetings of the board held since his previous appointment. Also noted is his attendance at and informed participation in 87% of the 94 meetings of the executive committee, 89% of the 9 meetings of the innovation and technology committee, and all meetings of the appointments and remuneration committees held since his previous appointment. Additionally, due to his broad experience

within the Santander Group, he has extensive and detailed knowledge of the Company and of its Group, including its governance policies and rules.

Finally, with respect to the category of director, this committee considers that Mr Bruce Carnegie-Brown fulfils the requirements established in sub-section 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.

#### Proposals<sup>1</sup>:

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

**Three B.** To ratify the appointment of Ms Gina Lorenza Díez Barroso as a director, whose appointment was approved by the board at its meeting of 22 December 2020, with the classification of independent director.

With regard to the annual renewal of one-third of the board positions as provided by article 55 of the Bylaws, to re-elect the following persons for a new three-year period:

**Three C.** To re-elect Ms Homaira Akbari as a director, with the classification of independent director.

**Three D.** To re-elect Mr Álvaro Antonio Cardoso de Souza as a director, with the classification of independent director.

**Three E.** To re-elect Mr Javier Botín-Sanz de Sautuola y O'Shea as a director, with the classification of external director.

**Three F.** To re-elect Mr Ramiro Mato García-Ansorena as a director, with the classification of independent director.

**Three G.** To re-elect Mr Bruce Carnegie-Brown as a director, with the classification of independent director.

#### **Item Four Re-election of the external auditor for financial year 2021.**

It is proposed to re-elect PricewaterhouseCoopers Auditores, S.L. as auditor of the Bank and the Group for financial year 2021. 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.

Pursuant to the provisions of section 40.2 of Law 22/2015 of 20 July on Audit of Accounts, five years having elapsed since Mr Alejandro Esnal assumed responsibility for the audit of Banco Santander and its Group, he will be replaced as the partner of PricewaterhouseCoopers Auditores, S.L. with responsibility for this audit by 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. Mr González Gómez also regularly participates in various international forums on banking supervision and regulation.

#### Proposal:

For the verification of the annual accounts and of the directors' report of the Bank and of the consolidated Group corresponding to financial year 2021, to re-elect PricewaterhouseCoopers Auditores, S.L., with 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 of Accounts Institute (*Instituto de Contabilidad y Auditoría de Cuentas*) of the Ministry for Economy and Business with number S0242, as external auditor

#### **Item Five. Amendment of the following articles of the Bylaws:**

**Five A. Amendment of articles relating to the issuance of non-convertible debentures: article 18 (convertible and exchangeable**

<sup>1</sup> Each of the proposals regarding the setting of the number of directors, their appointment, ratification and re-election made under items Three A to Three G will be submitted to a separate vote.

**debentures) and article 20 (distribution of powers).**

**Five B. Amendment of article relating to the powers of the general shareholders' meeting (share-based compensation): article 20 (distribution of powers).**

**Five C. Amendment of articles relating to the shareholders' participation at the general shareholders' meeting: article 27 (attendance at the general shareholders' meeting by proxy) and article 34 (distance voting).**

**Five D. Amendment of article relating to attending the meeting from a distance by remote means of communication: article 34 (distance voting). Introducing a new article 34 bis (remote shareholders' meeting).**

REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING THE PROPOSALS REFERRED TO IN ITEM FIVE OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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## **I. Introduction and purpose of the report**

This report has been prepared in compliance with the provisions of section 286 of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*) in order to provide a rationale for the proposed amendments of the Bylaws of Banco Santander, S.A. (the "**Bank**" or the "**Company**"), which are submitted for approval of the shareholders at the general shareholders' meeting under item Five on the agenda therefor.

The Bylaws contain the rules for the organisation of the Bank and, at the same time, establish and define or specify the rights and obligations of the shareholders to the extent allowed by the mandatory rules of law. This scope of the Bylaws, which explains the natural tendency towards a certain stability of their regulatory content, is not in any way incompatible with the possibility of an amendment thereof. On the contrary, companies should revise, update and technically improve their organisational structure and operating rules in order to have at all times the appropriate instruments to respond rapidly and efficiently to changing

needs that might arise due to amendments in legislation or other reasons. A modification of the Bylaws normally provides the appropriate framework to carry out these updates. For this purpose, it is deemed beneficial to the corporate interest to propose to the shareholders acting at the Bank's general shareholders' meeting the amendment of certain bylaw provisions, including some new provisions and modifying others which have been in effect until now. Specifically, the proposed amendments involve articles 18 (title and sections 1 and 3), 20 (section 2), 27 (section 6) and 34 (sections 2 and 6), and also contemplate the insertion of a new article 34 *bis* regarding remote shareholders' meetings.

## **II. Rationale for and organisation of the proposal**

The main purposes of the reform of the Bylaws submitted to the shareholders at the general shareholders' meeting are (i) to give the board of directors the power to issue non-convertible debentures, as stated in the Law, and to decide on the application of compensation systems consisting of delivery of shares or rights thereto, as well as any other compensation system referenced to the value of the shares when the beneficiaries of such compensation systems are not directors of the Bank; (ii) to give the Bank greater flexibility to process proxies granted and votes cast from a distance by the shareholders, without prejudice to the board of directors being able to reduce the advance period required for receipt thereof by the Bank prior to the date on which the general meeting is scheduled to be held, as has been done until now and on occasion of each call to meeting, giving such advance period the same publicity as that given to the announcement of the call to meeting; and (iii) when so provided by applicable legal provisions, to authorise the directors to call shareholders' meetings to be held by remote means only, without the physical attendance of the shareholders or their representatives.

## **III. Detailed rationale for the proposal**

The proposed amendments are justified and explained in greater detail below:

### **1. Proposed amendment of the title and of sections 1 and 3 of article 18 and of section 2.(v) of article 20**

The purpose of the amendment of article 18 and of section 2.(v) of article 20 of the Bylaws is to give the Bank's board of directors the power to issue non-convertible debentures.

Section 45.4 of Law 5/2015 of 27 April on promoting corporate financing amended section 406 of the Spanish Capital Corporations Law, providing that the management body will have the power to issue non-convertible debentures unless otherwise provided in the bylaws. This amendment aligned Spanish law with our neighbouring legal systems (Germany, France, Italy and Holland), which generally entrust the issue of debentures to the management body. The amendment is also consistent with the fact that the board of directors has the power to incur debt not represented by securities, without being subject to a quantitative limit approved in advance at a general meeting, and is particularly useful for financial institutions, the debt issues of which serve a very different purpose from those of other issuers.

Giving this power to issue non-convertible debentures to the board of directors would provide greater flexibility in issuing debt instruments that are not convertible into new shares of the Bank, which are a key tool for the Bank's business activities. Thus, although the Bank has been satisfactorily managing its debt issues within the limit approved by the shareholders at the general shareholders' meetings, there are numerous variables that could hamper the prediction of the Bank's specific needs to issue debt during a particular period, making it advisable that this power be given to the board of directors:

- a) the growing issuance needs to comply with requirements regarding regulatory capital, of eligible liabilities for purposes of determining loss-absorbing capacity in the event of resolution (TLAC/MREL) and of liquidity have increased debt issuance needs in recent years;
- b) volatility in the markets may affect the financial plans of the Bank, changing issuance needs due to changes in the availability of different sources of financing;
- c) crisis situations like the one caused by COVID-19 may require a high volume of issues, either directly to give the Bank greater liquidity or indirectly to be delivered as security in the financing schemes of the central banks, like the Central European Bank; and
- d) the launch of new banking business lines, like the Bank's issue of warrants and other securities or issues for customers, may be affected by the limit

approved by the shareholders, given that these securities are also included in the calculation of the approved limit.

The advisability of the bylaw amendment should also be assessed based on the nature of the Bank's business itself, in which debt forms part of the ordinary course of business, which is why it is more efficient for debt to be handled by the management body.

Along these lines, it should also be remembered that since the amendment of the Spanish Capital Corporations Law allowing for assignment of the power to issue non-convertible debentures, the other major Spanish credit institutions have successfully submitted bylaw amendments to the shareholders at their general shareholders' meetings in order to assign the power to issue non-convertible debentures to the board of directors of each of them.

The proposed bylaw amendment now submitted will bring the rules applicable to the Bank into line with the customary practice of Spanish and European financial institutions, in which the management body generally has the power to approve the issue of debentures that are not convertible into new shares of the Company.

As part of the amendment, it is proposed to eliminate the references to exchangeable debentures from sections 1 and 3 of article 18, as it is considered unnecessary to make this specification, although they may be issued with a fixed (determined or determinable) or variable exchange ratio, as has been the case until now and just like convertible debentures. It is also proposed to eliminate reference thereto in the title, as no reference to exchangeable debentures remains in the proposed text of article 18.

With the proposed amendment, the shareholders will continue to have the power to approve the issue of debentures convertible into shares of the Bank pursuant to the provisions of section 406 of the Spanish Capital Corporations Law, while the board will be the body with the power to decide on issues of non-convertible debentures (including exchangeable debentures provided that they are not also convertible).

2. Proposed amendment of section 2.(x) of article 20

The purpose of the amendment of section 2.(x) of article 20 of the Bylaws is to give the Bank's board of directors the power to decide on the application of compensation systems consisting of delivery of shares or rights thereto, as well as any other compensation system referenced to the value of the shares when the beneficiaries of such compensation systems are not directors of the Bank, which, at this time and in accordance with the current wording of the Bylaws, falls under the purview of the shareholders acting at a general meeting.

The consolidation of the Spanish Public Corporations Law (*Ley de Sociedades Anónimas*) and the Spanish Limited Liability Companies Law (*Ley de Sociedades de Responsabilidad Limitada*) by virtue of which the consolidated text of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*), approved by the Royal Legislative Decree 1/2010 of 2 July, failed to include former additional provision four of the first of those laws, which established that the compensation in shares or linked to shares for general managers and similar officers, requires the approval of the general shareholders' meeting, and thus, under the new Spanish Capital Corporations Law, only compensations of this type the beneficiaries of which are directors require the approval of the general meeting. Subsequently, Law 31/2014 of 3 December significantly amended the Spanish Capital Corporations Law in relation to compensation matters, but not the abovementioned regime, which is still in force under section 219 of the Spanish Capital Corporations Law and which establishes that the general meeting's approval is only required when the beneficiary of the compensation systems in shares or linked to shares is a company director.

Pursuant to the Bylaws, the approval of the shareholders' meeting is currently required to implement all kinds of compensation instruments that are in any way linked to the shares, regardless of whether or not the beneficiaries are directors. Evidently, this significantly reduces the Bank's scope to implement incentive plans for its entire general workforce beyond the directors' compensation system. Thus, removing the general meeting's power to decide on the application of this kind of compensation for those who are not directors of the Company and giving it to the board of directors will enable these kinds of compensation mechanisms to be designed and applied more flexibly and promptly.

In addition, the other important Spanish credit institutions already attribute the power to decide on share-based compensation systems the beneficiaries of which are not directors of the company to the board of directors.

Therefore, this with the amendment proposed the bylaw regime will be completely in line with the corporate regulations in force as the general meeting will retain only the power to decide on compensation consisting of the delivery of shares or rights thereto, as well as any other compensation system referenced to the value of shares, when the beneficiaries of such compensation systems are directors of the Bank.

Notwithstanding the above, all compensation matters that, in accordance with Law 10/2014 of 26 June on the organization, supervision and solvency of credit institutions and other banking regulations applicable to the Company, require the approval of the shareholders acting at the general shareholders' meeting will continue to be submitted to such body for approval.

Likewise, as is customary, the documentation that the Bank makes available to the shareholders when calling an ordinary shareholders' meeting will include information on the Company's share-based compensation plans, over which the Bank's shareholders may exercise their right to receive information.

3. Proposed amendment of section 6 of article 27

It is hereby proposed to include in section 6 of article 27 a paragraph to reflect that, in order to be valid, a proxy granted or notified by means of postal delivery or correspondence or by means of electronic correspondence or communication with the Company must be received thereby before midnight on the third working day prior to the date scheduled for the holding of the meeting on first call, with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office. The purpose of this amendment is to give the Bank greater flexibility to process the proxies granted by the shareholders, although, as in the past and on the occasion of each call to meeting, the board of directors may reduce the required advance notice, giving it the same publicity as is given to the announcement of the call to meeting.

4. Proposed amendment of section 2 of article 34

It is hereby proposed to amend section 2 of article 34 in the same way as section 6 of article 27, such that it is also provided that, in order to be valid, a vote cast by postal delivery or correspondence or by electronic correspondence or communication with the Company must be received thereby before midnight on the third working day prior to the date scheduled for the holding of the meeting on first call, with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office. Like the proposal made with respect to article 27, the purpose of this amendment is to give the Bank greater flexibility to process the votes cast from a distance by the shareholders, although, as in the past and on the occasion of each call to meeting, the board of directors may reduce the required advance notice, giving it the same publicity as is given to the announcement of the call to meeting.

5. Proposed transfer of section 6 of article 34 and proposed insertion of a new article 34 bis

It is hereby proposed to eliminate section 6 of article 34 and to insert a new article 34 bis that:

- (a) would include the former section 6 of article 34 (section 1);
- (b) would add the provision that general meetings may be called to be held exclusively by remote means (section 2); and
- (c) would include a specific rule governing the right to receive information exercised by those attending remotely (section 3).

The proposal is intended to authorise the call by directors of meetings to be held exclusively by remote means, without the physical attendance of the shareholders or their representatives, and is justified by the following considerations:

- (i) Paradigm shift and growing use of digital media: the health and social crisis resulting from the COVID-19 pandemic has completely transformed our way of relating to the world, forcing us to reinvent ourselves in a way that allows the continuation of our social

interaction without the need for physical presence. This has been reflected in a variety of social and economic areas, which has allowed us to test the effectiveness of remote electronic means of communication, whether to purchase products or services, to engage in financial transactions, to exercise rights, to receive training or simply to interact with other people. Proxy advisors have not been oblivious to this tendency, which, following a case-by-case analysis, have started to be open to the possibility of holding meetings exclusively by remote means.

- (ii) Regulatory evolution: the evolution of company regulations has not been oblivious to this reality, to the extent that the regulations of temporary nature issued as a consequence of the pandemic even allowed the holding of meetings exclusively by remote means, as was the case of the general meeting held on 3 April 2020. Although this provision, which allowed the holding of general meetings in this way even to companies that, unlike the Bank, did not have bylaw provisions permitting the attendance by remote means, is no longer in effect, it can be expected that, within the context of the transposition of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement, which is now going through the parliamentary procedure, there will be an enabling provision, apart from temporary or exceptional regulations associated with the pandemic, so that general meetings can be held exclusively by remote means. This is contemplated in one of the amendments to the bill submitted by the Government.

Moreover, this is already allowed in other legal systems and is likely to become a reality in Spain at some point in the future. For this reason, the proposed bylaw amendment allowing the Bank's shareholders' meetings to be held exclusively by remote means is subject to this possibility being allowed under the applicable legal provisions and subject to the conditions laid down in said provisions.

- (iii) Digitalisation of the Santander Group: this proposal is part of the process of accelerating the Group's digitalisation and the Bank's ongoing efforts to remain at the forefront of both its core business and its relationship with shareholders and investors. In 2004 Banco Santander was one of the first Spanish companies to allow not only electronic proxy granting and voting, but also attendance at meetings through real-time remote means of communication. Since then, Banco Santander has made available to its shareholders a

remote attendance application, developed by the Bank itself, which ensures that the shareholders are able to fully exercise their rights to remotely attend and participate in general meetings in real time.

Allowing meetings to be held exclusively by remote means is one more step in the Bank's ongoing digitalisation process in all areas.

(iv) Guarantee and protection of shareholder rights: the remote attendance application developed by the Bank, which has been used by the shareholders since the 2005 ordinary general meeting, offers the same opportunities to participate in general meetings as if attending in person, and they can therefore:

- view the entire meeting during its live broadcast,

- cast votes,
- make presentations,
- make proposals and
- send communications to the Notary.

The best proof of this is that the attendance and participation figures for the general meeting held exclusively by remote means on 3 April 2020 do not differ substantially from those recorded at the general meetings held in hybrid format on 27 October 2020, 12 April 2019 and 23 March 2018.

	<b>Ordinary general meeting of October 2020 (hybrid)</b>	<b>Ordinary general meeting of April 2020 (exclusively remote)</b>	<b>Ordinary general meeting of April 2019 (hybrid)</b>	<b>Ordinary general meeting of March 2018 (hybrid)</b>
% of shareholders present in person or by proxy	60.342%	65.005%	68.505%	64.547%
Presentations made by those attending the meeting	14	23	38	36
Communications to the notary made by those attending the meeting	2	4	1	0
Proposed resolutions not on the agenda submitted by attendees and voted on at the general meeting	15	16	15	14

The attendance and participation figures of the general meeting held exclusively by remote means on the last 3 April 2020 –very similar, as mentioned, to those of any other shareholders' meeting held not

only by remote means– further prove that the means made available by the Bank to its shareholders (or their representatives) to attend and participate at the meeting remotely are appropriate.

Furthermore, the resources that the Bank makes available to its shareholders (and their representatives), together with the experience and expertise acquired, ensure that shareholders' rights are respected and satisfied and their informed participation. For instance, the Bank has been adopting the following measures so that shareholders (or their representatives) have at all times the necessary information to attend and participate at the shareholders' meeting by electronic means:

- The remote attendance system allows shareholders (or their representatives) to follow the meeting live, through audio or video, participate in writing, view the participations of the rests of attendees, cast their votes in real time, whether on items on the agenda or those which, as prescribed by law, are raised at the shareholders' meeting itself and are not on the agenda, as well as interact with the notary public who is recording the minutes of the meeting.
- The notice of the call to the meeting sets out the procedures and rules for remote attendance, developing the regulation in the Additional Provision of the Rules and Regulations for the General Shareholders' Meeting.

Among other items, the notice of the call to the meeting informs shareholders about the following matters:

- how long before the start of the meeting a shareholder (or his or her representative) who wishes to attend the shareholders' meeting must connect in order to be deemed present;
- how attendants can participate at the meeting and until when they can do so; and
- the rules on voting the items that are put to vote.

- Since the date of the call of the meeting and until it is held, shareholders are provided a contact email address and telephone number to request further information or to resolve doubts about attending the meeting remotely. These contact details are provided in several documents available to shareholders, including the notice of call to the meeting.
- Since 2020, an explanatory guide that sets out, including screen examples and using plain language, the procedure that shareholders (or their representatives) must abide by to attend and participate at the meeting by electronic means is available on the corporate website.
- The website also includes, in addition to the guide, a document with FAQs that sets out information regarding the remote attendance to meetings.
- Shareholders (or their representatives) are kindly asked to confirm their intention to remotely attend the meeting by email in order to ensure the quality of the connection of the remote channel of attendance to the meeting and to provide them with the explanatory guide to facilitate the connection and their participation at the meeting.
- Shareholders need not download or install any app or software to attend the general meeting remotely. This can be done through the browser on any computer device, through mobile devices as the website has been optimised to this end.
- A telephone helpline is available to shareholders (or their representatives) to help them connect and register on the day of the meeting.
- The shareholders' meeting is broadcast live in Spanish and English and in sign language for those who have hearing impairments.

In addition to the above, note that, historically, the proposed resolutions submitted for approval at the shareholders' meeting of the Bank have had high levels of support, being approved, in general terms,

with very large majorities, which shows that the Bank is actively engaged and in close and permanent contact with all its shareholders (both institutional and minority shareholders).

Finally and in keeping with the above, the proposed amendment expressly includes as a condition for holding general meetings solely by remote means that all attendees, complying with the requirements established in each case, be able to participate effectively in the meeting by any remote means of communication permitted by applicable law from time to time, in line furthermore with the Additional Provision of the Rules and Regulations of the General Shareholders' Meeting.

- (v) Greater flexibility: the ability to hold general meetings exclusively by remote means gives the Bank greater flexibility, which can be very useful in situations where it is advisable to hold them in this format, for example due to restrictions on free movement or on meetings like those imposed by the authorities in recent months due to the health crisis. Similarly, the ability to hold meetings exclusively by remote means can facilitate the organisation and holding of not only ordinary meetings but also extraordinary meetings that need to be prepared at short notice, minimising the logistical constraints and travel requirement of holding a meeting in person.
- (vi) Efficiency: meetings held exclusively by remote means can be organised in a more streamlined and cost-effective way than in-person or physical meetings, which is clear for companies such as the Bank with millions of shareholders. This can be to the advantage of both the Bank and the shareholders themselves, without undermining the latter's rights or opportunities to participate.
- (vii) Specific and more protective regulation of the right to receive information: the proposal also includes a specific regulation governing the right to receive information exercised by those attending the meeting remotely in real time, which is on a par with the existing regulation for those attending in person, thus going beyond what is currently provided for by law, to the benefit of the shareholders. To this end, it is expected that, instead of answering these requests for information within seven days of the meeting, as provided for in the current section 182 of the Spanish Capital Corporations Law, they will be dealt with, as far as possible, at the meeting itself, as is generally the case with requests made by those attending the

meeting in person. Also included is a provision to the effect that requests for information answered after the meeting because the information is not available while the meeting is being held will be published on the corporate website for the general information of all shareholders.

Likewise, and as the Bank already does, the valid requests for information, clarification or questions asked by shareholders exercising their right to receive information prior to the shareholders' meeting and any answers provided by the directors, will be disclosed on the Bank's corporate website.

The text of the proposed bylaw amendments has been divided into four items on the agenda (Five A, Five B, Five C and Five D) for purposes of the vote thereon. Each one of them corresponds to a block of articles, separated by subject matter:

- (i) The first block (corresponding to item Five A of the agenda) consists of the proposed amendment regarding article 18 (*convertible and exchangeable debentures*) and article 20 (*distribution of powers*), as regard to the bylaw provisions relating to the issuance of debentures by the Company.
- (ii) The second block (corresponding to item Five B of the agenda) consists of the proposed amendment regarding article 20 (*distribution of power*), as regard to the bylaw provisions relating to compensation linked to the Company shares.
- (iii) The third block (corresponding to item Five C of the agenda) encompasses the proposed amendments that concern the participation of the shareholders in the general meeting prior to the holding thereof. This block includes the proposed amendments of articles 27 (*attendance at the general shareholders' meeting by proxy*) and 34 (*distance voting*).
- (iv) Finally, the fourth block (corresponding to item Five D of the agenda) encompasses the proposed amendments that concern remote attendance at the meeting and the call to and holding of meetings exclusively by remote means. This block includes the proposed amendment to article 34 (*distance voting*) and the insertion of a new article 34 *bis* (*remote shareholders' meeting*).

It is stated for the record that, pursuant to the provisions of section 4.2.c) of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, and of 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 amendments of bylaw provisions covered by this report are subject to receipt of the applicable regulatory approval.

For easier identification and understanding of the proposed amendments, attached to this report as an Exhibit, for information purposes only, is a table providing a comparative view of the bylaw provisions proposed to be amended: the column on the left contains a transcription of the text currently in force, and the column on the right, the text of the proposed amendment.

**EXHIBIT**

**COMPARATIVE INFORMATION REGARDING THE PROVISIONS OF THE BYLAWS PROPOSED TO BE AMENDED**

CURRENT TEXT	PROPOSED AMENDMENT
Bylaw amendments proposed under items Five A and Five B of the agenda	
<p><b>Article 18. Convertible and exchangeable debentures</b></p> <ol style="list-style-type: none"> <li>1. Convertible and/or exchangeable debentures may be issued at a fixed (determined or determinable) or variable exchange ratio.</li> <li>2. The pre-emptive rights of the shareholders in connection with the issuance of convertible debentures may be excluded as provided by law.</li> <li>3. The shareholders acting at a general shareholders' meeting may delegate to the board of directors the power to issue simple or convertible and/or exchangeable debentures, including, if applicable, the power to exclude preemptive rights. The board of directors may make use of this delegation on one or more occasions within a maximum period of five years. The shareholders acting at a general shareholders' meeting may also authorize the board of directors to determine the time when the issuance approved is to be carried out and to set the other terms not specified in the resolution of the shareholders.</li> </ol>	<p><b>Article 18. Convertible <del>and</del> exchangeable debentures</b></p> <ol style="list-style-type: none"> <li>1. Convertible <del>and/or</del> exchangeable debentures may be issued at a fixed (determined or determinable) or variable exchange ratio.</li> <li>2. The pre-emptive rights of the shareholders in connection with the issuance of convertible debentures may be excluded as provided by law.</li> <li>3. The shareholders acting at a general shareholders' meeting may delegate to the board of directors the power to issue <del>simple or</del> convertible <del>and/or</del> exchangeable debentures, including, if applicable, the power to exclude preemptive rights. The board of directors may make use of this delegation on one or more occasions within a maximum period of five years. The shareholders acting at a general shareholders' meeting may also authorize the board of directors to determine the time when the issuance approved is to be carried out and to set the other terms not specified in the resolution of the shareholders.</li> </ol>
<p><b>Article 20. Distribution of powers</b></p> <ol style="list-style-type: none"> <li>1. The corporate decision-making bodies of the Company are the shareholders acting at a general shareholders' meeting and the board of directors.</li> <li>2. The general shareholders' meeting has the power to decide on all matters assigned to it by the law or the bylaws. Specifically and merely by way of example, it has the following powers: <ol style="list-style-type: none"> <li>(i) To appoint and remove the directors and to ratify or revoke the interim appointments of such directors made by the board itself, as well as to examine and approve their</li> </ol> </li> </ol>	<p><b>Article 20. Distribution of powers</b></p> <ol style="list-style-type: none"> <li>1. The corporate decision-making bodies of the Company are the shareholders acting at a general shareholders' meeting and the board of directors.</li> <li>2. The general shareholders' meeting has the power to decide on all matters assigned to it by the law or the bylaws. Specifically and merely by way of example, it has the following powers: <ol style="list-style-type: none"> <li>(i) To appoint and remove the directors and to ratify or revoke the interim appointments of such directors made by the board itself, as well as to examine and approve their</li> </ol> </li> </ol>

performance and to exempt the directors from the legal prohibitions regarding conflicts of interest when the law necessarily assigns such power to the shareholders at the general shareholders' meeting;

- (ii) To appoint and remove the external auditor and liquidators;
- (iii) To commence claims for liability against directors, liquidators and the external auditor;
- (iv) To approve, if appropriate, the annual accounts and corporate management and adopt resolutions on the allocation of results, as well as to approve, also if appropriate, the consolidated annual accounts;
- (v) To adopt resolutions on the issuance of debentures or other fixed-income securities, any capital increase or reduction, the transformation, merger or split off, the overall assignment of assets and liabilities, the relocation of the registered office abroad and the dissolution of the Company and, in general, any amendment of the bylaws, except when the law assigns such power to the directors with respect to any of the aforementioned matters;
- (vi) To authorize the board of directors to increase the share capital, pursuant to the provisions of the Spanish Capital Corporations Law and of these bylaws;
- (vii) To authorize the acquisition of the Company's own stock;
- (viii) To decide on the exclusion or limitation of pre-emptive rights, without prejudice to the possibility of delegating this power to the directors as provided by law;
- (ix) To decide upon matters submitted to the shareholders at the general shareholders' meeting by resolution of the board of directors;

performance and to exempt the directors from the legal prohibitions regarding conflicts of interest when the law necessarily assigns such power to the shareholders at the general shareholders' meeting;

- (ii) To appoint and remove the external auditor and liquidators;
- (iii) To commence claims for liability against directors, liquidators and the external auditor;
- (iv) To approve, if appropriate, the annual accounts and corporate management and adopt resolutions on the allocation of results, as well as to approve, also if appropriate, the consolidated annual accounts
- (v) To adopt resolutions on the issuance of debentures or other fixed-income securities **that are convertible into shares of the Company**, any capital increase or reduction, the transformation, merger or split off, the overall assignment of assets and liabilities, the relocation of the registered office abroad and the dissolution of the Company and, in general, any amendment of the bylaws, except when the law assigns such power to the directors with respect to any of the aforementioned matters;
- (vi) To authorize the board of directors to increase the share capital, pursuant to the provisions of the Spanish Capital Corporations Law and of these bylaws;
- (vii) To authorize the acquisition of the Company's own stock;
- (viii) To decide on the exclusion or limitation of pre-emptive rights, without prejudice to the possibility of delegating this power to the directors as provided by law;
- (ix) To decide upon matters submitted to the shareholders at the general shareholders' meeting by resolution of the board of directors;

<p>(x) To approve the director remuneration policy as provided by law and to decide on the application of compensation systems consisting of the delivery of shares or rights thereto, as well as any other compensation system referenced to the value of the shares, regardless of who the beneficiary of such compensation systems may be;</p> <p>(xi) To approve the transfer to subsidiaries of the essential activities carried out until that time by the Company itself, though it retains full ownership thereof;</p> <p>(xii) To approve the acquisition, disposition or contribution to another company of essential operating assets; and</p> <p>(xiii) To approve transactions whose effect is tantamount to the liquidation of the Company. For purposes of the provisions in sub-sections (xi) and (xii), the asset or activity shall be presumed essential if the amount of the transaction exceeds twenty-five percent of the value of the assets as recorded in the last balance sheet.</p> <p>3. The powers not assigned by law or the bylaws to the shareholders acting at a general shareholders' meeting shall be exercised by the board of directors.</p>	<p>(x) To approve the director remuneration policy as provided by law and to decide on the application of compensation systems consisting of the delivery of shares or rights thereto, as well as any other compensation system referenced to the value of the shares, <b><u>when the beneficiaries of such compensation systems are directors of the Bank; regardless of who the beneficiary of such compensation systems may be;</u></b></p> <p>(xi) To approve the transfer to subsidiaries of the essential activities carried out until that time by the Company itself, though it retains full ownership thereof;</p> <p>(xii) To approve the acquisition, disposition or contribution to another company of essential operating assets; and</p> <p>(xiii) To approve transactions whose effect is tantamount to the liquidation of the Company. For purposes of the provisions in sub-sections (xi) and (xii), the asset or activity shall be presumed essential if the amount of the transaction exceeds twenty-five percent of the value of the assets as recorded in the last balance sheet.</p> <p>3. The powers not assigned by law or the bylaws to the shareholders acting at a general shareholders' meeting shall be exercised by the board of directors.</p>
<p>Bylaw amendments proposed under items Five C and Five D of the agenda</p>	
<p><b>Article 27. Attendance at the general shareholders' meeting by proxy</b></p> <p>1. All shareholders having the right to attend the meeting may be represented at a general shareholders' meeting by giving their proxy to another person, even if such person is not a shareholder. The proxy shall be granted in writing or by electronic means.</p> <p>2. Proxies shall be granted specially for each meeting, except where the representative is the spouse or an ascendant or descendant of the shareholder giving the proxy, or where the proxy-holder holds a general power of attorney executed as a public instrument</p>	<p><b>Article 27. Attendance at the general shareholders' meeting by proxy</b></p> <p>1. All shareholders having the right to attend the meeting may be represented at a general shareholders' meeting by giving their proxy to another person, even if such person is not a shareholder. The proxy shall be granted in writing or by electronic means.</p> <p>2. Proxies shall be granted specially for each meeting, except where the representative is the spouse or an ascendant or descendant of the shareholder giving the proxy, or where the proxy-holder holds a general power of attorney executed as a public instrument</p>

with powers to manage the assets of the represented party in the Spanish territory.

3. If the directors or another person acting on behalf or in the interest of any of them have made a public solicitation for proxies, the director or other person obtaining such proxy may not exercise the voting rights attaching to the represented shares in connection with any items in respect of which the director or such other person is subject to a conflict of interest, and in any event in connection with decisions relating to (i) his appointment, re-election or ratification, removal, dismissal or withdrawal as director, (ii) the institution of a derivative action [*acción social de responsabilidad*] against him, or (iii) the approval or ratification of transactions between the Company and the director in question, companies controlled or represented by him, or persons acting for his account. The foregoing provisions shall not apply to those cases in which a director has received precise voting instructions from the represented party with respect to each of the items submitted to the shareholders at the general shareholders' meeting, as provided by the Spanish Capital Corporations Law.

In contemplation of the possibility that a conflict arises, a proxy may be granted to another person in the alternative.

4. If the proxy has been obtained by means of public solicitation, the document evidencing the proxy must contain or have the agenda attached thereto, as well as the solicitation of instructions for the exercise of voting rights and the way in which the proxy-holder will vote in the event that specific instructions are not given, subject in all cases to the provisions of the law.

5. When a proxy is granted or notified to the Company by remote means of communication, it shall only be deemed valid if the grant is made:

- a) by hand-delivery or postal correspondence, sending the Company the duly signed and completed attendance and proxy card, or by other written means that, in the judgment of the board of directors recorded in a resolution adopted for such purpose, allows for due confirmation of the identity of the shareholder granting the proxy and of the representative being appointed, or

with powers to manage the assets of the represented party in the Spanish territory.

3. If the directors or another person acting on behalf or in the interest of any of them have made a public solicitation for proxies, the director or other person obtaining such proxy may not exercise the voting rights attaching to the represented shares in connection with any items in respect of which the director or such other person is subject to a conflict of interest, and in any event in connection with decisions relating to (i) his appointment, re-election or ratification, removal, dismissal or withdrawal as director, (ii) the institution of a derivative action [*acción social de responsabilidad*] against him, or (iii) the approval or ratification of transactions between the Company and the director in question, companies controlled or represented by him, or persons acting for his account. The foregoing provisions shall not apply to those cases in which a director has received precise voting instructions from the represented party with respect to each of the items submitted to the shareholders at the general shareholders' meeting, as provided by the Spanish Capital Corporations Law.

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b) by electronic correspondence or communication with the Company, including an electronic copy of the attendance and proxy card; such electronic copy shall specify the representation being granted and the identity of the party represented, and shall include the electronic signature or other form of identification of the shareholder being represented, in accordance with the conditions set by the board of directors recorded in a resolution adopted for such purpose in order to ensure that this system of representation includes adequate assurances regarding authenticity and the identity of the shareholder represented.

6. In order to be valid, a proxy granted or notified by any of the foregoing means of remote communication must be received by the Company before midnight of the third day prior to the date the shareholders' meeting is to be held on first call. In the resolution approving the call to the meeting in question, the board of directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting. Pursuant to the provisions of Article 34.5 below, the board may further develop the foregoing provisions regarding proxies granted by remote means of communication.

7. A proxy is always revocable. In order to be enforceable, the revocation of a proxy must be notified to the Company by complying with the same requirements established for notification of the appointment of a representative or otherwise result from application of the rules of priority among proxy-granting, distance voting and personal attendance at the meeting that are set forth in the respective announcement of the call to meeting. In particular, attendance at the shareholders' meeting, whether physically or by casting a distance vote, shall entail the revocation of any proxy that may have been granted, regardless of the date thereof. A proxy shall also be rendered void by any transfer of shares of which the Company becomes aware.

8. The proxy may include items which, even if not included in the agenda, may be discussed at the shareholders' meeting because the law so permits. If the proxy does not include such items, it shall be deemed that the shareholder granting the proxy

b) by electronic correspondence or communication with the Company, including an electronic copy of the attendance and proxy card; such electronic copy shall specify the representation being granted and the identity of the party represented, and shall include the electronic signature or other form of identification of the shareholder being represented, in accordance with the conditions set by the board of directors recorded in a resolution adopted for such purpose in order to ensure that this system of representation includes adequate assurances regarding authenticity and the identity of the shareholder represented.

6. In order to be valid, a proxy granted or notified by any of the foregoing means of remote communication must be received by the Company before midnight of the third **working** day prior to the date the shareholders' meeting is to be held on first call, **with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office.** In the resolution approving the call to the meeting in question, the board of directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting. Pursuant to the provisions of Article 34.5 below, the board may further develop the foregoing provisions regarding proxies granted by remote means of communication.

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instructs his representative to abstain when such items are put to the vote.

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#### Article 34. Distance voting

1. Shareholders entitled to attend and to vote may cast their vote on proposals relating to items on the agenda for any general shareholders' meeting by the following means:

(i) by hand-delivery or postal correspondence, sending the Company the duly signed attendance and voting card (together with the ballot form, if any, provided by the company), or other written means that, in the judgment of the board of directors recorded in a resolution adopted for such purpose, allows for the due verification of the identity of the shareholder exercising his voting rights; or

(ii) by electronic correspondence or communication with the Company, which shall include an electronic copy of the attendance and voting card (together with the ballot form, if any, provided by the Company); such electronic copy shall include the shareholder's electronic signature or other form of identification of the shareholder, in accordance with the conditions set by the board of directors recorded in a resolution adopted for such purpose to ensure that this voting system includes adequate assurances regarding authenticity and the identity of the shareholder exercising his vote.

2. In order to be valid, a vote cast by any of the aforementioned means must be received by the Company before midnight on the third day prior to the date the shareholders' meeting is to be held on first call. Otherwise, the vote shall be deemed not to have been cast. The board of directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting.

3. Shareholders casting their vote from a distance pursuant to the provisions of this article shall be

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(ii) by electronic correspondence or communication with the Company, which shall include an electronic copy of the attendance and voting card (together with the ballot form, if any, provided by the Company); such electronic copy shall include the shareholder's electronic signature or other form of identification of the shareholder, in accordance with the conditions set by the board of directors recorded in a resolution adopted for such purpose to ensure that this voting system includes adequate assurances regarding authenticity and the identity of the shareholder exercising his vote.

2. In order to be valid, a vote cast by any of the aforementioned means must be received by the Company before midnight on the third **working** day prior to the date the shareholders' meeting is to be held on first call, **with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office.** Otherwise, the vote shall be deemed not to have been cast. The board of directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting.

3. Shareholders casting their vote from a distance pursuant to the provisions of this article shall be

deemed present for the purposes of constituting a quorum for the general shareholders' meeting in question. Therefore, any proxies granted prior to the casting of such vote shall be deemed revoked and any such proxies thereafter granted shall be deemed not to have been granted.

4. Any vote cast from a distance as set forth in this article shall be rendered void by physical attendance at the Meeting by the shareholder who cast such vote or by a transfer of shares of which the Company becomes aware.
5. The board of directors may expand upon the foregoing provisions, establishing such instructions, rules, means and procedures to document the casting of votes and grant of proxies by remote means of communication as may be appropriate, in accordance with the state of technology and conforming to any regulations issued in this regard and to the provisions of these bylaws. Furthermore, in order to prevent potential deception, the board of directors may take any measures required to ensure that anyone who has cast a distance vote or granted a proxy is duly empowered to do so pursuant to the provisions of these bylaws. Any implementing rules adopted by the board of directors pursuant to the provisions hereof shall be published on the Company's website.
6. Remote attendance at the shareholders' meeting via simultaneous teleconference and the casting of a remote, electronic vote shall be governed by the rules and regulations for the general meeting.

The rules and regulations for the general meeting may give the board of directors the power to set regulations regarding all required procedural aspects, including, among other issues, how early a shareholder must connect in order to be deemed present, the procedure and rules applicable for shareholders attending remotely to exercise their rights, the length of the period, if any, prior to the meeting within which those who will attend by means of data transmission must send their participation statements and proposed resolutions, the identification that may be required of such remote attendees, and their impact on how the list of attendees is compiled, all in compliance with the Law, the bylaws and the rules and regulations for the general shareholders' meeting.

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6. **~~Remote attendance at the shareholders' meeting via simultaneous teleconference and the casting of a remote, electronic vote shall be governed by the rules and regulations for the general meeting.~~**

**~~The rules and regulations for the general meeting may give the board of directors the power to set regulations regarding all required procedural aspects, including, among other issues, how early a shareholder must connect in order to be deemed present, the procedure and rules applicable for shareholders attending remotely to exercise their rights, the length of the period, if any, prior to the meeting within which those who will attend by means of data transmission must send their participation statements and proposed resolutions, the identification that may be required of such remote attendees, and their impact on how the list of attendees is compiled, all in compliance with the Law, the bylaws and the rules and regulations for the general shareholders' meeting.~~**

**Article 34 bis. Remote shareholders' meeting**

1. Attendance at the shareholders' meeting by remote and simultaneous means and the casting of a remote electronic vote during the meeting shall be governed by the rules and regulations for the general meeting.

The rules and regulations for the general meeting may give the board of directors the power to set regulations regarding all required procedural aspects, including, among other issues, how early a shareholder must connect in order to be deemed present, the procedure and rules applicable for shareholders attending remotely to exercise their rights, the length of the period, if any, prior to the meeting within which those who will attend remotely must send their presentations and proposed resolutions, the identification that may be required of such remote attendees, and their impact on how the list of attendees is compiled, all in compliance with the law, the bylaws and the rules and regulations for the general shareholders' meeting.

2. In addition, when permitted by applicable legal provisions and subject to the conditions established therein, general shareholders' meetings may be called to be held exclusively by remote means, without the physical attendance of shareholders or their representatives.

A meeting can be held exclusively by remote means only if the identity and standing of the shareholders and their representatives are duly guaranteed and if all attendees are able to participate effectively in the meeting by the remote means of communication allowed by applicable legal provisions from time to time in effect, both to exercise in real time their rights to make presentations, receive information, make proposals and vote, as well as to follow the presentations of the other attendees by the means made available, based on the state of the art and the Company's circumstances, particularly the number of shareholders. The provisions of section 1 above shall also apply. The members of the board of directors may attend the meeting by remote connection or, as the case may be, from the actual place where it is broadcast.

**The announcement of the call to meeting shall state the reasons for holding the meeting exclusively by remote means and 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 proceedings of the meeting to be accurately reflected in the minutes.**

**3. Replies to shareholders or their representatives attending the meeting through real-time remote means of communication who exercise their right to request information during the meeting shall be provided during the meeting, unless it is not possible to do so at that time, in which case the directors shall be required to provide the information requested in writing within seven days of the close of the meeting. In the latter case, the answers provided shall be published on the corporate website**

#### Proposals<sup>1</sup>:

##### Five A

As regards the bylaw provisions regarding the issue of debentures by the Company, it is hereby resolved to include the following amendments to the Bylaws:

- (i) To amend article 18 of the Bylaws, which shall hereafter read as follows:

##### **"Article 18. Convertible debentures**

1. *Convertible debentures may be issued at a fixed (determined or determinable) or variable exchange ratio.*
2. *The pre-emptive rights of the shareholders in connection with the issuance of convertible debentures may be excluded as provided by law.*
3. *The shareholders acting at a general shareholders' meeting may delegate*

*to the board of directors the power to issue convertible debentures, including, if applicable, the power to exclude preemptive rights. The board of directors may make use of this delegation on one or more occasions within a maximum period of five years. The shareholders acting at a general shareholders' meeting may also authorize the board of directors to determine the time when the issuance approved is to be carried out and to set the other terms not specified in the resolution of the shareholders."*

- (ii) To amend paragraph (v) of section 2 of article 20 of the Bylaws, without changing the other sections and paragraphs of said article (without prejudice to the proposal made under item Five B), such that paragraph (v) of section 2 of article 20 shall hereafter read as follows:

*"(v) To adopt resolutions on the issuance of debentures or other fixed-income securities that are convertible into shares of the Company, any capital increase or reduction, the transformation, merger or split off,*

<sup>1</sup> Each of the proposals made under items Five A, Five B, Five C and Five D will be submitted to a separate vote.

*the overall assignment of assets and liabilities, the relocation of the registered office abroad and the dissolution of the Company and, in general, any amendment of the bylaws, except when the law assigns such power to the directors with respect to any of the aforementioned matters;"*

## **Five B**

As regards the bylaw provisions concerning the compensation linked to the shares of the Company, it is hereby resolved to amend paragraph (x) of section 2 of article 20 of the Bylaws, without changing the other sections and paragraphs of said article (without prejudice to the proposal made under item Five A), such that paragraph (x) of section 2 of article 20 shall hereafter read as follows:

*"(x) To approve the director remuneration policy as provided by law and to decide on the application of compensation systems consisting of the delivery of shares or rights thereto, as well as any other compensation system referenced to the value of the shares, when the beneficiaries of such compensation systems are directors of the Bank;"*

## **Five C**

As regards the bylaw provisions concerning the remote participation of the shareholders in the general meeting prior to the holding thereof, it is hereby resolved to include the following amendments to the Bylaws:

(i) To amend section 6 of article 27 of the Bylaws, without changing the other sections of such article, such that said section 6 of article 27 shall hereafter read as follows:

*"6. In order to be valid, a proxy granted or notified by any of the foregoing means of remote communication must be received by the Company before midnight of the third working day prior to the date the shareholders' meeting is to be held on first call, with working*

*days being understood as Monday to Friday on days that are not public holidays at the place of the registered office. In the resolution approving the call to the meeting in question, the board of directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting. Pursuant to the provisions of Article 34.5 below, the board may further develop the foregoing provisions regarding proxies granted by remote means of communication."*

(ii) To amend section 2 of article 34 of the Bylaws, without changing the other sections of such article (without prejudice to the proposal made under item Five D), such that said section 2 of article 34 shall hereafter read as follows:

*"2. In order to be valid, a vote cast by any of the aforementioned means must be received by the Company before midnight on the third working day prior to the date the shareholders' meeting is to be held on first call, with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office. Otherwise, the vote shall be deemed not to have been cast. The board of directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting."*

## **Five D**

As regards the bylaw provisions regarding attendance at the meeting by remote means and the call to and holding of meetings exclusively by remote means, it is hereby resolved to include the following amendments to the Bylaws:

(i) To eliminate section 6 of article 34 of the Bylaws, without changing the other sections of such article (without prejudice to the proposal made under item Five B).

- (ii) To insert after article 34 a new article 34 bis in the Bylaws, which shall read as follows:

**"Article 34 bis. Remote shareholders' meeting**

1. Attendance at the shareholders' meeting by remote and simultaneous means and the casting of a remote electronic vote during the meeting shall be governed by the rules and regulations for the general meeting.

*The rules and regulations for the general meeting may give the board of directors the power to set regulations regarding all required procedural aspects, including, among other issues, how early a shareholder must connect in order to be deemed present, the procedure and rules applicable for shareholders attending remotely to exercise their rights, the length of the period, if any, prior to the meeting within which those who will attend remotely must send their presentations and proposed resolutions, the identification that may be required of such remote attendees, and their impact on how the list of attendees is compiled, all in compliance with the law, the bylaws and the rules and regulations for the general shareholders' meeting.*

2. In addition, when permitted by applicable legal provisions and subject to the conditions established therein, general shareholders' meetings may be called to be held exclusively by remote means, without the physical attendance of shareholders or their representatives.

*A meeting can be held exclusively by remote means only if the identity and standing of the shareholders and their representatives are duly guaranteed and if all attendees are able to participate effectively in the meeting by the remote means of communication allowed by applicable legal provisions from time to time in effect, both to exercise in real time*

*their rights to make presentations, receive information, make proposals and vote, as well as to follow the presentations of the other attendees by the means made available, based on the state of the art and the Company's circumstances, particularly the number of shareholders. The provisions of section 1 above shall also apply. The members of the board of directors may attend the meeting by remote connection or, as the case may be, from the actual place where it is broadcast.*

*The announcement of the call to meeting shall state the reasons for holding the meeting exclusively by remote means and 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 proceedings of the meeting to be accurately reflected in the minutes.*

3. Replies to shareholders or their representatives attending the meeting through real-time remote means of communication who exercise their right to request information during the meeting shall be provided during the meeting, unless it is not possible to do so at that time, in which case the directors shall be required to provide the information requested in writing within seven days of the close of the meeting. In the latter case, the answers provided shall be published on the corporate website."

Pursuant to the provisions of 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 foregoing proposed bylaw amendments are subject to receipt of the applicable regulatory approval.

**Item Six Amendment of the following articles of the Rules and Regulations for the General Shareholders' Meeting:**

**Six A. Amendment of article 2 (General Shareholders' Meeting), relating to the powers of the shareholders at a general meeting (issuance of debentures).**

**Six B. Amendment of article 2 (General Shareholders' Meeting), relating to the powers of the shareholders at a general meeting (share-based compensation).**

**Six C. Amendment of article 8 (proxies), relating to proxy representation at a general meeting.**

**Six D. Amendment of article 20 (voting by distance means of communication), relating to the means for distance voting.**

**Six E. Amendment of article 26 (publication of resolutions), relating to publication of the resolutions approved at the general meeting.**

PROPOSAL SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING ITEM SIX OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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Submitted for the approval of the shareholders under item Six of the agenda for the general shareholders' meeting of Banco Santander, S.A. (the **"Bank"** or the **"Company"**) are: (i) the amendment of article 2 (section 2.VI) of the Rules and Regulations for the General Shareholders' Meeting (item Six A); (ii) the amendment of article 2 (section 2.XII) of the Rules and Regulations for the General Shareholders' Meeting (item Six B); (iii) the amendment of article 8 of the Rules and Regulations for the General Shareholders' Meeting (item Six C); (iv) the amendment of article 20 (section 1) of the Rules and Regulations for the General Shareholders' Meeting (item Six D); and (v) the amendment of article 26 of said Rules and Regulations (item Six E).

Said proposed amendment is due to the advisability of (i) aligning the text of the Rules and Regulations for the General Shareholders' Meeting with the amendments of the Bylaws also proposed by the board of directors; (ii) including

a technical specification in the regulatory regulation in relation to the mechanisms for proxy-granting and distance voting to make explicit that they may also be conferred and cast by telephone when such possibility is contemplated in the corresponding announcement of the call to the meeting; and (iii) including additional technical improvements.

First, under item Six A of the agenda, it is proposed to amend subsection VI of section 2 of article 2 of the Rules and Regulations for the Meeting, to specify that the issue of debentures and other fixed-income securities is within the purview of the shareholders acting at a general shareholders' meeting only when they are convertible into shares of the Company. Like the amendment of section 2.(v) of article 20 of the Bylaws proposed under item Five A, this is intended to give the Bank's board of directors the power to issue non-convertible debentures.

Second, under item Six B of the agenda, it is proposed to amend subsection XII of section 2 of article 2 of the Rules and Regulations for the Meeting to clarify that the power to decide on the application of compensation systems consisting of the delivery of shares or rights thereto, as well as any other compensation system referencing the value of the shares falls under the purview of the shareholders acting at a general meeting only when the beneficiaries of such compensation systems are directors of the Bank. The purpose of this amendment, similarly to that of section 2.(x) of article 20 of the Bylaws under item Five B, is to give the board of directors of the Bank the power to decide on the application of compensation systems consisting of the delivery of shares or rights thereto, as well as any other compensation system referenced to the value of the shares, when the beneficiaries of such compensation systems are not directors of the Bank, which, in accordance with the current text of the Bylaws and the Rules and Regulations for the Meeting, is within the purview of the shareholders acting at a general meeting.

Third, under item Six C of the agenda, it is proposed to amend article 8 of the Rules and Regulations for the Meeting in order to specify that electronic correspondence or communication may include telephone communication when the corresponding announcement of the call to meeting provides for such possibility. Therefore, as was already the case, a proxy for the general meeting granted by telephone shall be deemed, for purposes of applying the Bank's rules for remote participation, to have been granted by electronic correspondence or communication with the Company.

Likewise, under item Six D of the agenda, it is proposed to amend article 20 (section 1) of the Rules and Regulations

for the Meeting in order to make the same technical specification, on the same terms, clarifying that electronic votes can be cast by telephone.

With these two amendments, which are merely technical and explanatory, telephone communication is expressly considered as an electronic means of communication for the purposes of proxy-granting or voting prior to the meeting. This has been the case in relation to past meetings, in which telephone communication has been enabled as one more of the channels for electronic communication through which shareholders have been able to participate, all with the aim of facilitating and encouraging their engagement in the matters submitted at the general meeting. This channel for electronic participation must in any event be provided for in the corresponding announcement of the call to meeting in order to be viable. At the same time, in both provisions of the Rules and Regulations and in line with what has already been proposed for the Bylaws, the advance period required for receipt of proxies granted and votes cast from a distance is set at three working days, although the board of directors may reduce this period for any general meeting.

Finally, under item Six E of the agenda it is proposed to amend article 26 to remove the reference to "*significant event*" (*hecho relevante*) appearing therein, as this term is no longer appropriate after the amendment of the restated text of the Securities Market Act (*Ley del Mercado de Valores*) implemented by Royal Decree-law 19/2018 of 23 November on payment services and other urgent financial measures. Upon communication of the text of the resolutions approved at each meeting, an analysis will be made of whether the information in question constitutes inside information (*información privilegiada*) or other relevant information (*otra información relevante*), in order to present it under the procedure that is appropriate in each case.

For easier identification and understanding of the proposed amendments, attached to this proposal as an Exhibit, for information purposes only, is a table providing a comparative view of the provisions of the Rules and Regulations for the Meeting proposed to be amended: the column on the left contains a transcription of the text currently in force, and the column on the right, the text of the proposed amendment.

**EXHIBIT**

**COMPARATIVE INFORMATION REGARDING THE PROVISIONS OF THE RULES AND REGULATIONS FOR THE GENERAL SHAREHOLDERS' MEETING PROPOSED TO BE AMENDED**

CURRENT TEXT	PROPOSED AMENDMENT
Amendments proposed under items Six A and Six B of the agenda	
<p><b>Article 2. General Shareholders' Meeting</b></p> <p>1. The shareholders acting at a General Shareholders' Meeting constitute the sovereign decision-making body of the Company in those matters within their power.</p> <p>2. Pursuant to the provisions of the Bylaws, the shareholders at a General Shareholders' Meeting may adopt resolutions on any matter pertaining to the Company, with the following powers being specifically reserved to them:</p> <p>I. Approval of Rules and Regulations for the General Shareholders' Meeting that, subject to the provisions of Law and the Bylaws, shall govern the call, organization, information about, attendance at and holding of the General Shareholders' Meeting, as well as the exercise of voting rights on the occasion of the call and holding of such Meetings.</p> <p>II. Appointment and removal of Members of the Board of Directors, as well as ratification or revocation of interim appointments of such Directors by the Board itself, and examination and approval of their performance and exemption of the Directors from the legal prohibitions regarding conflicts of interest when the Law necessarily assigns such power to the shareholders at the General Shareholders' Meeting.</p> <p>III. Appointment and removal of the External Auditor and Liquidators.</p> <p>IV. Commencement of claims for liability against Members of the Board of Directors, Liquidators or the External Auditor.</p> <p>V. Approval, if appropriate, of the annual accounts and the corporate management and of resolutions on</p>	<p><b>Article 2. General Shareholders' Meeting</b></p> <p>1. The shareholders acting at a General Shareholders' Meeting constitute the sovereign decision-making body of the Company in those matters within their power.</p> <p>2. Pursuant to the provisions of the Bylaws, the shareholders at a General Shareholders' Meeting may adopt resolutions on any matter pertaining to the Company, with the following powers being specifically reserved to them:</p> <p>I. Approval of Rules and Regulations for the General Shareholders' Meeting that, subject to the provisions of Law and the Bylaws, shall govern the call, organization, information about, attendance at and holding of the General Shareholders' Meeting, as well as the exercise of voting rights on the occasion of the call and holding of such Meetings.</p> <p>II. Appointment and removal of Members of the Board of Directors, as well as ratification or revocation of interim appointments of such Directors by the Board itself, and examination and approval of their performance and exemption of the Directors from the legal prohibitions regarding conflicts of interest when the Law necessarily assigns such power to the shareholders at the General Shareholders' Meeting.</p> <p>III. Appointment and removal of the External Auditor and Liquidators.</p> <p>IV. Commencement of claims for liability against Members of the Board of Directors, Liquidators or the External Auditor.</p> <p>V. Approval, if appropriate, of the annual accounts and the corporate management and of resolutions on</p>

<p>the allocation of earnings, as well as approval, also if appropriate, of the consolidated annual accounts.</p>	<p>the allocation of earnings, as well as approval, also if appropriate, of the consolidated annual accounts.</p>
<p>VI. Resolutions on the issuance of debentures or other fixed-income securities, any capital increase or decrease, the transformation, merger or split-off, the overall assignment of assets and liabilities, the relocation of the registered office abroad and the dissolution of the Company and, in general, any amendment to the Company's Bylaws, unless the Law assigns power to the directors regarding any of the foregoing matters.</p>	<p>VI. Resolutions on the issuance of debentures or other fixed-income securities <b><u>that are convertible into shares of the Company</u></b>, any capital increase or decrease, the transformation, merger or split-off, the overall assignment of assets and liabilities, the relocation of the registered office abroad and the dissolution of the Company and, in general, any amendment to the Company's Bylaws, unless the Law assigns power to the directors regarding any of the foregoing matters.</p>
<p>VII. Authorizing the Board of Directors to increase the capital stock, pursuant to the provisions of the Spanish Capital Corporations Law.</p>	<p>VII. Authorizing the Board of Directors to increase the capital stock, pursuant to the provisions of the Spanish Capital Corporations Law.</p>
<p>VIII. Conferral upon the Board of Directors of such powers as they may deem advisable for unforeseen events.</p>	<p>VIII. Conferral upon the Board of Directors of such powers as they may deem advisable for unforeseen events.</p>
<p>IX. Authorizing the acquisition of the Company's own stock.</p>	<p>IX. Authorizing the acquisition of the Company's own stock.</p>
<p>X. Deciding on the exclusion or limitation of preemptive rights, without prejudice to the possibility of delegating this power to the directors as provided by law.</p>	<p>X. Deciding on the exclusion or limitation of preemptive rights, without prejudice to the possibility of delegating this power to the directors as provided by law.</p>
<p>XI. Deciding upon matters submitted to the shareholders at the General Shareholders' Meeting by resolution of the Board of Directors.</p>	<p>XI. Deciding upon matters submitted to the shareholders at the General Shareholders' Meeting by resolution of the Board of Directors.</p>
<p>XII. Approving the director remuneration policy as provided by Law and deciding on the application of consistent compensation systems for the delivery of shares or rights thereto, as well as any other compensation system referencing the value of the shares, regardless of who the beneficiary of such compensation systems may be.</p>	<p>XII. Approving the director remuneration policy as provided by Law and deciding on the application of consistent compensation systems for the delivery of shares or rights thereto, as well as any other compensation system referencing the value of the shares, <b><u>when the beneficiaries of such compensation systems are directors of the Bank, regardless of who the beneficiary of such compensation systems may be.</u></b></p>
<p>XIII. Approving the transfer to subsidiaries of essential activities until that time carried out by the Company itself, though it may retain full ownership thereof.</p>	<p>XIII. Approving the transfer to subsidiaries of essential activities until that time carried out by the Company itself, though it may retain full ownership thereof.</p>
<p>XIV. Approving the acquisition, disposition or contribution of essential operating assets to another company.</p>	<p>XIV. Approving the acquisition, disposition or contribution of essential operating assets to another company.</p>

<p>XV. Resolutions approving transactions that would have an effect equivalent to the liquidation of the Company.</p> <p>XVI. Deciding or voting on any other matter assigned under the law or the Bylaws.</p> <p>For purposes of the provisions in sub- sections XIII and XIV, the asset or activity shall be presumed essential if the amount of the transaction exceeds twenty-five percent of the value of the assets as recorded in the last balance sheet.</p>	<p>XV. Resolutions approving transactions that would have an effect equivalent to the liquidation of the Company.</p> <p>XVI. Deciding or voting on any other matter assigned under the law or the Bylaws.</p> <p>For purposes of the provisions in sub- sections XIII and XIV, the asset or activity shall be presumed essential if the amount of the transaction exceeds twenty-five percent of the value of the assets as recorded in the last balance sheet.</p>
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Amendments proposed under item Six C of the agenda

<p><b>Article 8. Proxies</b></p> <p>Without prejudice to the provisions of the Bylaws, the right to attend the General Shareholders' Meeting may be delegated to any individual or legal person. Individual shareholders not enjoying full rights under civil law, and legal entities holding shares, may be represented by legal representatives who have been duly verified. In such cases, as well as in the event a shareholder delegates his right to attend, no shareholder may have more than one representative at the Shareholders' Meeting, except as provided in article 22.</p> <p>Proxy representation conferred upon one who is legally ineligible to hold such proxy shall be null and void. A proxy is always revocable. Attendance at the Shareholders' Meeting, whether physically or by casting a distance vote, shall be equivalent to the revocation of such proxy, regardless of the date thereof. A proxy shall also be rendered void by any transfer of shares of which the Company becomes aware.</p> <p>In cases where the directors of the Company make a public solicitation for proxies, the rules contained in the Spanish Capital Corporations Law and rules and regulations further elaborating upon the provisions thereof shall apply. In particular, the document evidencing the proxy must contain or attach the agenda, as well as the solicitation of instructions for the exercise of voting rights and the way in which the proxy-holder will vote in the event that specific instructions are not given, subject in all cases to the provisions of Law.</p> <p>The delegation may also include those matters that the law allows to be dealt with at the General Shareholders' Meeting even when not provided for in the agenda. If the delegation does not include them, it shall be understood that the shareholder represented instructs his representative to abstain from voting on those items.</p>	<p><b>Article 8. Proxies</b></p> <p>Without prejudice to the provisions of the Bylaws, the right to attend the General Shareholders' Meeting may be delegated to any individual or legal person. Individual shareholders not enjoying full rights under civil law, and legal entities holding shares, may be represented by legal representatives who have been duly verified. In such cases, as well as in the event a shareholder delegates his right to attend, no shareholder may have more than one representative at the Shareholders' Meeting, except as provided in article 22.</p> <p>Proxy representation conferred upon one who is legally ineligible to hold such proxy shall be null and void. A proxy is always revocable. Attendance at the Shareholders' Meeting, whether physically or by casting a distance vote, shall be equivalent to the revocation of such proxy, regardless of the date thereof. A proxy shall also be rendered void by any transfer of shares of which the Company becomes aware.</p> <p>In cases where the directors of the Company make a public solicitation for proxies, the rules contained in the Spanish Capital Corporations Law and rules and regulations further elaborating upon the provisions thereof shall apply. In particular, the document evidencing the proxy must contain or attach the agenda, as well as the solicitation of instructions for the exercise of voting rights and the way in which the proxy-holder will vote in the event that specific instructions are not given, subject in all cases to the provisions of Law.</p> <p>The delegation may also include those matters that the law allows to be dealt with at the General Shareholders' Meeting even when not provided for in the agenda. If the delegation does not include them, it shall be understood that the shareholder represented instructs his representative to abstain from voting on those items.</p>
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Without prejudice to the provisions of Section 187 of the Spanish Capital Corporations Law, proxies shall be conferred pursuant to the provisions of Sections 184.2 and 522 *et seq.* thereof.

When a proxy is granted by remote means of communication, it shall only be deemed valid if the grant is made:

- a) by hand-delivery or postal correspondence, sending the Company the duly signed attendance card and proxy, or by other written means that, in the judgment of the Board of Directors recorded in a resolution adopted for such purpose, allows for due confirmation of the identity of the shareholder granting the proxy and of the representative being appointed, or
- b) by electronic correspondence or communication with the Company, including an electronic copy of the attendance card and the proxy; such electronic copy shall specify the representation being granted and the identity of the party represented, and shall include the digital signature or other form of identification of the shareholder being represented, in accordance with the conditions set by the Board of Directors recorded in a resolution adopted for such purpose, to ensure that this system of representation includes adequate assurances regarding authenticity and the identity of the shareholder represented.

In order to be valid, a proxy granted by any of the foregoing means of remote communication must be received by the Company before midnight of the third day prior to the date the Shareholders' Meeting is to be held on first call. In the resolution approving the call to the Shareholders' Meeting in question, the Board of Directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting.

Pursuant to the provisions of Article 34.5 of the Bylaws and 20.4 of these Rules and Regulations, the Board may also expand upon the foregoing provisions regarding proxies granted by remote means of communication.

Without prejudice to the provisions of Section 187 of the Spanish Capital Corporations Law, proxies shall be conferred pursuant to the provisions of Sections 184.2 and 522 *et seq.* thereof.

When a proxy is granted by remote means of communication, it shall only be deemed valid if the grant is made:

- a) by hand-delivery or postal correspondence, sending the Company the duly signed attendance card and proxy, or by other written means that, in the judgment of the Board of Directors recorded in a resolution adopted for such purpose, allows for due confirmation of the identity of the shareholder granting the proxy and of the representative being appointed, or
- b) by electronic correspondence or communication with the Company, including an electronic copy of the attendance card and the proxy; such electronic copy shall specify the representation being granted and the identity of the party represented, and shall include the digital signature or other form of identification of the shareholder being represented, in accordance with the conditions set by the Board of Directors recorded in a resolution adopted for such purpose, to ensure that this system of representation includes adequate assurances regarding authenticity and the identity of the shareholder represented.  
**Electronic correspondence or communication may include telephone communication, when the corresponding announcement of the call to meeting provides so.**

In order to be valid, a proxy granted by any of the foregoing means of remote communication must be received by the Company before midnight of the third **working** day prior to the date the Shareholders' Meeting is to be held on first call, **with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office.** In the resolution approving the call to the Shareholders' Meeting in question, the Board of Directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting.

Pursuant to the provisions of Article 34.5 of the Bylaws and 20.4 of these Rules and Regulations, the Board may also expand upon the foregoing provisions regarding proxies granted by remote means of communication.

Amendments proposed under item Six D of the agenda

**Article 20. Voting by Distance Means of Communication**

1. Shareholders having the right to attend the Meeting may cast their vote regarding proposals relating to the items included in the agenda of any General Shareholders' Meeting by the following means:
  - a) hand-delivery or postal correspondence, sending the Company the duly signed attendance card and ballot (together with the ballot form provided by the Company, if any), or other written means that, in the judgment of the Board of Directors recorded in a resolution adopted for such purpose, allows for due verification of the identity of the shareholder exercising his voting rights, or
  - b) electronic correspondence or communication with the Company, including an electronic copy of the attendance card and ballot (together with the ballot form provided by the Company, if any); such electronic copy shall include the digital signature or other form of identification of the shareholder, in accordance with the conditions set by the Board of Directors recorded in a resolution adopted for such purpose, to ensure that this system of voting includes adequate assurances regarding authenticity and the identity of the shareholder exercising his vote.

In order to be valid, a vote cast by any of the foregoing means must be received by the Company before midnight of the third day prior to the date the Shareholders' Meeting is to be held on first call. In the resolution approving the call to the Shareholders' Meeting in question, the Board of Directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting.

**Article 20. Voting by Distance Means of Communication**

1. Shareholders having the right to attend the Meeting may cast their vote regarding proposals relating to the items included in the agenda of any General Shareholders' Meeting by the following means:
  - a) hand-delivery or postal correspondence, sending the Company the duly signed attendance card and ballot (together with the ballot form provided by the Company, if any), or other written means that, in the judgment of the Board of Directors recorded in a resolution adopted for such purpose, allows for due verification of the identity of the shareholder exercising his voting rights, or
  - b) electronic correspondence or communication with the Company, including an electronic copy of the attendance card and ballot (together with the ballot form provided by the Company, if any); such electronic copy shall include the digital signature or other form of identification of the shareholder, in accordance with the conditions set by the Board of Directors recorded in a resolution adopted for such purpose, to ensure that this system of voting includes adequate assurances regarding authenticity and the identity of the shareholder exercising his vote. **Electronic correspondence or communication may include telephone communication, when the corresponding announcement of the call to meeting provides so.**

In order to be valid, a vote cast by any of the foregoing means must be received by the Company before midnight of the third **working** day prior to the date the Shareholders' Meeting is to be held on first call, **with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office.** In the resolution approving the call to the Shareholders' Meeting in question, the Board of Directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting.

<p>2. Shareholders who cast votes from a distance pursuant to the provisions of this Article shall be deemed present for purposes of determining the establishment of a quorum for the Shareholders' Meeting in question. Therefore, any proxies granted by them prior to the casting of such vote shall be deemed revoked and any such proxies thereafter granted shall be deemed invalid.</p> <p>3. Any vote cast from a distance as set forth in this Article shall be rendered void by physical attendance at the meeting by the shareholder who cast such vote or by a transfer of shares of which the Company becomes aware.</p> <p>4. The Board of Directors may expand upon the foregoing provisions, establishing such instructions, rules, means and procedures to document the casting of votes and grant of proxies by remote means of communication as may be appropriate to the state of the technology, and conforming to any regulations issued in this regard and to the provisions of the Bylaws and these Rules and Regulations. Implementing rules adopted by the Board of Directors pursuant to the provisions hereof shall be published on the Company's website. Furthermore, in order to prevent potential deception, the Board of Directors may take any measures required to ensure that anyone who has cast a distance vote or granted a proxy is duly empowered to do so pursuant to the provisions of the Bylaws and these Rules and Regulations.</p>	<p>2. Shareholders who cast votes from a distance pursuant to the provisions of this Article shall be deemed present for purposes of determining the establishment of a quorum for the Shareholders' Meeting in question. Therefore, any proxies granted by them prior to the casting of such vote shall be deemed revoked and any such proxies thereafter granted shall be deemed invalid.</p> <p>3. Any vote cast from a distance as set forth in this Article shall be rendered void by physical attendance at the meeting by the shareholder who cast such vote or by a transfer of shares of which the Company becomes aware.</p> <p>4. The Board of Directors may expand upon the foregoing provisions, establishing such instructions, rules, means and procedures to document the casting of votes and grant of proxies by remote means of communication as may be appropriate to the state of the technology, and conforming to any regulations issued in this regard and to the provisions of the Bylaws and these Rules and Regulations. Implementing rules adopted by the Board of Directors pursuant to the provisions hereof shall be published on the Company's website. Furthermore, in order to prevent potential deception, the Board of Directors may take any measures required to ensure that anyone who has cast a distance vote or granted a proxy is duly empowered to do so pursuant to the provisions of the Bylaws and these Rules and Regulations.</p>
<p>Amendments proposed under item Six E of the agenda</p>	
<p><b>Article 26. Publication of Resolutions</b></p> <p>Without prejudice to registration with the Commercial Registry of recordable resolutions and applicable legal provisions regarding the publication of corporate resolutions, the same day the Shareholders' Meeting is held or the next business day, the Company shall send the text of the approved resolutions to the National Securities Market Commission, by means of a timely notice of a significant event. The approved resolutions and the result of the votes shall also be accessible through the website of the Company within five days of the end of the General Shareholders' Meeting. In addition, at the request of any shareholder or their representative at the General Shareholders' Meeting, the Secretary shall issue a certification of the resolutions or of the notarial minutes.</p>	<p><b>Article 26. Publication of Resolutions</b></p> <p>Without prejudice to registration with the Commercial Registry of recordable resolutions and applicable legal provisions regarding the publication of corporate resolutions, the same day the Shareholders' Meeting is held or the next business day, the Company shall send the text of the approved resolutions to the National Securities Market Commission, by means of a timely notice of a significant event. The approved resolutions and the result of the votes shall also be accessible through the website of the Company within five days of the end of the General Shareholders' Meeting. In addition, at the request of any shareholder or their representative at the General Shareholders' Meeting, the Secretary shall issue a certification of the resolutions or of the notarial minutes.</p>

## Proposals<sup>1</sup>:

### Item Six A

In relation to article 2 of the Rules and Regulations for the General Shareholders' Meeting, regarding matters within the purview of the shareholders acting at the General Shareholders' Meeting, as regard to the bylaw provisions relating to the issuance of debentures by the Company, it is hereby resolved to amend subsection VI of section 2, without changing the other sections and subsections of such article (without prejudice to the proposal made under item Six B), such that said subsection VI of section 2 shall hereafter read as follows:

*"VI. Resolutions on the issuance of debentures or other fixed-income securities that are convertible into shares of the Company, any capital increase or decrease, the transformation, merger or split-off, the overall assignment of assets and liabilities, the relocation of the registered office abroad and the dissolution of the Company and, in general, any amendment to the Company's Bylaws, unless the Law assigns power to the directors regarding any of the foregoing matters."*

### Item Six B

In relation to article 2 of the Rules and Regulations for the General Shareholders' Meeting, regarding matters within the purview of the shareholders acting at the General Shareholders' Meeting, as regard to the bylaw provisions relating to the compensation linked to shares of the Company, it is hereby resolved to amend subsection XII of section 2, without changing the other sections and subsections of such article (without prejudice to the proposal made under item Six A), such that said subsection XII of section 2 shall hereafter read as follows:

*"XII. Approving the director remuneration policy as provided by Law and deciding on the application of consistent compensation systems for the delivery of shares or rights thereto, as well as any other compensation system referencing the value of the shares, when the beneficiaries of such compensation systems are directors of the Bank."*

### Item Six C

In relation to article 8 of the Rules and Regulations for the General Shareholders' Meeting, regarding proxies granted by shareholders prior to the holding of a general meeting, it is hereby resolved to amend the text thereof, such that article 8 shall hereafter read as follows:

#### **"Article 8. Proxies**

*Without prejudice to the provisions of the Bylaws, the right to attend the General Shareholders' Meeting may be delegated to any individual or legal person. Individual shareholders not enjoying full rights under civil law, and legal entities holding shares, may be represented by legal representatives who have been duly verified. In such cases, as well as in the event a shareholder delegates his right to attend, no shareholder may have more than one representative at the Shareholders' Meeting, except as provided in article 22.*

*Proxy representation conferred upon one who is legally ineligible to hold such proxy shall be null and void. A proxy is always revocable. Attendance at the Shareholders' Meeting, whether physically or by casting a distance vote, shall be equivalent to the revocation of such proxy, regardless of the date thereof. A proxy shall also be rendered void by any transfer of shares of which the Company becomes aware.*

*In cases where the directors of the Company make a public solicitation for proxies, the rules contained in the Spanish Capital Corporations Law and rules and regulations further elaborating upon the provisions thereof shall apply. In particular, the document evidencing the proxy must contain or attach the agenda, as well as the solicitation of instructions for the exercise of voting rights and the way in which the proxy-holder will vote in the event that specific instructions are not given, subject in all cases to the provisions of Law.*

*The delegation may also include those matters that the law allows to be dealt with at the General Shareholders' Meeting even when not provided for in*

<sup>1</sup> Each of the proposals made under items Six A, Six B, Six C, Six D and Six E will be submitted to a separate vote.

the agenda. If the delegation does not include them, it shall be understood that the shareholder represented instructs his representative to abstain from voting on those items.

Without prejudice to the provisions of Section 187 of the Spanish Capital Corporations Law, proxies shall be conferred pursuant to the provisions of Sections 184.2 and 522 et seq. thereof.

When a proxy is granted by remote means of communication, it shall only be deemed valid if the grant is made:

- a) by hand-delivery or postal correspondence, sending the Company the duly signed attendance card and proxy, or by other written means that, in the judgment of the Board of Directors recorded in a resolution adopted for such purpose, allows for due confirmation of the identity of the shareholder granting the proxy and of the representative being appointed, or
- b) by electronic correspondence or communication with the Company, including an electronic copy of the attendance card and the proxy; such electronic copy shall specify the representation being granted and the identity of the party represented, and shall include the digital signature or other form of identification of the shareholder being represented, in accordance with the conditions set by the Board of Directors recorded in a resolution adopted for such purpose, to ensure that this system of representation includes adequate assurances regarding authenticity and the identity of the shareholder represented. Electronic correspondence or communication may include telephone communication, when the corresponding announcement of the call to meeting provides so.

In order to be valid, a proxy granted by any of the foregoing means of remote communication must be received by the Company before midnight of the third working day prior to the date the Shareholders' Meeting is to be held on first call, with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office. In the resolution approving the call to the Shareholders' Meeting in question, the Board

of Directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting.

Pursuant to the provisions of Article 34.5 of the Bylaws and 20.4 of these Rules and Regulations, the Board may also expand upon the foregoing provisions regarding proxies granted by remote means of communication."

#### **Item Six D**

In relation to article 20 of the Rules and Regulations for the General Shareholders' Meeting, regarding voting by distance means of communication, it is hereby resolved to amend section 1, without changing the other sections of such article, such that section 1 of article 20 shall hereafter read as follows:

"1. Shareholders having the right to attend the Meeting may cast their vote regarding proposals relating to the items included in the agenda of any General Shareholders' Meeting by the following means:

- a) hand-delivery or postal correspondence, sending the Company the duly signed attendance card and ballot (together with the ballot form provided by the Company, if any), or other written means that, in the judgment of the Board of Directors recorded in a resolution adopted for such purpose, allows for due verification of the identity of the shareholder exercising his voting rights, or
- b) electronic correspondence or communication with the Company, including an electronic copy of the attendance card and ballot (together with the ballot form provided by the Company, if any); such electronic copy shall include the digital signature or other form of identification of the shareholder, in accordance with the conditions set by the Board of Directors recorded in a resolution adopted for such purpose, to ensure that this system

of voting includes adequate assurances regarding authenticity and the identity of the shareholder exercising his vote. Electronic correspondence or communication may include telephone communication, when the corresponding announcement of the call to meeting provides so.

In order to be valid, a vote cast by any of the foregoing means must be received by the Company before midnight of the third working day prior to the date the Shareholders' Meeting is to be held on first call, with working days being understood as Monday to Friday on days that are not public holidays at the place of the registered office. In the resolution approving the call to the Shareholders' Meeting in question, the Board of Directors may reduce the required notice period, disseminating this information in the same manner as it disseminates the announcement of the call to meeting."

#### **Item Six E**

In relation to article 26 of the Rules and Regulations for the General Shareholders' Meeting, regarding the publication of resolutions approved by the shareholders at a general shareholders' meeting, it is hereby resolved to amend the text thereof such that it shall hereafter read as follows:

#### **"Article 26. Publication of Resolutions**

*Without prejudice to registration with the Commercial Registry of recordable resolutions and applicable legal provisions regarding the publication of corporate resolutions, the same day the Shareholders' Meeting is held or the next business day, the Company shall send the text of the approved resolutions to the National Securities Market Commission, by means of a timely notice. The approved resolutions and the result of the votes shall also be accessible through the website of the Company within five days of the end of the General Shareholders' Meeting. In addition, at the request of any shareholder or their representative at the General Shareholders' Meeting, the Secretary shall issue a certification of the resolutions or of the notarial minutes."*

**Item Seven** Delegation to the board of directors of the power to issue all kinds of fixed-income securities, preferred interests (*participaciones preferentes*) or debt instruments of a similar nature (including certificates (*cédulas*), promissory notes and warrants) that are not convertible, depriving of effect, to the extent of the unused amount, the delegation in such respect conferred by resolution Eight II) approved by the shareholders acting at the ordinary general meeting of 3 April 2020.

PROPOSAL SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING ITEM SEVEN OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

It is proposed to authorise the board of directors to issue all kinds of fixed-income securities, preferred interests (*participaciones preferentes*) or debt instruments of a similar nature (including certificates (*cédulas*), promissory notes and warrants) that are not convertible, depriving of effect, to the extent of the unused amount, the delegation in such respect conferred by resolution Eight II) approved by the shareholders acting at the ordinary general meeting of 3 April 2020.

This proposal is made without prejudice to those made under items Five A and Six A of the agenda, which are intended to amend certain provisions of the Bylaws and of the Rules and Regulations for the General Meeting of the Bank, respectively, in order to hereafter give to the board of directors the power to issue non-convertible debentures, and in view of the fact that, if said proposals are approved, the bylaw amendment proposed under item Five A of the agenda would not be immediately effective, as it is subject to the applicable regulatory approval pursuant to the provisions of section 4.2.c) of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, and of 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.

#### **Proposal:**

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

II) To authorise the board of directors such that, in accordance with the general rules and regulations on the issuance of debentures and pursuant to the provisions of article 319 of the Regulations of the Commercial Registry, it may issue, on one or more occasions, up to 50,000 million euros, or the equivalent thereof in another currency, in fixed-income securities in any of the forms admitted by Law, including bonds, certificates (*cédulas*), promissory notes, debentures and preferred interests (*participaciones preferentes*) or debt instruments of a similar nature (including warrants payable by physical delivery or set-off). This power may be exercised by the board of directors within a maximum period of five years from the date of adoption of this resolution by the shareholders, at the end of which period it shall be cancelled to the extent of the unused amount.

In the exercise of the delegated powers granted herein, and by way of example and not of limitation, the board of directors shall be responsible for determining the amount of each issue, always within the stated overall quantitative limit; the place of issue (in Spain or abroad) and the currency, and in the case of foreign currency, the equivalence thereof in euros; the denomination, whether bonds (*bonos*), debentures (*obligaciones*), preferred interests (*participaciones preferentes*) or any other denomination permitted by Law (including equity instruments among those contemplated by articles 51 to 55 or 62 to 65 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, or of any other type or origin; the issuance date(s); the possibility of the securities being totally or partially exchanged for shares or other existing securities of the Bank or of other entities (and if they are exchangeable, whether they are mandatorily, contingently or voluntarily exchangeable, and if voluntarily, whether at the option of the holder of the securities or the issuer) or the inclusion of a call option on such shares; the interest rate, dates and procedures for payment of the coupon; whether they are to be callable or not, with or without return of the principal and, if applicable, the redemption periods and events of redemption (in whole or in part), as well as, if applicable, whether they are to be mandatorily callable with or without return of the principal and interest, including contingently, and any events of return of principal; whether the issuance is with or without a maturity date and, in the former case, the maturity date; the type of repayment, premiums and tranches; guarantees, including mortgages; form of representation, whether certificated or as book entries; the number of securities and the nominal value thereof; the subscription procedure; the applicable law, whether domestic or foreign; the application, if any, for admission to trading on regulated or unregulated, organised or unorganised, domestic or foreign markets of the securities that are issued in compliance with the requirements in each

case established by applicable laws and regulations; and, in general, any other condition applicable to the issuance, and, if applicable, appointing the Examiner (*Comisario*) and approving the basic rules that are to govern the legal relations between the Bank and the syndicate, if any and allowed, of holders of the securities that are issued.

The delegation also includes the grant to the board of directors of the power, in each case, to decide the conditions for repayment of the fixed-income securities issued in reliance on this authorisation, and the power to use, to the extent applicable, the redemption means referred to in section 430 of the Spanish Capital Corporations Law or any other means that may be appropriate. In addition, the board of directors is authorised, whenever it deems appropriate, and subject to the necessary official authorisations being obtained, as well as, if required, approval at the Meetings of the respective syndicates or bodies representing the holders of the securities, to modify the conditions for repayment of the fixed-income securities issued and the maturity thereof, as well as the interest rate, if any, of those included in each of the issuances made pursuant to this authorisation.

As to the limits on the delegation, the aforementioned amount of 50,000 million euros is the maximum overall limit that may be reached at any time by the outstanding nominal balance of the promissory notes or similar securities issued, added to the nominal amount issued of other securities also issued under this authorisation granted to the board of directors. In the case of warrants, the sum of the premiums of the warrants from each issuance approved in accordance with this delegation shall be taken into account for the calculation of the above-mentioned limit (or in the case of warrants payable by physical delivery, the sum of premiums and exercise prices).

The board of directors is authorised to delegate in turn (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.

#### **Item Eight Director remuneration policy.**

REASONED PROPOSAL SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING ITEM EIGHT OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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Under item Eight of the agenda, the director remuneration policy of Banco Santander, S.A. (the "**Bank**" or the "**Company**"), formulated as provided by section 529 *novodecies* of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*) (the "**Remuneration Policy**"), is submitted to the shareholders for approval at the general shareholders' meeting.

The board has approved submitting to the shareholders at the general meeting the aforementioned Remuneration Policy, the text of which appears in section 6.4 of the "Corporate governance" chapter of the consolidated directors' report included in the 2020 annual report available on the corporate website ([www.santander.com](http://www.santander.com)) since the date of the call to meeting and is also available to the shareholders for delivery or mailing free of charge. The text of said policy derives from the report and proposal received from the remuneration committee, which report and proposal the board adopts as its own as to all the terms thereof.

Although the aforementioned section 529 *novodecies* would allow the approval of a policy applicable until 2024, the period covered by the Remuneration Policy only includes financial years 2021 (with respect to which the policy approved at the ordinary general shareholders' meeting held on 3 April 2020 is completed and updated), 2022 and 2023. Consequently, the board shall be required to propose to the shareholders at the general meeting the approval of a new remuneration policy no later than financial year 2023.

The remuneration of the directors in their capacity as such included in the Remuneration Policy is consistent with the remuneration system contemplated in 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 item Nine of the agenda.

In addition, the remuneration for performance of executive duties that is also described in the Remuneration Policy complies with the requirements provided 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 -which transposes in Spain the content of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the

prudential supervision of credit institutions and investment firms-, 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).

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 an appropriate and effective management of risks, without offering the executive directors incentives to assume risks that exceed the level tolerated by the Company, and with the Company's strategy, objectives, values and interests over the long term.

#### Proposal:

To approve, pursuant to the provisions of section 529 *novodecies* of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*), the director remuneration policy of Banco Santander, S.A. for financial years 2021, 2022 and 2023, the text of which has been made available to the shareholders within the framework of the call to the general meeting, which appears in section 6.4 of the "Corporate governance" chapter of the consolidated directors' report included in the 2020 annual report and which, regarding the variable components of the remuneration of executive directors for 2021 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 Items Eleven A and, if appropriate, Eleven C.

**Item Nine Director remuneration system: setting of the maximum amount of annual remuneration to be paid to all of the directors in their capacity as such.**

#### Proposal:

To approve, for purposes of the provisions of section 2 of article 58 of the Bylaws, the fixed annual amount of remuneration of the directors acting as such at 6,000,000 euros, which amount shall be applicable to remuneration corresponding to financial year 2021 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.

**Item Ten Remuneration system: 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 PROPOSAL AND RECOMMENDATION SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING ITEM TEN OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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Under item Ten of the agenda, the establishment of the maximum limit for the variable components of the total remuneration of a certain group within Banco Santander, S.A. (the "**Bank**" or the "**Company**") and its Group is submitted to the shareholders for approval at the general shareholders' meeting, such limit being stated as the maximum percentage that the variable components of remuneration represent with respect to the fixed components thereof (the "**Maximum Variable Remuneration Ratio**").

Article 58.6 of the Bylaws and Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions ("**Law 10/2014**"), which transposes in Spain the content of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD Directive**"), provide for the need to submit to the shareholders for approval at a general meeting the establishment of a Maximum Variable Remuneration Ratio in excess of 100%, which, in any event, shall not exceed 200%.

The group with respect to which such approval is required is made up of certain persons included within the scope of application of section 32.1 of Law 10/2014, i.e. persons belonging to "*categories of staff whose professional activities have a material impact on the risk profile of the institution, its group, parent company or subsidiaries*" (the group defined by said provision, the "**Identified Staff**" or "**Material Risk Takers**"). This definition, -which includes the executive directors of the Bank, among others-, derives from article 92(2) of the CRD Directive and has been further developed by Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile (the "**Delegated Regulation**")<sup>1</sup>. The proposal submitted to the shareholders at the meeting entails renewing the authorisation of a Maximum Variable Remuneration Ratio of 200% for a portion of the Identified Staff of the Santander Group and not for all members thereof.

The remuneration policy for the Identified Staff within the Santander Group is guided by principles similar to those described in connection with executive directors in the director remuneration policy, which is submitted to the shareholders for approval under item Eight of the agenda. Therefore, the purpose of variable remuneration of the Identified Staff<sup>2</sup> 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.

Without prejudice to the foregoing, 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:

<sup>1</sup> It is noted that the Delegated Regulation is in the process of being amended or replaced under the final draft of the "*Draft regulatory technical standards on criteria to define managerial responsibility and control functions, a material business unit and a significant impact on its risk profile, and categories of staff whose professional activities have a material impact on an institution's risk profile*" published by the European Banking Authority (EBA) on 18 June 2020, and that also contemplated is the amendment of Section 32.1 of Law 10/2014 as a result of the transposition in Spain of Directive 2019/878/EU, amending Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms. However, the Bank's process for arranging the Identified Staff has taken these future amendments into account.

<sup>2</sup> In accordance with the standards established by the Delegated Regulation, certain persons that do not currently receive variable remuneration, such as the Bank's non-executive directors, are included in the Identified Staff (or Material Risk Takers) at the Santander Group.

- Compliance with the regulatory provisions mentioned above (Law 10/2014 and the CRD Directive) is required of European credit institutions regardless of where they operate, whereas non-European Community institutions are required to comply with 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.
  - 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 2020, as they did in prior years. Therefore, the proposal submitted to the shareholders at the general meeting under item Ten of the agenda will allow Banco Santander to compete on similar terms with the European institutions whose activities and size are similar to those of Banco Santander.
  - The renewal of the resolution for a portion of the Identified Staff is due to the advisability of maintaining the Bank's flexibility to compete in the international markets, without provision being made for the ratios to exceed 100% in all cases, whilst at the same time taking into account the remuneration structure for each group of employees when more precisely defining the group benefiting from the resolution being proposed at the general meeting.
  - In practice, the average ratio of variable components to 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 approved maximum percentage of 200%. Specifically, on average in 2020, the variable components of remuneration of the Identified Staff represented 87% of the fixed components (63% for the executive directors). Approximately 25% of members of the Identified Staff exceeded the ratio of 100% in 2020, the median being a 54% ratio and percentile 75 reaching a 99% ratio. Only 2% of the Identified Staff reached ratios over 195%.
  - In addition, the renewal of Maximum Variable Remuneration Ratios of 200% 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<sup>3</sup> make it advisable to have as much flexibility as possible.
  - 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.
  - 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.
- The foregoing constitutes the rationale for the proposal submitted to the shareholders for approval at the general shareholders' meeting under item Ten of the agenda. In addition, as stated above, 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.

In this regard, and as stated above, the remuneration policy

<sup>3</sup> 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 this business 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 21% of the Identified Staff performs duties in the Group's wholesale business.

for the members of the Identified Staff follows standards that are similar to those included with respect to the executive directors in the director remuneration policy that is submitted to the shareholders at the general meeting for approval under item Eight of the agenda. Thus, the variable components of remuneration of this group for 2021 include, inter alia, an Award (whether Award A or Award B, according to the definition of these terms in the directors' report and the proposed resolutions included under item Eleven below), to be received partly in cash and partly in shares, with collection of a portion of such Award being deferred over a period of three to five or even seven years (depending on the beneficiary's profile and any local regulations that might apply). The accrual of the Award is 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 shareholder return or the efficient use of capital, in addition to the accrual of part of the deferred remuneration in the case of Award A being subject to the achievement of specific long-term metrics allowing for confirmation, if applicable, that the decisions initially made have resulted in sustainable long-term results<sup>4</sup>.

For purposes of calculating the Maximum Variable Remuneration Ratio in compliance with the aforementioned provisions, 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 director remuneration policy.

For purposes of this resolution, the persons for which approval is requested for a Maximum Variable Remuneration Ratio of 200% have been selected on the grounds described above from among all persons making up the Identified Staff as at 31 December 2020. The Exhibit to this report includes a breakdown of the aforementioned number of beneficiaries at 31 December 2020 and the respective positions thereof. The customary changes in membership of the Identified Staff, the possibility of additional regulatory changes to the definition thereof, and the possibility that new persons may be included in this group, make it advisable to ask approval from the shareholders at the general meeting for up to a maximum of 50 new persons not included in the Exhibit also to be beneficiaries of a Maximum Variable Remuneration Ratio of 200%, for which reason the maximum number of members of the Identified Staff for which the approval is requested, including those listed in the Exhibit, is 1,052 (0.55% of the total staff).

The reasoning behind this additional prevision is the advisability of having an adequate degree of flexibility that allows combining the application of remuneration policies with the incorporation of new businesses to the Group, as well as with the rigorous process of determining the Identified Staff during each financial year.

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 awards and the variable remuneration policy established for this financial year. In fact, under a standard scenario of fulfilment of targets, the total amount of the variable components of the remuneration would be similar to the total amount of the fixed components thereof (i.e. an average ratio of 101%). Assuming a scenario where targets are fulfilled at 125%, the excess of the variable components of remuneration over 100% of the fixed components would be 108 million euros, considering only those who would exceed a ratio of 100%. Not all the members of the Identified Staff benefiting from a 200% ratio would have reached a ratio in excess of 100% in such estimate, not being 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 2021, among other circumstances.

The hypothetical maximum amount in 2021 of the excess of the variable components of remuneration over 100% of the fixed components for the 1,002 persons benefiting from this proposal at 31 December 2020, if all such persons reached the Maximum Variable Remuneration Ratio of 200%, would be 356 million euros.

In view of this data and of the considerations set forth above regarding the alignment of remuneration with the Group's long-term interests, it is noted that the decision to approve a maximum level of variable remuneration for the persons indicated above 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 2020 in the aforementioned circumstances estimated by the Bank (108 million euros 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 approval is requested reached 200%, it would amount to 6 basis points. Furthermore, for purposes of the provisions of rule 39, section 6 of Circular 2/2016 of 2 February from Banco de España to credit institutions on supervision and

<sup>4</sup> Further information on the metrics and conditions to which the Award is subject can be found in the report of the remuneration committee and in the directors' report regarding item Eleven of the agenda.

solvency, which completes the adjustment of the Spanish legal system to Directive 2013/36/EU and to Regulation (EU) no 575/2013, it is noted that the board has especially taken into consideration the current Recommendation of the European Central Bank regarding distributions of dividends<sup>5</sup>, as well as the levels of and changes in the solvency of the Group.

Moreover, the proposed resolution is understood without prejudice to the need for the companies of the Group in which the members of the Identified Staff to which the resolution refers provide services to comply with the obligations that correspond thereto in each case for purposes of permitting the 100% ratio to be exceeded.

<sup>5</sup> Recommendation of the European Central Bank of 15 December 2020 on dividend distributions during the COVID-19 pandemic and repealing Recommendation ECB/2020/35 (ECB/2020/62).

**EXHIBIT**

**MEMBERS OF THE IDENTIFIED STAFF AT 31 DECEMBER 2020 WITH RESPECT TO WHICH APPROVAL IS REQUESTED  
FOR A MAXIMUM VARIABLE REMUNERATION RATIO OF 200%**

<b>POSITION</b>	<b>Nº</b>	<b>POSITION</b>	<b>Nº</b>
<b>ARGENTINA</b>			<b>9</b>
GERENTE GENERAL	1	GERENTE PRINCIPAL	8
<b>BRAZIL</b>			<b>138</b>
DIR PRESIDENTE	1	SUPTe EXEC CRED CONSIGNADO	1
DIR VICE PRESIDENTE EXEC	10	SUPTe EXEC DESENV CORP (CS)	1
DIRETOR	25	SUPTe EXEC EMPRESAS (CS)	2
DIRETOR EXECUTIVO	2	SUPTe EXEC FINANCEIRO (CS)	2
DIRETOR PRESIDENTE	4	SUPTe EXEC JURIDICO (CS)	2
EXEC PROD MANAGER II	1	SUPTe EXEC OPERACOES (CS)	1
EXEC PROD MANAGER II (CS)	1	SUPTe EXEC PARCERIAS (CS)	1
EXEC SALES MANAGER II (CS)	1	SUPTe EXEC PRIVATE BKG (CS)	1
EXEC TRADER MANAGER II	4	SUPTe EXEC PROD CARTOES (CS)	1
EXEC TRADER SPECIALIST I	1	SUPTe EXEC PRODUTOS (CS)	1
EXECUTIVE IB II	1	SUPTe EXEC REDE (CS)	14
EXECUTIVE IB II (CS)	1	SUPTe EXEC SECURITIZACAO (CS)	1
SENIOR EXECUTIVE (CS)	18	SUPTe EXEC SEGMENTO (CS)	1
SENIOR EXECUTIVE IB (CS)	8	SUPTe EXECUTIVO (CS)	9
SENIOR PRIVATE BANKER	2	SUPTe FINANCEIRO	1
SUPTe EXEC COMERCIAL (CS)	1	SUPTe FINANCEIRO (CS)	1
SUPTe EXEC COML PRIV BKG (CS)	1	SUPTe OUVIDORIA (CS)	1
SUPTe EXEC CORPORATE (CS)	9	SUPTe PRODUTO PRIVATE BKG	1
TRADER V	1	VP SUPERGET	1
VP TI	1	CEO GETNET	1
SUPTe EXEC NEGOCIOS DIGITAIS	1		

POSITION	Nº	POSITION	Nº
<b>CORPORATE CENTRE</b>		<b>217</b>	
ANALYSIS & CONTROL VICE-PRESIDENT	1	HEAD	1
BANKER DIRECTOR	1	HEAD (WHL) (CERT)	3
BRANCH MANAGER	1	HEAD OF BANKING & CORPORATE FINANCE, CHINA	1
BUS/CORPBANKING GROUP VP	1	HEAD OF CORPORATE FINANCE, ASIA PACIFIC	1
CEO	1	HEAD OF EXPORT & AGENCY FINANCE, GLOBAL TRANSACTION BANKING, ASIA PACIFIC	1
CHIEF OPERATING OFFICER, ASIA PACIFIC	1	HEAD OF FINANACIAL MANAGEMENT, ASIA PACIFIC	1
COMMERCIAL DEV. VICE-PRESIDENT	2	HEAD OF GLOBAL MARKETS, ASIA PACIFIC	1
COMMUNICATION GROUP VP	1	HEAD OF INSTITUTIONAL BUSINESS GLOBAL	1
COMP&BEN HR SPEC. GROUP VP	2	HEAD OF LEGAL, ASIA PACIFIC	1
CONSEJERO DELEGADO	1	HEAD OF TRADING, ASIA PACIFIC	1
DC RECURSOS HUMANOS	1	HR MANAGEMENT GROUP VP	2
DIGITAL TRANSF GROUP VP	1	LEGAL GROUP VP	2
DIGITAL TRANSFORMATION GROUP VICE- PRESIDENT	3	MANAGING DIRECTOR, BANKING & CORPORATE FINANCE	1
DTOR. BANCO MADESANT	1	MANAGING DIRECTOR, CORPORATE SALES, GLOBAL MARKETS	1
ESP SANCO PRODUCT DIRECTOR	1	MANAGING DIRECTOR, HEAD OF BANKING & CORPORATE FINANCE, NORTH EAST ASIA	1
EXECUTIVE DIRECTOR, GLOBAL MARKETS SALES	4	MANAGING DIRECTOR, HEAD OF GLOBAL DEBT FINANCING, ASIA	1
EXECUTIVE VICE PRESIDENT	45	MANAGING DIRECTOR, HEAD OF GLOBAL TRANSACTION BANKING, ASIA	1
EXECUTIVE VICE-PRESIDENT	8	MANAGING DIRECTOR, REGIONAL HEAD OF HUMAN RESOURCES	1
FINANCE GROUP VP	5	MANAGING DIRECTOR, TREASURY SALES	1
MANAGING DIRECTOR, GLOBAL MARKETS SALES	1	MGT & CONTR IT GROUP VP	2
MANAGING DIRECTOR, HEAD OF BANKING & CORPORATE FINANCE, ASIA PACIFIC	1	MGT & CONTR IT VICE-PRESIDENT	3
GLOBAL CIO	1	OPERATIONS GROUP VP	1
GOVERNANCE GROUP VP	2	OPERATIONS VICE-PRESIDENT	1
GROUP EXECUTIVE VICE-PRESIDENT	2	PRESIDENTA	1
GROUP SENIOR EXECUTIVE VICE- PRESIDENT	1		
GROUP SENIOR EXECUTIVE VP	5		

POSITION	Nº	POSITION	Nº
PRODUCT DIRECTOR	5	TWA - EXEMPT	1
PRODUCT MANAGER II	1	UK DIRECTOR (WHL)	2
PRODUCT SPECIALIST - M2	1	VICE PRESIDENT	1
PRODUCT VICE - PRESIDENT	11	VICE-PRESIDENT	9
PROJECT GROUP VP	2	VICEPRESIDENTE	1
PROJECT VICE-PRESIDENT	1	DIR, PROJECT & ACQ FINANCE	1
REGIONAL HEAD FOR ASIA PACIFIC OF GRUPO SANTANDER	1	PRODUCT VP	1
RELATIONSHIP LEADERSHIP	1	DTOR ASUNTOS INSTITUCIONALESUE	1
SALES MANAGER II (WHL) (CERT)	1	SANCO TRADER VICE - PRESIDENT	11
SANCO BANKER VICE - PRESIDENT	1		
SANCO EXECUTIVE VICE-PRESIDENT	1		
SANCO LEGAL VICE-PRESIDENT	1		
SANCO OPERATIONS VICE-PRESIDENT	1		
SANCO PRODUCT GROUP VICE-PRESIDENT	1		
SANCO QUANTITATIVE ANALYSIS VICE- PRESIDENT_899	2		
SANCO RESEARCH VICE-PRESIDENT	1		
SANCO SALES VICE-PRESIDENT	4		
SENIOR BANKER I (WHL) (CERT)	1		
SENIOR BANKER II (WHL) (CERT)	1		
SENIOR EXECUTIVE VICE-PRESIDENT	2		
SENIOR EXECUTIVE VP	2		
SLB STAFF (CERT)	9		
STRATEG&CORPDEV GROUP VP	1		
STRATEGY&CORPORATE DEV VICE - PRESIDENT	1		
STRCTRDPDCTSMNGR II-WHL CERT	2		
TOP MGT/EXEC GROUP VP	7		
TRADER GROUP VP	2		

POSITION	Nº	POSITION	Nº
<b>CHILE</b>			<b>22</b>
GERENTE GENERAL	1	JEFE DIVISION PRODUCTOS	1
HEAD BANKING-CORPORATE FINANCE	1	JEFE DIVISION TECNOLOGIA Y OPERACIONES	1
HEAD CORPORATE INVESTMENT BANKING	1	JEFE GESTION DE LA CAPACIDAD Y EXC. OPE.	1
HEAD FS Y A	1	JEFE GESTION FINANCIERA	1
HEAD GLOBAL MARKETS	1	JEFE INNOVACION Y ALIANZAS ESTRATEGICAS	1
JEFE CDO	1	JEFE RED BANCO	1
JEFE DIVISION ADMINISTRACION	1	JEFE RELACION CON INVERSIONISTAS	1
JEFE DIVISION BEI	1	JEFE RRLL Y SERVICIO A PERSONAS	1
JEFE DIVISION CLIENTES EXP Y CALIDAD	1	JEFE SERVICIOS	1
JEFE DIVISION COMERCIAL	1	PRESIDENTE EJECUTIVO	1
JEFE DIVISION FINANCIERA	1	<b>COLOMBIA</b>	<b>2</b>
JEFE DIVISION PERSONAS Y COMUNICACIÓN	1	PRESIDENTE	1
		VICEPRESIDENTE CIB	1
<b>SPAIN</b>			<b>79</b>
ASSET & LIABILTY MANAGER II	1	DTOR DESARROLLO NEGOCIO	3
BANKER SENIOR III	1	DTOR DISTRIBUCIÓN	1
CONSEJERO DELEGADO	1	DTOR ESTRATEGIA	1
DIR BANCA COMERCIAL	1	DIRECTOR COMERCIAL EMPRESAS	1
DIR BCA DIGITAL E INNOVACIÓN	1	DIRECTOR COMERCIAL UNIVERSAL	1
DIR SANTANDER PERSONAL & CC	1	DIRECTOR DE AREA	12
DIRECTOR CAPITAL	1	DIRECTOR GRANDES EMPRESAS	1
DIRECTOR SANTANDER TECNOLOGÍA	1	DIRECTOR MARKETING	1
DTOR ADJUNTO	2	DIRECTOR ORGANIZACION	1
DTOR AS JURIDICA BCA COMERCIAL	1	DIRECTOR PRODUTOS EMPRESAS	1
DTOR ATENCIÓN AL CLIENTE	1	DTOR ASESORÍA FISCAL	1
DTOR COMPENSACIÓN Y BENEFICIOS	1	DTOR ASESORÍA JCA MAYORISTA	2
DTOR COSTES	1	DTOR ASESORÍA JCA PROCESAL	1

POSITION	Nº	POSITION	Nº
DTOR TECNOLOGÍA	2	DTOR PLANES NEGOCIOS	2
DTOR TECNOLOGÍA Y OPERACIONES	1	DTOR PLANIFICACIÓN Y CONTROL	1
DTOR TERRITORIAL	13	DTOR PROYECTO	1
DTOR TERRITORIAL INSTITUCIONAL	1	EXECUTIVE VICE-PRESIDENT	1
DTOR UCR	1	HEAD	5
ESP GRUPO DTOR SANTANDER OPERA	1	PRODUCT MANAGER I	1
DTOR GESTIÓN FINANCIERA	1	SALES MANAGER II	2
DTOR NEGOCIO HIPOTECARIO	1	DTOR RECUPERACIONES	2
DTOR OPERACIONES	1	DTOR RED DE EMPRESAS	1
<b>MEXICO</b>			<b>46</b>
BANQUERO DIR UHNW	1	DIR EJEC NEGOCIO RECUPERACIONE	1
DE OPERACIONES Y PROCESOS	1	DIR EJEC PDM & SOLUTIONS	1
DGA CHIEF FINANCIAL OFFICER	1	DIR EJEC PLANEACION COMERCIAL	1
DGA ESTR ASU PUB JEF GAB PR EJ	1	DIR EJEC RECUPERACIONES	1
DGA RECURS CORPOR RECUPERACION	1	DIR EJEC RECURSOS HUMANOS	1
DIR EJEC ACPM ESTRUCTURACION	1	DIR EJEC RED BCA PRIVADA	1
DIR EJEC BCA DIGIT Y SPOTLIGHT	1	DIR EJEC RELACION INVERSIONIST	1
DIR EJEC CHIEF OPERA OFFI SCIB	1	DIR EJEC SEGMENTO PRIVADA	1
DIR EJEC CIB CORPOR INVEST BAN	2	DIR EJEC UHNW	1
DIR EJEC CREDITO PARTICULARES	1	DIR GRAL ADJ BCA EMP E INST	1
DIR EJEC DE CAPITAL	1	DIR GRAL ADJ ETRATEGIA NEGOCIO	1
DIR EJEC DE ESTRATEGIA	1	DIR GRAL ADJ GLOBAL CORP BANK	1
DIR EJEC EQUITY	1	DIR GRAL ADJ NEGOCIOS ESPECIALIZADOS	1
DIR EJEC ESTRATEGIA CLIENTES	1	DIR GRAL ADJ RED COMERCIAL	1
DIR EJEC GESTION FINANCIERA	1	DIR GRAL ADJ SANT CORP&INVES B	1
DIR EJEC GLOB TRANSACT BANKING	1	EXECUTIVE DIRECTOR	5
DIR EJEC HEAD REGIONAL RESE AM	1	MANAGING DIRECTOR	3
DIR EJEC MERCADOS	1	PRESIDENTE EJEC DIR GRAL GF	1

POSITION	Nº	POSITION	Nº
VICEPRESIDENTE BANCA COMERCIAL	1	<b>PERU</b>	<b>3</b>
DIR EJEC SOLUCIONES FINANCIERA	1	DIRECTOR COMERCIAL	1
DIR EJEC TEC INFORMACION CIO	1	DIRECTOR GENERAL DE NEGOCIOS RETAIL	1
		GERENTE GENERAL	1
<b>POLAND</b>	<b>26</b>	<b>PORTUGAL</b>	<b>41</b>
CHIEF CORPORATE CLIENTS OFFICER	1	ADJ ADM AR RECUP DESINVESTIM	1
CHIEF CUSTOMER OFFICER	1	ADJ ADM REDE PART E NEG NORTE	1
CHIEF INFORMATION OFFICER	1	ADJUNTO ADM.PEL COMERCIAL PN	1
CHIEF OPERATIONS OFFICER	1	ADMINISTRADOR EXECUTIVO	4
CHIEF TECHNOLOGY OFFICER	1	D NEGÓCIO INTERNACIONAL	1
CISO	1	D PARTIC.E NEGOCIOS ACORES	1
CZŁONEK ZARZĄDU	3	D PLANEAMENTO GESTAO BALANCO	1
DYR. DEP. OBSŁUGI PRAWNEJ BIZNESU	1	DIRETOR	4
DYR. DEP. PARTNERSTWA BIZNESOWEGO	1	DIRETOR ADJUNTO ADMINISTRAÇÃO	5
DYR. DEP. TRANSAKCJI NA RYNKACH FINANS.	1	DIRETOR EXECUTIVO	13
DYR. DEP. ZARZ. I TRANSFORMACJI PROCESÓW	1	PRESIDENTE ASSET MANAGEMENT	1
DYR. OBSZ. KOMUNIK. KORPORAC. I MARKET.	1	PRESIDENTE CE SEGURADORA	1
DYR. OBSZ. STRAT. I TRANSF. MODELU BIZN.	1	PRESIDENTE COMISSÃO EXECUTIVA	1
DYR. OBSZARU BANKOWOŚCI BIZNES. I KORP.	1	RESPONSÁVEL DE ÁREA 1	1
DYREKTOR CENTRUM ARCHITEKTURY IT	1	RESPONSÁVEL DE ÁREA 2	1
DYREKTOR DEPARTAMEN. CYBERBEZPIECZEŃSTWA	1	VICE PRESIDENTE COMISSÃO EXEC.	1
DYREKTOR OBSZARU INFORMACJI ZARZĄDCZEJ	1	VOGAL CONSELHO ADMINISTRACAO	3
DYREKTOR OBSZARU PRAWNEGO	1		
DYREKTOR OBSZARU RYNKÓW FINANSOWYCH	1		
P.O. DYREKTORA DEPARTAMEN. CYBERBEZPIECZEŃSTWA	1		
WICEPREZES ZARZĄDU	3		
PREZES ZARZADU	1		

POSITION	Nº	POSITION	Nº
<b>SANTANDER ASSET MANAGEMENT</b>	<b>20</b>	<b>SANTANDER CONSUMER FINANCE (SCF)</b>	<b>34</b>
CEO LOCAL	1	EXECUTIVE VICE-PRESIDENT	10
CHIEF INVESTMENT OFFICER	1	BEREICHSLIMITER	2
FINANCE DIRECTOR	1	CEO	3
HUMAN RESOURCES DIRECTOR	1	CEO SANTANDER CONSUMER FINANCE	1
LEGAL DIRECTOR	1	CHIEF EXECUTIVE OFFICER	2
MGT & CONTR IT DIRECTOR	1	CONSUMER FINANCING SERVICES VICE - PRESIDENT	1
PRODUCT DIRECTOR	1	DIRECTOR UNIDAD SCF	1
SALES DIRECTOR	4	EXECUTIVE	1
VICE-PRESIDENT	1	GENERAL MANAGEMENT	1
HEAD OF FIXED INCOME LATAM	1	GENERAL MANAGER	1
HEAD OF GMAS	1	HUMAN RESOURCES VICE - PRESIDENT	1
HEAD OF INVESTMENT TEAM	1	HUMAN RESOURCES VICE-PRESIDENT	1
SENIOR FUNDS EXECUTIVE	1	LEGAL VICE-PRESIDENT	1
SENIOR PORTFOLIO MANAGER	1	MANAGEMENT OFFICE	1
CEO LOCAL	1	OPERATIONS VICE-PRESIDENT	1
CEO, UK	1	PROJECT MANAGER I	1
GCHRO	1	TOP MANAGEMENT/EXECUTIVES VICE-PRESIDENT	1
		VORSTAND	4

POSITION	Nº	POSITION	Nº
<b>SANTANDER LONDON BRANCH (SLB)</b>			<b>34</b>
DIRRED (WHL) (CERT)	2	SENIOR BANKER I (WHL) (CERT)	1
ED SPONSORS, INFRA & UTILITIES	1	SENIOR BANKER II (WHL) (CERT)	3
PRODUCT MANAGER I (WHL) (CERT)	1	TRADING MANAGER I (WHL) (CERT)	4
PRODUCT MANAGER II (WHL)(CERT)	1	TRADING MGR II (WHL) (CERT)	4
RESEARCH MGR II (WHL) (CERT)	1	UK DIRECTOR (CERT)	2
SALES MANAGER I (WHL) (CERT)	3	UK DIRECTOR (WHL) (CERT)	8
SALES MANAGER II (WHL) (CERT)	3		
<b>SWITZERLAND</b>			<b>7</b>
COMMERCIAL DIRECTOR, EXECUTIVE BANKER	1	SENIOR BANKER	3
GENERAL MANAGER	1	TEAM LEADER III	1
REGIONAL HEAD, EXECUTIVE BANKER	1		
<b>UK</b>			<b>153</b>
AFM STAFF	3	CHIEF OF STAFF TO THE CHIEF OPERATING OFFICER	1
CEO - PSA FINANCE	1	CHIEF OPERATING OFFICER	2
CEO CHIEF OF STAFF, UNIVERSITIES, SUSTAINABILITY AND CSR	1	CHIEF OPERATING OFFICER, CCB	1
CEO OF INSURANCE AND PROTECTION	1	CHIEF OPERATING OFFICER, SANTANDER CORPORATE BANK UK	2
CEO, RETAIL & BUSINESS BANKING	1	CHIEF TRANSFORMATION OFFICER	1
CHANGE AND EXECUTION DIRECTOR, CHIEF OPERATING OFFICE	1	COMMERCIAL DIRECTOR - SANTANDER CONSUMER FINANCE	1
CHIEF CUSTOMER AND INNOVATION OFFICER	1	COO AND LEGAL COUNSEL	1
CHIEF EXECUTIVE OFFICER	1	DEPUTY CEO	1
CHIEF HR OFFICER	1	DEPUTY CEO - PSAF	1
CHIEF INFORMATION & CHANGE OFFICER	1	DEPUTY MLRO	1
CHIEF INFORMATION TECHNOLOGY OFFICER	1	DIRECTOR CUSTOMER ENGAGEMENT SQUADS & DIGITAL INTERMEDIARIES	1
CHIEF LEGAL & REGULATORY OFFICER	1	DIRECTOR FINANCIAL CRIME CENTRE OF EXCELLENCE	1
CHIEF MARKETING OFFICER	1	DIRECTOR MORTGAGE MARKETING	1
DIRECTOR OF ALM	1		

POSITION	Nº	POSITION	Nº
DIRECTOR, ENTERPRISE PORTFOLIO MANAGEMENT OFFICE	1	DIRECTOR, LEGAL - LITIGATION, CONTENTIOUS REGULATORY & COMPETITION	1
DIRECTOR OF CHANGE & TRANSFORMATION - RETAIL & BUSINESS BANKING	1	DIRECTOR, SIMPLIFICATION	1
DIRECTOR OF CORPORATE COMMUNICATIONS	1	DIRECTOR, TRANSFORMATION (CONTROLS)	1
DIRECTOR OF CORPORATE COMMUNICATIONS (INTERIM HEAD)	1	DIRECTOR, YORKSHIRE & NE	1
DIRECTOR OF CORPORATE DEVELOPMENT	1	ED CONSUMER, RETAIL & HEALTHCARE	1
DIRECTOR OF CUSTOMER INSIGHT & NEEDS	1	ED METALS & MINING/INDUSTRIALS & ATS	1
DIRECTOR OF CUSTOMER OPERATIONS, RETAIL & BUSINESS BANKING	1	ED MULTI-NATIONALS	1
DIRECTOR OF FINANCIAL CRIME (UK MRLO)	1	ED OIL & GAS	1
DIRECTOR OF FORENSIC INVESTIGATION	1	HEAD OF ASSET FINANCE	1
DIRECTOR OF FUNDING & COLLATERAL MANAGEMENT	1	HEAD OF BRANCH INTERACTIONS	1
DIRECTOR OF GOVERNANCE & REGULATORY AFFAIRS	1	HEAD OF BUSINESS DEVELOPMENT - SANTANDER SERVICES	1
DIRECTOR OF HR BUSINESS PARTNERS & HR OPERATIONS	1	HEAD OF CCB BUSINESS DEVELOPMENT	1
DIRECTOR OF INVESTORS RELATIONS AND STRATEGIC INITIATIVES	1	HEAD OF CONTACT CENTRE TRANSFORMATION	1
DIRECTOR OF OPERATIONAL EXCELLENCE & CONTROL SERVICES	1	HEAD OF CUSTOMER INTERACTIONS	1
DIRECTOR OF ORGANISATIONAL CAPABILITIES AND SOLUTIONS	1	HEAD OF CUSTOMER SOLUTIONS	1
DIRECTOR OF PENSIONS	1	HEAD OF DEPARTMENT (CERT)	1
DIRECTOR OF REMEDIATION AND REGULATORY PROJECTS	1	HEAD OF EXTERNAL COMMUNICATIONS	1
DIRECTOR OF TRANSFORMATION & SUPPORT, RETAIL DISTRIBUTION	1	HEAD OF GTB UK	1
DIRECTOR OF WEALTH MANAGEMENT	2	HEAD OF HOTELS	1
DIRECTOR, COMMUNITIES	1	HEAD OF INNOVATION SERVICES	1
DIRECTOR, CULTURE & CAPABILITY	1	HEAD OF STRATEGY, CORPORATE DEVELOPMENT, NEW BUSINESS DEVELOPMENT & CHIEF HR OFFICER	1
HEAD OF INTERNATIONAL & TRANSACTIONAL BANKING, CCB	1	HEAD OF INTERNATIONAL AND SECTOR SOLUTIONS	1
		HEAD OF INTERNATIONAL CLIENT	1
		HEAD OF INVOICE FINANCE	1

POSITION	Nº	POSITION	Nº
HEAD OF LEGAL (WHOLESALE MARKETS)	1	IT & OPERATIONS DIRECTOR - SANTANDER CONSUMER FINANCE	1
HEAD OF LOAN & RESTRUCTURED FINANCE	1	LENDING & BANKING OPERATIONS DIRECTOR	1
HEAD OF MORTGAGES	1	MANAGING DIRECTOR - NORTH EAST, SCOTLAND & NI	1
HEAD OF OPERATIONS & LEAN AUTOMATION - SANTANDER SERVICES	1	MANAGING DIRECTOR, COMMUNITIES & WEST MIDLANDS	1
HEAD OF ORGANISATION AND COSTS	1	MANAGING DIRECTOR, EAST OF ENGLAND	1
HEAD OF ORIGINATION & CLIENT COVERAGE, CCB	1	MANAGING DIRECTOR, LONDON & SE	1
HEAD OF PORTFOLIO MANAGEMENT	1	MANAGING DIRECTOR, MORTGAGES	1
HEAD OF PRODUCTS	1	MANAGING DIRECTOR, NORTH WEST	1
HEAD OF PRODUCTS & CHANNELS, TRANSACTIONAL BANKING	1	MANAGING DIRECTOR, REAL ESTATE	1
HEAD OF PROJECT & SPECIALISED FINANCE	1	MD SANTANDER INTERNATIONAL	1
HEAD OF SANTANDER BUSINESS SOLUTIONS	1	MD, CATER ALLEN	1
HEAD OF SANTANDER CORPORATE AND COMMERCIAL BANKING	1	MD, CUSTOMER INTERACTIONS CONTACT CENTRES	1
HEAD OF SANTANDER CORPORATE AND INVESTMENT BANKING UK (RING FENCED BANK)	1	HEAD OF STRATEGIC FUTURE TECH	1
HEAD OF SECURITY AND PRIVACY SERVICES AND CHIEF INFORMATION SECURITY OFFICER	1	SECTOR HEAD, SOCIAL HOUSING	1
HEAD OF SMALL BUSINESS	1	NATIONAL HEAD OF FINANCIAL SPONSORS	1
HEAD OF SPECIALIST BUSINESS UNITS	1	NATIONAL HEAD OF GROWTH CAPITAL	1
MD, HEAD OF SHORT TERM MARKETS & CO- HEAD EUROPEAN SECURITIES FINANCE	1	NATIONAL HEAD SF CORPORATES	1
HEAD OF STRUCTURED FINANCE, CCB	1	PEOPLE DIRECTOR AND DEPUTY CHIEF HR OFFICER	1
HEAD OF TRADE & SUPPLIER FINANCE	1	PEOPLE TRANSFORMATION DIRECTOR	1
HEAD OF WORKPLACE TRANSFORMATION	1	POLICY, EMPLOYEE RELATIONS & CHANGE DIRECTOR	1
HEAD, TRANSACTIONAL BANKING & LIQUIDITY SOLUTIONS	1	PRODUCT MANAGER I (WHL) (CERT)	1
HR COO	1	PROJECT INVICTUS - CLIENT JOURNEY LEAD	1
INTERIM HEAD OF FINANCIAL CRIME PREVENTION	1	QUANTATIVE ANALYSIS MGR I (WHL)	1
		RATES SOLUTIONS	1
		REAL ESTATE & LEISURE	1
		REGIONAL DIRECTOR, L&SE - BUSINESS SERVICES	1

POSITION	Nº	POSITION	Nº
REGIONAL DIRECTOR, L&SE - CONSUMER SERVICES	1	STRUCTURED FINANCE	1
REGIONAL DIRECTOR, L&SE - INDUSTRIALS	1	TRADE ORIGATION	1
REGIONAL DIRECTOR, REAL ESTATE MIDLANDS & SOUTH WEAT	1	TRADING MGR II (WHL) (CERT)	1
REGIONAL DIRECTOR, WEST MIDLANDS	1	UK CIB	1
REGIONAL MANAGING DIRECTOR, SOUTH WEST	1	UK DIRECTOR (CERT)	3
REWARD & PERFORMANCE MANAGEMENT DIRECTOR	1	XVA/LINK DESK	2
SENIOR BANKER I (WHL) (CERT)	1	SCF GLOBAL ACCOUNT DIRECTOR	1
SENIOR BANKER II	1	REGIONAL DIRECTOR, REAL ESTATE NORTH & SCOTLAND	1
SENIOR MANAGER	1	REGIONAL DIRECTOR, SCOTLAND & NI	1
STRATEGY, HR AND SPECIAL PROJECTS DIRECT - SANTANDER CONSUMER FINANCE	1	REGIONAL DIRECTOR, SOUTH WEST & SOUTH WALES	1
STRCTRDPDCTSMNGR II-WHL CERT	1	REGIONAL MD, SOUTH WEST & WEST MIDS	1
		RETAIL CFO	1
<b>URUGUAY</b>			<b>2</b>
GERENTE GENERAL	1	GERENTE GENERAL - COUNTRY HEAD	1
<b>USA</b>			<b>169</b>
CEO	2	CHIEF OPERATION OFFICER - CIB	1
CFO	1	CHIEF STRATEGY OFFICER	1
CHIEF COMMUNICATIONS OFFICER	1	CHIEF TECHNOLOGY OFFICER - SC	1
CHIEF EXEC OFFICER SHUSA	1	CHRO	1
CHIEF EXECUTIVE OFFICER	1	CIO	2
CHIEF FINANCIAL OFFICER	2	CIO OF DATA & CORPORATE FUNCTIONS	1
CHIEF FINANCIAL OFFICER - SC	1	EXECUTIVE DIRECTOR, HEAD OF ANALYTICS AND DECISION SCIENCE	1
CHIEF HUMAN RESOURCES OFFICER - SC	1	COMMERCIAL BANKING RELATIONSHIP MANAGER - IC3	1
CHIEF INFO SECURITY OFFICER US	1	COMMERCIAL DIRECTOR	1
CHIEF INFORMATION OFFICER	2	CORPORATE BANKING RELATIONSHIP MANAGER - M2	5
CHIEF LEGAL OFFICER	1	CLO	1
CHIEF OPERATING OFFICER - GCB	1	CTO	1
CHIEF OPERATING OFFICER - SBNA	1		

POSITION	Nº	POSITION	Nº
DIRECTOR OF PRODUCTS	1	EXECUTIVE DIRECTOR, STRATEGY, UNDERWRITING & PORTFOLIO MANAGEMENT	1
DIRECTOR, PROGRAM MANAGEMENT	1	EXECUTIVE DIRECTOR, TREASURY	2
EXECUTIVE BANKER	2	EX-PR CEO	1
EXECUTIVE BANKER - TEAM LEADER	1	GTB PRODUCT SPECIALIST - M2	1
EXECUTIVE DIRECTOR, ASSET BASED LENDING & RESTUCTURING FINANCE	1	HEAD OF BRANCH OPERATIONS	1
EXECUTIVE DIRECTOR, BENEFITS	1	HEAD OF CBB INITIATIVES ENABLEMENT	1
EXECUTIVE DIRECTOR, BUSINESS MANAGEMENT	1	HEAD OF CHRYSLER CAPITAL AND AUTO RELATIONSHIPS	1
EXECUTIVE DIRECTOR, COMPENSATION, BENEFITS, & PAYROLL	1	HEAD OF CIB BUSINESS MANAGEMENT	1
EXECUTIVE DIRECTOR, CORPORATE SECRETARY	1	HEAD OF COMMERCIAL REAL ESTATE AND VEHICLE FINANCE	1
EXECUTIVE DIRECTOR, CORPORATE SERVICES	1	HEAD OF CONSUMER & BUS BANKING	1
EXECUTIVE DIRECTOR, FINANCIAL PLANNING & ANALYSIS	4	HEAD OF DATA & ANALYTICS	1
EXECUTIVE DIRECTOR, GOVERNANCE & REGULATORY RELATIONS	1	HEAD OF FINANCE, COSTS, ORG. & GRAL. SERVICES	1
EXECUTIVE DIRECTOR, GOVERNMENT RELATIONS & PUBLIC POLICY	1	HEAD OF GLOBAL DEBT FINANCE	1
HEAD OF DIGITAL AND SERVICE FOR OTHERS - SC	1	HEAD OF GLOBAL TRANSACTION BANKING	1
EXECUTIVE DIRECTOR, HEAD OF BRANCH NETWORK	1	HEAD OF INFRASTRUCTURE SHUSA	1
EXECUTIVE DIRECTOR, HEAD OF BUSINESS BANKING	1	HEAD OF OPERATIONS	1
EXECUTIVE DIRECTOR, HEAD OF CONSUMER LENDING AND DEPOSIT PRODUCTS	1	HEAD OF STRATEGIC RETAIL OPERATIONS	1
EXECUTIVE DIRECTOR, HEAD OF CUSTOMER EXPERIENCE	1	HEAD OF U.S. CORPORATE & INVESTMENT BANKING	1
EXECUTIVE DIRECTOR, HEAD OF HOME LOANS	1	IT CHIEF OPERATIONS OFFICER	1
EXECUTIVE DIRECTOR, HEAD OF WEALTH	2	MANAGING DIRECTOR	1
EXECUTIVE DIRECTOR, HUMAN RESOURCES BUSINESS PARTNER	1	MANAGING DIRECTOR, BUSINESS MGMT & FRONT OFFICE TRANSFORMATION	1
EXECUTIVE DIRECTOR, MIDDLE MARKET	2	MARKET DIRECTOR - M3	5
EXECUTIVE DIRECTOR, PRODUCT & CAPABILITIES	1	NATIONAL BUSINESS DIRECTOR - INVESTMENTS	1
EXECUTIVE DIRECTOR, PROGRAM MANAGEMENT	1	PREMIER BANKING DIRECTOR	1
		PRODUCT INTELLIGENCE DIRECTOR	1
		PRODUCT SPECIALIST - IC3	17

POSITION	Nº	POSITION	Nº
PRODUCT SPECIALIST - IC4	1	SR. DIRECTOR, CUSTOMER AND EMPLOYEE EXPERIENCE	1
PRODUCT SPECIALIST - M2	12	SR. DIRECTOR, CUSTOMER SERVICE	1
PRODUCT SPECIALIST - M3	3	SR. DIRECTOR, DEALER QUALITY	1
REGIONAL DIRECTOR	4	SR. DIRECTOR, LEASE END & AUCTION ACCOUNTS	1
SBNA HEAD OF COMMERCIAL BANKING	1	SR. DIRECTOR, LOAN OPERATIONS	2
SNBA HEAD OF CONSUMER & BUS BANKING	1	SR. DIRECTOR, MARKETING	1
HEAD OF DECISION SCIENCES AND MODEL DEVELOPMENT	1	SR. DIRECTOR, MODEL DEVELOPMENT	1
SC CEO	1	SR. DIRECTOR, PRODUCT DEVELOPMENT	1
SC CLO	1	SR. DIRECTOR, PRODUCT MANAGEMENT	1
SENIOR BANKER	2	SR. DIRECTOR, QUALITY MANAGEMENT	1
SENIOR EXECUTIVE, CHIEF MARKETING OFFICER AND US HEAD OF DIGITAL, INNOVATION AND PAYMENT STRATEGY	1	SR. DIRECTOR, RESEARCH	1
SHUSA CHIEF DATA OFFICER	1	SR. DIRECTOR, TECHNICAL PROJECT MANAGEMENT	1
SR. DEPUTY GENERAL COUNSEL	5	SR. DIRECTOR, TREASURY	1
SR. DIRECTOR, BUSINESS INTELLIGENCE & REPORTING	1	SR. EXECUTIVE, HEAD OF MID-CORPORATE BANKING	1
SR. DIRECTOR, CHIEF INFORMATION OFFICER -SC	1	UNDERWRITING - IC3	1
SR. DIRECTOR, CHIEF INFORMATION SECURITY OFFICER - SC	1	UNDERWRITING & PORTFOLIO MANAGEMENT - M2	1
SR. DIRECTOR, COLLECTIONS	1	UNDERWRITING & PORTFOLIO MANAGEMENT - M3	2
SR. DIRECTOR, CREDIT	1	US CHIEF OF STAFF & HEAD OF TRANSFORMATION - SHUSA	1
<b>OVERALL TOTAL</b>			<b>1002</b>

**Proposal:**

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:

- (i) Number of affected persons: certain members of the Identified Staff (1,002 at 31 December 2020, 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 1,052 persons.

The beneficiaries of this resolution include the executive directors of Banco Santander and other employees of Banco Santander or other companies of the Group belonging to the "**Identified Staff**" or "**Material Risk Takers**", 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 the standards established in Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014, supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify the categories of staff whose professional activities have a material impact on an institution's risk profile and those of the policy for determining the Group's Identified Staff. Likewise, the amendments that would derive from the final draft of the "Draft regulatory technical standards on criteria to define managerial responsibility and control functions, a material business unit and a significant impact on its risk profile, and categories of staff whose professional activities have a material impact on an institution's risk profile" published by the European Banking Authority (EBA) on 18 June 2020 have also been taken into account for these purposes.

- (ii) Authorisation.

Without prejudice to the general provisions set forth in item Twelve or to the powers of the board of directors in remuneration matters under the Bylaws and the rules and regulations of the board, the board of directors of the Bank is hereby authorised, to the extent required, 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 contents 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 supervisory body recommendations that may prevent their implementation upon the terms approved or that 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, as well as to comply with the obligations that bind them for such purpose.

**Item Eleven**      **Approval of the application of remuneration plans involving the delivery of shares or share options:**

**Eleven A.**      **Deferred Multiyear Objectives Variable Remuneration Plan.**

**Eleven B.**      **Deferred and Conditional Variable Remuneration Plan.**

**Eleven C.**      **Digital Transformation Award.**

**Eleven D.**      **Application of the Group's buy-out regulations.**

**Eleven E.**      **Plan for employees of Santander UK Group Holdings plc. and other companies of the Group in the United Kingdom by means of options on shares of the Bank linked to the contribution of periodic monetary amounts and to certain continuity requirements.**

REPORT AND PROPOSALS SUBMITTED BY THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A. REGARDING ITEMS ELEVEN A, ELEVEN B, ELEVEN C, ELEVEN D AND ELEVEN E OF THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED FOR 25 MARCH 2021, ON FIRST CALL, AND FOR 26 MARCH 2021, ON SECOND CALL

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Within the framework of its policy on remuneration tied to the delivery of shares, Banco Santander, S.A. (the "**Bank**" or the "**Company**") has maintained the Deferred and Conditional Variable Remuneration Plan (*Plan de Retribución Variable Diferida y Condicionada*) in effect since 2011, which plan conformed at that time to Directive 2010/76/EU of 24 November, and to the Guidelines on Remuneration Policies and Practices approved by the Committee of European Banking Supervisors (CEBS), published on 10 December 2010, and which since financial year 2014 has conformed to Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD Directive**").

The CRD Directive, which was transposed into Spanish law by Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions ("**Law 10/2014**"), entailed a revision of the rules previously in effect in two ways: (i) there was a tightening of the rules governing the variable remuneration of a certain group of employees of the relevant institutions (for example, by setting limits on the amount of the variable components of remuneration; see the report on item Eleven of the agenda), and (ii) the group to which such rules apply (hereinafter, the "**Identified Staff**" or "**Material Risk Takers**") was redefined in more stringent terms. As stated above, such changes were reflected by the Bank in the policies on variable remuneration for the Identified Staff or Material Risk Takers from financial year 2014 onwards.

In addition, for financial year 2016, changes were made to the policy on variable remuneration of the Identified Staff taking into account changes in the best international practices as regards remuneration and the recommendations issued in this respect by the competent authorities, including the Guidelines on Sound Remuneration Policies under articles 74(3) and 75(2) of Directive 2013/36/EU and Disclosures under article 450 of Regulation (EU) No 575/2013, published by the European Banking Authority (EBA) on 21 December 2015 and which have applied since 1 January 2017, superseding the aforementioned Guidelines on Remuneration Policies and Practices of 2010.

The main new features of said policy were intended to: (i) simplify the beneficiary remuneration structure,

by integrating the variable components of the total remuneration within a single plan<sup>1</sup>; (ii) improve the *ex ante* risk adjustment of the variable remuneration, using a single group of annual quantitative and qualitative metrics that allow appropriate decisions within the appropriate risk framework to be compensated and strengthen the alignment of the variable remuneration with the long-term interests and objectives of the Bank and its shareholders; and (iii) increase the impact of the long-term elements and the multiyear performance measures, particularly for those members of the Identified Staff who have the largest impact on the institution's risk profile, and combine more effectively the short-term and long-term objectives (since fulfilment of short-term objectives would determine the maximum amount of the long-term amount and such amount could only be reduced, but not increased).

Furthermore, as a result of the approval and entry into force of 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 the CRD Directive and to Regulation (EU) no 575/2013, recovery or "clawback" clauses were introduced into the variable components of remuneration for financial year 2016, with a new *malus* and clawback policy being approved as part of the Group's remuneration policies.

Finally, the update of the Group's remuneration policies in 2020 has taken into consideration Directive 2019/878/EU, which amends Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD V Directive**"), although the transposition thereof into Spanish law has not been completed, after which the full implementation thereof in the Group's policies in view of the legal texts ultimately approved will be verified. In addition, the draft Guidelines on Sound Remuneration Policies under Directive 2013/36/EU published by the European Banking Authority (EBA) on 29 October 2020 within the framework of the update to the guidelines published on 21 December 2015 have also been taken into consideration, also with a view to aligning them with the CRD V Directive.

Although the variable remuneration policy for the Identified Staff for financial year 2021 (hereinafter, the "**2021 Variable Remuneration Policy**") is a continuation of the policy applied since financial year 2016, the short-term quantitative metrics used to determine variable remuneration have been simplified, with the seven used in 2020 and prior years being reduced to a total of four<sup>2</sup>. The Digital Transformation Award included in the policy for financial year 2019 has also been maintained in the 2021 Variable Remuneration Policy. This award is aimed at a limited number of beneficiaries within the Santander Group and is intended to attract and retain the best talent to advance, accelerate and deepen the digital transformation of the Santander Group, which is one of its strategic priorities.

The main features of the 2021 Variable Remuneration Policy are described below.

#### I. Purpose and Beneficiaries

The 2021 Variable Remuneration Policy, which is applicable to all of the Identified Staff<sup>3</sup> or Material Risk Takers (and which, regarding the 2021 Digital Transformation Award, may also apply to some of the Identified Staff and to non-Identified Staff), establishes the provisions for the payment and, where applicable, quantification of the variable remuneration of said Identified Staff in line with the objectives of the Bank's remuneration policies and in compliance with applicable laws and regulations.

Taking into account the varying impacts that different members of the Identified Staff may have on the Santander Group's risk profile, the variable remuneration for financial year 2021 is implemented as follows:

- (i) for executive directors, senior management, country heads, other key executives of the main countries in which the Group operates, and, in general, Faro executives of the Group, through the sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan (the variable remuneration

<sup>1</sup> Except, where applicable, for contributions to benefits schemes that are calculated based on the variable remuneration and are therefore considered a variable component of total remuneration.

<sup>2</sup> 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 2020 annual report.

<sup>3</sup> It is noted that pursuant to the standards established in Commission Delegated Regulation (EU) No 604/2014, the Identified Staff or Material Risk Takers include certain persons who do not receive any variable remuneration. Therefore, such persons do not form part of the group of beneficiaries of the 2021 Variable Remuneration Policy.

calculated through this plan, "**Award A**"), to which item Eleven A of the agenda refers;

- (ii) for the rest of the Identified Staff, through the eleventh cycle of the Deferred and Conditional Variable Remuneration Plan (the variable remuneration calculated through this plan, "**Award B**" and, together with Award A, the "**Award**"), to which item Eleven B of the agenda refers; and
- (iii) for certain members of the Identified Staff whose performance is essential to the growth and digital transformation of the Santander Group, through the 2021 Digital Transformation Award (the variable remuneration calculated through this award, the "**Digital Award**"), to which item Eleven C of the agenda refers. The Digital Award may also be awarded to employees of the Santander Group who are not part of the Identified Staff.

The beneficiaries of Award A will not receive Award B, and vice versa.

The envisaged number of beneficiaries of Award A is approximately 300 persons, the number of beneficiaries of Award B is approximately 1,200 persons and the number of beneficiaries of the Digital Award is approximately 250 persons (without prejudice to the specific number of hires, departures and promotions that finally occur during financial year 2021).

## II. General Features of the Variable Remuneration of the Identified Staff (including non- Identified Staff regarding the Digital Award)

- *Components of variable remuneration.* The variable components of the total remuneration of the beneficiaries of the 2021 Variable Remuneration Policy will include:
  - (a) an Award (Award A or Award B, as appropriate), to be received partly in cash and partly in shares, while deferring collection of a portion

thereof over a period of three or five years, as applicable, according to the beneficiary's profile<sup>4</sup>; and

- (b) the Digital Award (applicable to certain members of the Identified Staff and other employees of the Santander Group who are not part of the Identified Staff). This award is to be received partly in shares and partly in share options, whose payment (or, in the case of the share options, exercise period) will be fully deferred in line with the current deferral policy for Identified Staff.

- *Scope of application.* As stated, the 2021 Variable Remuneration Policy will apply to all of the members of the Identified Staff who receive variable remuneration (at 31 December 2020, the Identified Staff is comprised of 1,394 persons, without prejudice to the final number of persons making up this group in 2021), plus the non-Identified Staff beneficiaries of the Digital Award, and provides for the delivery of shares, share options or similar instruments of Banco Santander or, if applicable, of shares, share options or similar instruments of its listed subsidiaries. Specifically, the possibility of total or partial delivery of securities, share options or equivalent instruments of the respective listed subsidiary, such as the ones in Mexico, Chile, Brazil, Poland or Santander Consumer USA is contemplated. The board of directors, upon a proposal of the remuneration committee, may approve the total or partial payment in shares of Banco Santander and/or of the corresponding subsidiary in the proportion that it deems appropriate in each case and subject, in any case, to the maximum number of Santander shares that the shareholders at the meeting resolve to deliver and to any regulatory restrictions that may be applicable in each jurisdiction.

Taking the foregoing into account, regarding the authorisation for the delivery of shares and share options of the Company (and not of the respective subsidiaries), the proposals submitted to the shareholders at the general meeting under:

<sup>4</sup> In relation to certain members of the Identified Staff, the variable components of their remuneration include contributions to benefits schemes calculated based on the variable remuneration of the respective member.

In certain countries, the deferral period or percentage may be longer to comply with applicable local regulations or with the requirements of the competent authority in each case.

- (a) item Eleven A contemplates a decision on the application of a sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan;
- (b) item Eleven B contemplates a decision on the application of an eleventh cycle of the Deferred and Conditional Variable Remuneration Plan; and
- (c) item Eleven C contemplates a decision on the application of the Digital Award.

The foregoing is without prejudice to the fact that, if the amendments to the bylaws and the rules and regulations submitted to the shareholders' meeting under items Five B and Six B are approved, the board of directors may develop, amend, alter or adapt the corresponding terms and conditions regarding matters that become part of its area of authority.

- *Limitations on variable remuneration.* Any variable components of total remuneration that will be paid to each member of the Identified Staff in connection with financial year 2021 shall not exceed 100% of the fixed components or, for some members of this group, 200% of such fixed components if the resolution contemplated in item Ten of the agenda is approved.
- *Buy-out regulations.* Pursuant to the provisions of the remuneration policy and as established in prior years, there are buy-out regulations aimed at establishing homogeneous rules applicable to hiring by any entity of the Santander Group in which such hiring entity assumes, as a part of the 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 paid the executive or employee the corresponding amounts in cash. 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.

The delivery of shares of the Bank within the framework of the application of the aforementioned regulations with respect to hiring during financial year 2021 and during financial year 2022, until the holding of the ordinary general meeting in 2022 (whether or not the person hired will be included within the Identified Staff), is submitted for the approval of the shareholders at the general meeting under item Eleven D of the agenda. Therefore, the application of these buy-out regulations will be regardless of the possible inclusion of the executive or employee hired among the beneficiaries of Award A or of Award B, as applicable and depending on the category to which they are assigned within the Group, or, as the case may be, among the beneficiaries of the Digital Award.

### III. Award A and Award B

- *Determination of the Award.* At the beginning of 2022 and following a proposal of the remuneration committee, the board of directors will verify if the targets on which the maximum amount of the 2021 Award is contingent have been met. Subsequently, if applicable, the 2021 Award for each member of the Identified Staff 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.* The Award will be paid 50% in cash and 50% in shares, part in 2021 and part on a deferred basis over three or five years, as follows:

#### Beneficiaries of Award A:

- 40% to 60% of Award A, depending on the category to which the beneficiary belongs, will be paid in 2022, in halves and net of taxes (after applying the corresponding withholdings or payments on account), in cash and in shares (this part of the total amount of Award A, the "**Immediate Payment Amount**").

- The amount corresponding to the remaining percentage (the "**Deferred Amount**") will be deferred by thirds or fifths, as applicable, and will be paid, if applicable, in the following financial years (until financial year 2025 or 2027, as applicable). Each year the respective amount will be paid, net of taxes (after applying the corresponding withholdings or payments on account), half in cash and half in shares.

These deferral periods and the deferred amount may be increased (but not reduced) in certain territories to conform them to applicable legal provisions in the relevant jurisdiction or to the requirements of the competent authority.

Beneficiaries of Award B:

- 40% to 60% of Award B, depending on the remuneration level of the beneficiary, will be paid in 2022, in halves and net of taxes (after applying the corresponding withholdings or payments on account), in cash and in shares (this part of the total amount of Award B, the "**Immediate Payment Amount**").
- The amount corresponding to the remaining percentage (the "**Deferred Amount**") will be deferred by thirds or fifths, as applicable, and will be paid, if applicable, in the following financial years (until financial year 2025 or 2027, as applicable). Each year the respective amount will be paid, net of taxes (after applying the corresponding withholdings or payments on account), half in cash and half in shares.

This deferral period may be extended (but not reduced) in certain territories to conform it to applicable legal provisions in the relevant jurisdiction or to the requirements of the competent authority.

By way of exception, if the regulations so allow, it is possible that payment of Awards of less than 50,000 euros (or, if less, than the thresholds ultimately established in the legal provisions transposing the CRD V Directive) will not be deferred.

- *Conditions for the accrual of the deferred portion of the Award.* In addition to the beneficiary remaining within the Santander Group, the accrual of the deferred portion of both Award A and Award B is conditional upon the non-existence of "bad actor" (*malus*) provisions revealing improper risk-taking in accordance with the Group's *malus* and clawback policy.

Furthermore, pursuant to applicable legal provisions, the amounts paid for the Award shall be subject to clawback clauses in the instances provided for in the applicable policy of the Bank.

Additionally, the accrual of the deferred portion of Award A to be paid in financial years 2025 and, if applicable, 2026 and 2027 (the "**Deferred Portion Subject to Objectives**") is subject to the achievement of certain targets for the 2021-2023 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 underlying consolidated earnings-per-share ("**EPS**") growth target of Banco Santander for 2023 compared to 2020<sup>5</sup>. The coefficient corresponding to this target (the "**EPS Coefficient**") will be obtained from the following table:

EPS growth in 2023 (% over 2020)	EPS Coefficient
≥ 125%	1.5
≥ 100% but < 125%	1 – 1.5 (*)
≥ 70% but < 100%	0 – 1 (*)
< 70%	0

- (\*) Straight-line increase in EPS Coefficient based on the specific percentage of

<sup>5</sup> The EPS' growth target is notably higher than in previous financial years, as the base value, which is the 2020 EPS, has significantly decreased as a result of extraordinary circumstances that are beyond the group's management, as is the crisis caused by the covid-19 pandemic. This is why such ambitious targets have been set for the coming years.

growth of 2023 EPS with respect to 2020 EPS within this bracket of the scale.

(\*) Straight-line increase in CET1 Coefficient based on 2023's CET1 within this bracket of the scale.

- (b) Relative performance of total shareholder return ("TSR") of the Bank for the 2021-2023 period compared to the TSRs of a group of 9 credit institutions (the "Peer Group"), assigning the corresponding TSR Coefficient depending on the Bank's TSR position within the Peer Group.

TSR position of Santander	"TSR Coefficient"
Exceeding percentile 66	1
Between percentiles 33 and 66 (both inclusive)	0 - 1 (*)
Below percentile 33	0

(\*) Proportional increase in TSR Coefficient according to the number of positions moved up in the ranking within this bracket of the scale.

TSR measures a shareholder's return on investment as the sum of the change in the share price plus dividends and other similar items (including the *Santander Dividendo Elección* scrip dividend scheme) that the shareholder may receive during the period under consideration.

The Peer Group will be made up of the following institutions: BBVA, BNP Paribas, Citi, Credit Agricole, HSBC, ING, Itaú, Scotiabank and Unicredit.

- (c) Compliance with the fully-loaded common equity tier 1 ("CET1") ratio target of the Santander Group for financial year 2023. The coefficient corresponding to this target (the "CET1 Coefficient") will be obtained from the following table:

CET1 in 2023	CET1 Coefficient
≥ 12%	1
≥ 11% but < 12%	0 - 1 (*)
< 11%	0

In order to verify if this target has been met, any potential increase in CET1 deriving from share capital increases (other than those implemented under the *Santander Dividendo Elección* scrip dividend scheme) will be disregarded. Moreover, the CET1 ratio at 31 December 2023 may be adjusted to remove the effects of any regulatory change to its calculation rules or any extraordinary circumstance (such as impairments, corporate transactions or restructuring procedures) that may arise in relation to its calculation until such date.

The following formula will be applied to determine the annual amount of the Deferred Portion Subject to Objectives, if any, for each beneficiary in financial years 2025 and, if applicable, 2026 and 2027 (each of these payments, a "Final Annual Payment"), without prejudice to any adjustments that may result from "bad actor" (*malus*) clauses:

$$\text{Final Annual Payment} = \text{Amt.} \times (1/3 \times A + 1/3 \times B + 1/3 \times C)$$

where,

- "Amt." corresponds to a fifth or a third, as applicable based on the beneficiary's profile (and therefore, on the applicable deferral period of five or three years), of the Deferred Amount of Award A.
- "A" is the EPS Coefficient according to the scale and terms and conditions in paragraph (a) above based on EPS growth in 2023 compared to 2020.
- "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 2021-2023 period with respect to the Peer Group.
- "C" is the CET1 Coefficient resulting from compliance with the CET1 target for 2023 described in paragraph (c) above.
- Assuming in any case that if " $(1/3 \times A + 1/3 \times B + 1/3 \times C)$ " yields a figure greater than 1, 1 shall be applied as the multiplier.

Finally, and in relation to the Deferred Multiyear Objectives Variable Remuneration Plan, provision is made to include within the board's powers the ability to adjust positively or negatively, following a proposal of the remuneration committee, the level of achievement of the Multiyear Objectives when inorganic transactions, material changes to the Group's composition or size or other extraordinary circumstances (such as impairments, legal changes or restructuring procedures) have occurred which affect the suitability of the metric and achievement scale established in each case and resulting in an impact not related to the performance of the executive directors and executives being evaluated.

#### IV. Digital Award

The financial sector is undergoing a profound transformation. With the move towards digital solutions, the Santander Group is taking firm steps towards transforming its culture, people and business in line with a new paradigm.

Now more than ever, the need to attract and retain the best talent to advance, accelerate and deepen the digital transformation of the Santander Group is essential. The Digital Award, already in place since financial year 2019, is designed to provide the Santander Group with a tool to attract and retain resources that drive long-term share value creation through the achievement of key digital milestones.

Key elements of this Digital Award include:

- An objective to attract and retain the best talent to advance, accelerate and deepen the digital transformation of the Santander Group.
- Provide compensation elements that are competitive with remuneration systems being offered by companies competing with the Santander Group for digital talent.
- Participation is restricted to a maximum of 250 people that are critical to drive the digital transformation.
- The total amount of the award is limited to €30 million in the aggregate.

- The award is subject to achieving specific milestones connected with digital transformation while also aiming at fostering long-term share value creation.
- The award will be paid out in restricted shares and share options of Banco Santander (both 50%) and is subject generally to *malus* and clawback provisions.
- Shares and share options will vest in three tranches (third, fourth and fifth anniversaries) in line with the Identified Staff deferral schemes currently in place within the Santander Group (or in full at the third anniversary for the least restrictive deferral scheme), thus driving emphasis on fostering long-term share value creation (the least restrictive scheme in this regard will be followed with respect to non- Identified Staff).
- The award design is aligned with the regulatory, internal risk and governance frameworks and does not entail improper risk-taking. Deferral, *malus* and clawback clauses, and other regulatory elements are aligned and consistent with existing Santander Group policy on these matters.

#### V. Plan for employees of Group companies in the United Kingdom

Finally, and as is customary, included under item Eleven E is a proposal regarding the Plan for employees of Santander UK Group Holdings plc. and other companies of the Group in the United Kingdom by means of options on shares of the Bank linked to the contribution of periodic monetary amounts and to certain continuity requirements.

#### Proposals<sup>1</sup>:

#### **Item Eleven A**

#### Deferred Multiyear Objectives Variable Remuneration Plan

To approve the implementation of the sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan, inasmuch as it is a remuneration system that includes the delivery of shares of the Bank or rights thereon, which has

<sup>1</sup> Each of the proposals made under items Eleven A to Eleven E will be submitted to a separate vote.

been approved by the board of directors on the terms and conditions described below:

## I. Purpose and Beneficiaries

The sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan will be implemented in connection with the variable remuneration or award (hereinafter, "**Award A**") for financial year 2021 that is approved by the board of directors or the appropriate body in each case, for executive directors of Banco Santander, senior management, country heads, other key executives from the main countries in which the Group operates and, in general, the Faro executives of the Group, 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 or its Group 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 number of beneficiaries of Award A is expected to be 300 persons, though this resolution does not affect those persons whose Award A is not paid, either in whole or in part, in shares or similar instruments of Banco Santander, but rather in shares or similar instruments of subsidiaries of Banco Santander. Taking into account possible changes in the workforce, the number of beneficiaries of this resolution may change. The board of directors, or the executive committee acting by delegation therefrom, may approve inclusions (through promotion or hiring at the Santander Group) or exclusions, without changing the maximum total number of shares authorised to be delivered at any time.

The purpose of this sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan is (a) to defer a portion of Award A over a period of three to five years, depending on the beneficiary, 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 its payment, if applicable, in cash and in Santander shares, and (d) also paying the other portion of such variable remuneration, in cash and in Santander shares at the outset, all in accordance with the rules set forth below.

## II. Operation

Award A of the beneficiaries for financial year 2021 will be paid according to the following percentages, depending on the time of payment and on the group to which the beneficiary belongs (the "**Immediate Payment Percentage**", to identify the portion for which payment is not deferred, and the "**Deferred Percentage**", to identify the portion for which payment is deferred):

	<b>Immediate Payment Percentage</b>	<b>Deferred Percentage (*)</b>	<b>Deferral Period (*)</b>	<b>Deferred Portion Subject to Objectives (*)</b>
Executive directors and members of the Identified Staff whose total target(**) variable remuneration is $\geq$ €2.7 mill. (***)	40%	60%	5 years	Last 3 years (3/5 of Deferred Percentage)
Senior management, country heads of countries representing at least 1% of the Group's financial capital and other Faro executives whose total target variable remuneration(**) is $\geq$ €1.7 mill. (< €2.7 mill.). (***)	50%	50%	5 years	Last 3 years (3/5 of Deferred Percentage)
Rest of Faro executives who are beneficiaries of Award A (***)	60%	40%	3 years	Last year (1/3 of Deferred Percentage)

- (\*) In certain countries, the deferred percentage and the deferral period may be different to comply with applicable local regulations or with the requirements of the competent authority in each case. Likewise, the deferred portion subject to objectives may apply to years that are not the last years, but not before the third year.
- (\*\*) Benchmark variable remuneration for standard achievement (100% of objectives).
- (\*\*\*) The average closing exchange rates for the fifteen trading days prior to Friday, exclusive, of the week prior to the date on which the board of directors approved the variable remuneration of the executive directors of the Bank for financial year 2020 (2 February 2021), shall be used to assign a beneficiary to the corresponding category for variable remuneration not denominated in euros.

Taking the foregoing into account, Award A for financial year 2021 will be paid as follows:

- (i) Each beneficiary will receive in 2022, depending on the group to which such beneficiary belongs, the Immediate Payment Percentage applicable in each case, in halves and net of taxes (after applying the corresponding withholdings or payments on account), in cash and in Santander shares (the "**Initial Date**", meaning the specific date on which the Immediate Payment Percentage is paid).
- (ii) Payment of the Deferred Percentage of Award A applicable in each case depending on the group to which the beneficiary belongs will be deferred over a period of 3 or 5 years (the "**Deferral Period**") and will be paid in thirds or fifths, as applicable, within thirty days of the anniversaries of the Initial Date in 2023, 2024 and 2025 and, if applicable, 2026 and 2027 (the "**Anniversaries**"), provided that the conditions described below are met.
- (iii) The deferred portion will be divided into thirds or fifths (each one, an "**Annual Payment**"), which will determine the maximum amount to be paid, if applicable, on each of the Anniversaries.
- (iv) Each of the payments to be made on the Anniversaries will be made 50% in cash and the other 50% in Santander shares, after applying any withholding or payment on account applicable at any time.

(v) The beneficiaries receiving Santander shares pursuant to paragraphs (i) to (iv) above may not directly or indirectly hedge them before delivery thereof. They may likewise not transfer them or directly or indirectly hedge the shares for one year as from the delivery thereof. Furthermore, pursuant to the Group's share holding policy, the executive directors of Banco Santander may not transfer Santander shares that they receive pursuant to paragraphs (i) to (iv) above 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.

(vi) 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 beneficiary within the Santander Group<sup>2</sup>, the accrual of all Annual Payments is subject to none 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 having occurred during the period prior to each of the deliveries. Likewise, amounts of Award A already paid shall 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

<sup>2</sup> When termination of the relationship with Banco Santander or another entity of the Santander Group 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, or as a result of an employer other than Banco Santander ceasing to belong to the Santander Group, as well as in cases of mandatory redundancy, the right

performance of the entity as a whole or of a specific division or area thereof or of exposures generated by the staff, and which must take into account at least the following factors:

- (i) Significant failures in risk management committed by the entity or by a business or risk control unit.
- (ii) An increase in the capital needs of the entity or a business unit that was not expected at the time the exposures were generated.
- (iii) Regulatory sanctions or court sentences 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.
- (iv) Improper conduct, whether individual or collective. Negative effects from the sale of unsuitable products and the responsibility of the persons or bodies making such decision shall be especially considered.

The individual policies of each country may also include any other standard required by legal provisions or by local regulators.

Additionally, the accrual of the third and, if applicable, 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 2021-2023 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 underlying consolidated earnings-per-share (**"EPS"**) growth target of Banco Santander for 2023 compared to 2020<sup>3</sup>. The coefficient corresponding to this target (the **"EPS Coefficient"**) will be obtained from the following table:

EPS growth in 2023 (% over 2020)	EPS Coefficient
≥ 125%	1.5
≥ 100% but < 125%	1 – 1.5 (*)
≥ 70% but < 100%	0 - 1 (*)
< 70%	0

(\*) Straight-line increase in EPS Coefficient based on the specific percentage of growth of 2023 EPS with respect to 2020 EPS within this bracket of the scale.

- (b) Relative performance of total shareholder return (**"TSR"**) of the Bank for the 2021- 2023 period compared to the TSRs of a peer group of 9 credit institutions.

to delivery of the 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 Santander 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 and in cash, such remuneration shall be delivered within the periods and upon the terms set forth in the plan rules.

<sup>3</sup> The EPS' growth target is notably higher than in previous financial years, as the base value, which is the 2020 EPS, has significantly decreased as a result of extraordinary circumstances that are beyond the group's management, as is the crisis caused by the covid-19 pandemic. This is why such ambitious targets have been set for the coming years.

For these purposes:

- **"TSR"** means the difference (expressed as a percentage) between the final value of an investment in ordinary shares of Banco Santander 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 owed 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 corresponding to the fifteen trading sessions prior to 1 January 2021 (excluded) (for the calculation of the initial value) and of the fifteen trading sessions prior to 1 January 2024 (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 Santander	"TSR Coefficient"
Exceeding percentile 66	1
Between percentiles 33 and 66 (both inclusive)	0 - 1 (*)
Below percentile 33	0

(\*) Proportional increase in TSR Coefficient according to the number of positions moved up in the ranking within this bracket of the scale.

- (c) Compliance with the fully-loaded common equity tier 1 ("**CET1**") ratio target of the Santander Group for financial year 2023. The coefficient corresponding to this target (the "**CET1 Coefficient**") will be obtained from the following table:

CET1 in 2023	CET1 Coefficient
≥ 12%	1
≥ 11% but < 12%	0 - 1 (*)
< 11%	0

(\*) Straight-line increase in CET1 Coefficient based on 2023's CET1 within this bracket of the scale.

In order to verify if this target has been met, any potential increase in CET1 deriving from share capital increases (other than those implemented under the *Santander Dividendo Elección* scrip dividend scheme) will be disregarded. Moreover, the CET1 ratio at 31 December 2023 may be adjusted to remove the effects of any regulatory change to its calculation rules or any extraordinary circumstance (such as impairments, corporate transactions or restructuring procedures) that may arise in relation to its calculation until such date.

Thus, the following formula will be applied to determine the annual amount of the Deferred Portion Subject to Objectives, if any, for each beneficiary in financial years 2025 and, if applicable, 2026 and 2027 (each of these payments, a "**Final Annual Payment**"), without prejudice to any adjustments that may result from "bad actor" (*malus*) clauses:

$$\text{Final Annual Payment} = \text{Amt.} \times (1/3 \times A + 1/3 \times B + 1/3 \times C)$$

where,

- "**Amt.**" corresponds to a fifth or a third, as applicable based on the beneficiary's profile (and therefore on the applicable deferral period of five or three years), of the Deferred Amount of Award A.
- "**A**" is the EPS Coefficient according to the scale and terms and conditions in paragraph (a) above based on EPS growth in 2023 compared to 2020.
- "**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 2021-2023 period with respect to the Peer Group.

- "C" is the CET1 Coefficient resulting from compliance with the CET1 target for 2023 described in paragraph (c) above.
- Assuming in any case that if " $(1/3 \times A + 1/3 \times B + 1/3 \times C)$ " yields a figure greater than 1, 1 shall be applied as the multiplier.

### III. Maximum Number of Shares to Be Delivered

The final number of shares delivered to each beneficiary, 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 previous week to the date on which the board of directors approves Award A for the executive directors of the Bank for financial year 2021 (hereinafter, the "**2022 Listing Price**").

Taking into account that the board of directors has estimated that the maximum amount of Award A to be delivered in shares to the beneficiaries of the sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan will come to 147 million euros (the "**Maximum Amount of Award A Distributable in Shares**" or "**MAAADS**"), the maximum number of Santander shares that may be delivered to such beneficiaries under this plan (the "**Limit of Award A in Shares**" or "**LAAS**") will be determined, after deducting any applicable taxes (including withholdings and payments on account), by applying the following formula:

$$\text{LAAS} = \text{MAAADS} / \text{2022 Listing Price}$$

Included in the Maximum Amount of Award A Distributable in Shares is the estimated maximum amount of Award A to be delivered in shares to the executive directors of the Bank, which comes to 11.5 million euros (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:

$$\text{LSED} = \text{MADSED} / \text{2022 Listing Price}$$

### IV. 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 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 linked to the plan or the basic conditions upon which the delivery thereof is made contingent. Such adaptations may include the substitution of the delivery of shares 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.

### V. Authorisation

Without prejudice to the general provisions set forth in item Twelve or in preceding sections or to the powers of the board of directors in remuneration matters under the Bylaws and the rules and regulations of the board, the board of directors of the Bank is hereby authorised, to the extent required, 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:

- To approve the basic content of the agreements and of such other supplementary documentation as may be necessary or appropriate.
- To approve all such notices and supplementary documentation as may be necessary or appropriate to file with any public or private agency or entity, 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 to be received by each of the beneficiaries of the plan to which this resolution refers, observing the established maximum limits.
  - (v) To specify which executives or employees are beneficiaries of Award A and to determine the assignment of the beneficiaries of the plan to one category or another of those described in this resolution, without altering the maximum amount of Award A to be delivered in shares, except in the event that Faro executives or executives in a similar category initially assigned to the remuneration plan to which item Eleven B refers are finally assigned to this plan implementing Award A, in which case the board will be entitled to use for Award A the excess of the maximum amount set under item Eleven B (so that, altogether, the maximum amount set under items Eleven A and Eleven B is under no circumstances exceeded). Likewise, the Limit of Award A in Shares shall be deemed to include the shares or equivalent instruments to be used for meeting the contractual remuneration commitments of the Bank or its subsidiaries with payment in shares or equivalent instruments of the Bank.
- Additionally, the board of directors will be entitled 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 beneficiaries; and, in the event that the maximum amount distributable in shares to be delivered is exceeded in relation to any of the three groups to which the plan is directed, to authorise the deferral and payment of the excess in cash.
- (vi) Extend the deferral period in the jurisdiction or jurisdictions where so required and in respect of all or part of the beneficiaries of Award A in order to adapt to the applicable regulations in force at any given time or to the requirements of the competent authority, making such adjustments as may be necessary to adapt Award A to the new deferral period.
  - (vii) 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; to recalculate CET1 removing the effects of share capital increases and regulatory changes; 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 (such as inorganic transactions or other extraordinary circumstances).
  - (viii) 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 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 with the delivery of equivalent amounts in cash, or the alteration of the mechanisms for net delivery of shares under 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 Award A or the increase of the Deferred Percentages or of the Deferral Period) to any mandatory regulations or administrative interpretation that may prevent the implementation thereof on the approved terms.
  - (ix) To adjust positively or negatively, following a proposal of the remuneration committee, the level of achievement of the Multiyear Objectives when inorganic transactions, material changes to the Group's composition or size or other extraordinary circumstances (such as impairments, legal changes or restructuring procedures) have occurred which affect the suitability of the metric and achievement scale established in each case and resulting in an impact not related to the performance of the executive directors and executives being evaluated.

- (x) To develop and specify the conditions upon which the receipt by the beneficiaries of the corresponding shares 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 beneficiaries of the respective shares or cash amounts is made contingent have been fulfilled, with the power to modulate the cash amounts and the number of shares to be delivered depending on the existing circumstances, all following a proposal of the remuneration committee.
- (xi) In general, to take any actions and execute all such documents as may be necessary or appropriate.

Furthermore and as regards matters that are or become part of its area of authority, the board of directors has the power to develop, amend, alter or adapt the terms and conditions of the sixth cycle of the Deferred Multiyear Objectives Variable Remuneration Plan and of the other cycles of the referred plan that remain in force.

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.

The provisions of this resolution are deemed to be 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 variable remuneration policy, the plan and the cycles thereof with respect to their own executives and employees and, if applicable, to adjust them to regulations or to the requirements of competent authorities in the respective jurisdiction.

## Eleven B

### Deferred and Conditional Variable Remuneration Plan

To approve the implementation of the eleventh cycle of the Deferred and Conditional Variable Remuneration Plan, inasmuch as it is a remuneration system that includes the delivery of shares of the Bank or of rights thereon, which has been approved by the board of directors on the terms and conditions described below:

### I. Purpose and Beneficiaries

The eleventh cycle of the Deferred and Conditional Variable Remuneration Plan will be implemented with respect to the variable remuneration or award (hereinafter, "**Award B**") to be approved by the board of directors, or by the appropriate body in each case, for financial year 2021 for categories of staff whose professional activities have a material impact on the risk profile of the institution or its Group (all of them together, the "**Identified Staff**" or "**Material Risk Takers**" and identified under 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), or other persons included in this group under regulatory or corporate standards in a specific country, and who are not beneficiaries of the plan to which item Eleven A above refers.

The number of members of the Identified Staff who would be beneficiaries of this plan comes to approximately 1,200 persons, though this resolution does not affect those whose Award is not paid, either in whole or in part, in shares or similar instruments of Banco Santander, but rather in shares or similar instruments of subsidiaries of Banco Santander. Taking into account possible changes in the workforce, the number of beneficiaries of this resolution may change. The board of directors, or the executive committee acting by delegation therefrom, may approve inclusions (through promotion or hiring at the Group) in or exclusions from the members of the Identified Staff that are beneficiaries of this plan, without changing the maximum total number of shares authorised to be delivered at any time.

The purpose of this eleventh cycle of the Deferred and Conditional Variable Remuneration Plan is to defer a portion of Award B for a period of three years (or five years in the case of beneficiaries with award levels comparable to those of certain categories of Award A) for its payment, if applicable, in cash and in Santander shares (subject to the non-occurrence of certain circumstances), also paying the other portion of such variable remuneration in cash and in Santander shares at the outset, all in accordance with the rules set forth below.

### II. Operation

Award B of the beneficiaries for financial year 2021 will be paid according to the following percentages, depending on the time of payment and the remuneration level of the beneficiary (the "**Immediate Payment Percentage**", to identify the portion for which payment is not deferred, and the "**Deferred Percentage**", to identify the portion for which payment is deferred):

	Immediate Payment Percentage	Deferred Percentage (*)	Deferral Period (*)
Beneficiaries of Award B whose total target variable remuneration(**) is $\geq$ €2.7 mill. (***)	40%	60%	5 years
Beneficiaries of Award B whose total target variable remuneration(**) is $\geq$ €1.7 mill. (< €2.7 mill.). (***)	50%	50%	5 years
Other beneficiaries of Award B. (***)	60%	40%	3 years

(\*) In certain countries, the deferred percentage or the deferral period may be different to comply with applicable local regulations or with the requirements of the competent authority in each case.

(\*\*) Benchmark variable remuneration for standard achievement (100% of objectives).

(\*\*\*) The average closing exchange rates for the fifteen trading days prior to Friday, exclusive, of the week prior to the date on which the board of directors approved the variable remuneration of the executive directors of the Bank for financial year 2020 (2 February 2021), shall be used to assign a beneficiary to the corresponding category for variable remuneration not denominated in euros.

Taking the foregoing into account, Award B for financial year 2021 will be paid as follows:

- (i) Each beneficiary will receive the Immediate Payment Percentage of Award B in 2022, in halves and net of taxes (after applying the corresponding withholdings or payments on account), in cash and in Santander shares (the "**Initial Date**", meaning the specific date on which said percentage of Award B is paid).
- (ii) Payment of the Deferred Percentage of Award B will be deferred over a period of 3 or 5 years (the "**Deferral Period**") and will be paid in thirds or fifths, as applicable, within thirty days of the anniversaries of the Initial Date in 2023, 2024, 2025 and, if applicable, 2026 and 2027 (the "**Anniversaries**"), provided that the conditions described below are met.
- (iii) The deferred portion will be divided into thirds or fifths (each one, an "**Annual Payment**"), which will determine the maximum amount to be paid, if applicable, on each of the Anniversaries.
- (iv) Each of the payments that are to be made on the Anniversaries will be made 50% in cash and the other 50% in Santander shares, after applying any withholding or payment on account applicable at any time.
- (v) The beneficiaries receiving Santander shares pursuant to paragraphs (i) to (iv) above may not directly or indirectly hedge such shares before the delivery thereof. They may likewise not transfer them or directly or indirectly hedge the shares for one year as from the delivery thereof.
- (vi) 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 beneficiary within the Santander Group<sup>4</sup>, the accrual of all Annual Payments is subject to none 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 having occurred during the period prior to each of the deliveries. Likewise, amounts of Award B already paid shall 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, and which must take into account at least the following factors:

- (i) Significant failures in risk management committed by the entity or by a business or risk control unit.
- (ii) An increase in the capital needs of the entity or a business unit that was not expected at the time the exposures were generated.
- (iii) Regulatory sanctions or court sentences 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.

- (iv) Improper conduct, whether individual or collective. Negative effects from the sale of unsuitable products and the responsibility of the persons or bodies making such decision shall be especially considered.

The individual policies of each country may also include any other standard required by legal provisions or by local regulators.

If the foregoing requirements are met on each Anniversary, the beneficiaries shall receive the cash and shares, in thirds or fifths, as applicable, within thirty days of the first, second, third and, if applicable, fourth and fifth Anniversary.

### III. Maximum Number of Shares to Be Delivered

The final number of shares delivered to each beneficiary, 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 previous week to the date on which the board of directors approves Award A for the executive directors of the Bank for financial year 2021 (hereinafter, the "**2022 Listing Price**").

<sup>4</sup> When termination of the relationship with Banco Santander or another entity of the Santander Group 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, or as a result of an employer other than Banco Santander ceasing to belong to the Santander Group, as well as in cases of mandatory redundancy, the right to delivery of the 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 Santander 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 and in cash, such remuneration shall be delivered within the periods and upon the terms set forth in the plan rules.

Taking into account that the board of directors has estimated that the maximum amount of Award B to be delivered in shares to the beneficiaries of the tenth cycle of the Deferred and Conditional Variable Remuneration Plan comes to 187 million euros (the "**Maximum Amount of Award B Distributable in Shares**" or "**MAABDS**"), the maximum number of Santander shares that may be delivered to such beneficiaries under this plan (the "**Limit of Award B in Shares**" or "**LABS**") will be determined, after deducting any applicable taxes (including withholdings and payments on account), by applying the following formula:

$$\text{LABS} = \text{MAABDS} / \text{2022 Listing Price}$$

#### IV. 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 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 linked to the plan or the basic conditions upon which the delivery thereof is made contingent. Such adaptations may include the substitution of the delivery of shares 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.

#### V. Authorisation

Without prejudice to the general provisions set forth in item Twelve or in preceding sections or to the powers of the board of directors in remuneration matters under the Bylaws and the rules and regulations of the board, the board of directors of the Bank is hereby authorised, to the extent required, 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 or entity, 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 to be received by each of the beneficiaries of the plan to which this resolution refers, observing the established maximum limits.
- (v) Without altering the maximum amount of Award B to be delivered in shares, to specify which executives or employees are beneficiaries of the plan; 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 beneficiaries; and, in the event that the maximum amount distributable in shares to be delivered to the beneficiaries of the plan is exceeded, to authorise the deferral and payment of the excess in cash.
- (vi) Extend the deferral period in the jurisdiction or jurisdictions where so required and in respect of all or part of the beneficiaries of Award B in order to adapt to the applicable regulations in force at any given time or to the requirements of the competent authority, making such adjustments as may be necessary to adapt Award B to the new deferral period.
- (vii) 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 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 with the delivery of equivalent amounts in cash, or the alteration of the mechanisms for net delivery of shares under 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 introduction of new conditions for the delivery of any deferred amount of Award B or the amendment of existing conditions and, if applicable, the increase of the deferred percentages or the deferral period) to any mandatory regulations or administrative interpretation that may prevent the implementation thereof on the approved terms.

- (viii) To develop and specify the conditions upon which the receipt by the beneficiaries of the corresponding shares 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 beneficiaries of the respective shares or cash amounts is made contingent have been fulfilled, with the power to modulate the cash amounts and the number of shares to be delivered depending on the existing circumstances, all following a proposal of the remuneration committee.
- (ix) In general, to take any actions and execute all such documents as may be necessary or appropriate.

Furthermore and as regards matters that are or become part of its area of authority, the board of directors has the power to develop, amend, alter or adapt the terms and conditions of the eleventh cycle of the Deferred and Conditional Variable Remuneration Plan and of the other cycles of the referred plan that remain in force.

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.

The provisions of this resolution are deemed to be 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 variable remuneration policy, the plan and the cycles thereof with respect to their own executives and

employees and, if applicable, to adjust them to regulations or to the requirements of competent authorities in the respective jurisdiction.

## **Eleven C**

### Digital Transformation Award

The Digital Transformation Award for 2021 (the "**Digital Award**") is a remuneration system that includes the delivery of shares and share options of the Bank that has been approved by the board of directors on the terms and conditions described below:

#### I. Purpose and Beneficiaries

The Digital Award will be implemented in connection with the variable remuneration policy for financial year 2021, and the specific award will be approved by the board of directors or the appropriate body as detailed below.

The purpose of the Digital Award is to attract and retain talent that will advance, accelerate and deepen the digital transformation of the Santander Group. With this programme, the Santander Group offers a remuneration element that is competitive with remuneration systems being offered by other market players competing for digital talent.

The number of beneficiaries of the Digital Award is limited to a maximum of 250 persons, and the total amount of the award is limited to €30 million. The beneficiaries will be nominated by senior management of the Santander Group. Subsequently, nominations will be reviewed and finally approved by the remuneration committee or the board of directors, as appropriate. Notwithstanding the above, the inclusion of beneficiaries (through promotion, mobility or hiring at the Group) may be approved at any given time, without in any event changing the authorised maximum number of shares or share options to be delivered.

#### II. Operation

The qualifier for the Digital Award is meeting important milestones that are aligned with the Group's digital roadmap and determined by the board of directors, taking into account the digitalisation strategy of the Group.

The accrual of the Digital Award is subject to the Santander Group's ability to achieve key milestones in the digital transformation of the Bank, supporting its evolution to be the best open and responsible global financial services platform. These milestones and the metrics to evaluate the level of achievement thereof will be approved by the board of directors upon a proposal from the remuneration committee at the beginning of each financial year. Specifically, in 2021 and regarding the Digital Award, the performance conditions to be evaluated will be set against the success of the following four initiatives, to which others may be added that the board of directors deems appropriate due to the significance thereof, upon a proposal from the remuneration committee:

1. In relation to Pago Nxt Consumer payment platform: implementation of Superdigital platform in seven countries, acquisition of over 1.5 million active customer base and accelerating growth through B2B (business to business) and B2B2C (business to business to customer) partnerships, acquiring more than 50% of the new customers through these channels, which are more cost-effective.
2. In relation to Digital Consumer Bank: launching online API for checkout lending in the European Union and completion of controllable items for Openbank launch in USA.
3. In relation to One Santander strategy: implementation in Europe of One Common Mobile Experience and, specifically, implementation of Europe ONE app for individual customers in at least three of the four countries by December 2021; and be among the three-top rated entities in terms of Mobile NetPromoter Score (Mobile NPS) in at least two of the four countries by December 2021.
4. In relation to cloud adoption: host 75% of migratable virtual machines on cloud technology (either public cloud or OHE) by December 2021. For these purposes, mainframes, physical servers and servers with non-x86 operating systems will be considered non-migratable.

At the beginning of 2022 and following a proposal of the remuneration committee, the board of directors will verify if the milestones on which the amount of the Digital Award is contingent have been met. Subsequently, if applicable, the Digital Award will be granted to each beneficiary (awarding a specific number of shares and granting a specific number of share options).

The public information regarding financial year 2021 to be made available to the shareholders on occasion of the 2022 ordinary general shareholders' meeting will specify the level of achievement of the milestones on which the amount of the Digital Award depends.

The Digital Award will be implemented 50% in shares of Banco Santander and 50% in options on shares of Banco Santander, based on the fair value of the share options when they are granted.

For Identified Staff members subject to a five-year deferral period, the Digital Award (shares and share options) will vest in thirds on the third, fourth and fifth anniversary of the grant. For Identified Staff members subject to a three-year deferral period and staff with no deferral requirement, the award will vest in full on the third anniversary of the grant (unless that, for Identified Staff members, the applicable regulation requires otherwise). In both cases, the deferral is aimed at fostering long-term share value creation. Share options vested can be exercised until maturity, with all options lapsing after eight years from granting.

Any delivery of shares or share options (whether or not paid and including settlements thereof) will be subject generally to the Santander Group's general *malus* and clawback provisions as described in the Santander Group's remuneration policy and to the continuity of the beneficiary within the Santander Group. In this regard, the board may define specific rules for non-Identified Staff.

### III. Maximum number of shares to be delivered and applicable rules

The final number of shares directly delivered to each beneficiary shall be calculated taking into account: (i) the amount resulting from applying applicable taxes (including withholdings and 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 previous week to the date on which the board of directors, or the appropriate body in each case, approves the Digital Award for financial year 2021 (the "**2022 Listing Price**").

Taking into account that the maximum amount of the Digital Award to be delivered in shares to the beneficiaries of this award amounts to 15 million euros (the "**Maximum Amount of the Digital Award Distributable in Shares**" or "**MADADS**"), the maximum number of Santander shares that may be delivered to such beneficiaries under this award

(the “**Limit of Digital Award in Shares**” or “**LDAS**”) will be determined, after deducting any applicable taxes (including withholdings and payments on account), by applying the following formula:

$$\text{LDAS} = \text{MADADS} / \text{2022 Listing Price}$$

Consistent with Group policy for Identified Staff members, Santander shares received by the beneficiaries may not be directly or indirectly hedged prior to the delivery thereof. Nor may Beneficiaries directly or indirectly transfer or hedge said shares for a period of one year as from delivery thereof. For these purposes, personnel who are not Identified Staff shall receive the same treatment as Identified Staff who are subject to a three-year deferral period.

#### IV. Maximum number of share options to be delivered and applicable rules

Each share option will have one share as underlying asset and the strike price of each option will be equal to the 2022 Listing Price. Settlement of the options upon exercise will take place by settlement of the difference between the strike price for the option and the applicable Santander share market price at the time of exercise.

The maximum number of share options to be delivered (the “**Limit of Digital Award in Share Options**” or “**LDASO**”) will be determined based on the maximum number of shares that would be delivered to each beneficiary as a result of the exercise of the share options if payment was made by delivery of Santander shares, which must be calculated taking into account: (i) the fair value (“**FV**”) calculated in accordance with generally applicable accounting standards (IFRS - International Financial Reporting Standards) for share-based payments as of the date of the options grant, which will be a fraction of the 2022 Listing Price; and (ii) the 2022 Listing Price.

Taking into account that the maximum amount of the Digital Award to be delivered in share options to its beneficiaries amounts to 15 million euros (the “**Maximum Amount of the Digital Award Distributable in Share Options**” or “**MADADSO**”), the LDASO will be determined, after deducting any applicable taxes (including withholdings and payments on account), by applying the following formula:

$$\text{LDASO} = \text{MADADSO} / \text{2022 Listing Price} \times \text{FV}$$

Exercising options may only be allowed during specific timeframes within the year as determined in the relevant plan regulations.

#### V. 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 and the conditions of the exercise of the share options to be delivered will be modified so as to maintain the percentage of the total share capital represented by those shares or otherwise correct the effect of such change.

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 the 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.

#### VI. Authorisation

Without prejudice to the general provisions set forth in item Twelve or in preceding sections or to the powers of the board of directors in remuneration matters under the Bylaws and the rules and regulations of the board, the board of directors of the Bank is hereby authorised, to the extent required, 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 or entity, 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 beneficiaries of the award to which this resolution refers, observing the established maximum limits.
- (v) To postpone the date of payment of the Digital Award in one or more jurisdictions and in respect of all or some of the beneficiaries of the Digital Award in order to adjust to the remuneration deferral periods required by applicable legal provisions or arising from the requirements of the competent authority.
- (vi) To regulate any mechanisms necessary or appropriate to implement the exercise of the share option, including the procedure for determination of the applicable market price.
- (vii) Without altering the maximum amount of the Digital Award, to set the rules or criteria to specify which executives or employees are beneficiaries of the award and, when appropriate, to directly designate them; 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.
- (viii) 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 award 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 equivalent amounts in cash, or the alteration of the mechanisms for net delivery of shares or share options under 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 Digital Award to any mandatory regulations or administrative interpretation that may prevent the implementation thereof on the approved terms.
- (ix) To determine, develop and specify the conditions upon which the receipt by the beneficiaries of the corresponding shares and share options is subject, as well as to determine whether, according to the award to which this resolution refers, the conditions upon which the receipt by the beneficiaries of the respective shares or share options is subject have been fulfilled, with the power to modulate the number of shares and share options to be delivered depending on the existing circumstances, in particular those extraordinary that are beyond the management of the beneficiaries of the award that might have had an impact, positively or negatively, in its fulfilment, all following a proposal of the remuneration committee.
- (x) In general, to take any actions and execute all such documents as may be necessary or appropriate.

Furthermore and as regards matters that are or become part of its area of authority, the board of directors has the power to develop, amend, alter or adapt the terms and conditions of the eleventh cycle of the Digital Award and of the other remuneration plans of similar nature that remain in force.

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.

The provisions of this resolution are deemed to be 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 variable remuneration policy and the award with respect to their own executives and employees and, if applicable, to adjust them to regulations or to the requirements of competent authorities in the respective jurisdiction.

## Eleven D

### Application of the Santander Group's buy-out regulations

To authorise, inasmuch as it is a remuneration system that includes the delivery 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 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 Santander Group's 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 applicable to the remunerations 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 averaged 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 euros.

The authorisation granted hereby may be used to undertake commitments to deliver shares in relation to the engagements that occur during financial year 2021 and during financial year 2022, until the ordinary general meeting is held in 2022.

## Eleven E

Plan for employees of Santander UK Group Holdings plc and other companies of the Group in the United Kingdom by means of options on shares of the Bank linked to the contribution of periodic monetary amounts and to certain continuity requirements.

To approve, inasmuch as it is a remuneration system that includes the delivery of shares of the Bank or of rights thereon or that is linked to the price of the shares, the implementation of a voluntary savings plan ("sharesave scheme") intended for the employees of Santander UK Group Holdings plc., of companies within the subgroup thereof and of the other companies of the Santander Group registered in the United Kingdom (in which the Group directly or indirectly holds at least 90% of the capital), including employees at United Kingdom branches of Banco

Santander, S.A. or of companies within its Group (and in which the Group directly or indirectly holds at least 90% of the capital), which has been approved by the board of directors on the terms and conditions described below:

A plan in which between 5 and 500 pounds Sterling is deducted from the employee's net pay every month, as chosen by the employee, who may, at the end of the chosen period (3 or 5 years), choose between collecting the amount contributed, the interest accrued and a bonus (tax-exempt in the United Kingdom), or exercising options on shares of Banco Santander, S.A. in an amount equal to the sum of such three amounts at a fixed price. In case of voluntary resignation, the employee will recover the amount contributed to that time, but will forfeit the right to exercise the options.

The exercise price in pounds Sterling will be the result of reducing by up to a maximum of 20% the average of the purchase and sale prices of Santander shares at the close of trading in London for the 3 trading days prior to the reference date. In the event that these listing prices are unavailable for any reason, such reduction will be applied to the average price weighted by average traded volumes on the Spanish *Mercado Continuo* for the 15 trading days prior to the reference date. This amount will be converted into pounds Sterling using, for each day of listing, the average exchange rate for that day as published in the Financial Times, London edition, on the following day. The reference date will be set in the final approval of the plan by the British Tax Authority ("invitation date") and will occur between 21 and 41 days following the date of publication of the consolidated results of Banco Santander, S.A. for the first half of 2021.

The employees must decide upon their participation in the plan within a period between 42 and 63 days following publication of the consolidated results of Banco Santander, S.A. for the first half of 2021.

The maximum monthly amount that each employee may assign to all voluntary savings plans subscribed by such employee (whether for the plan to which this resolution refers or for other past or future "sharesave schemes") is 500 pounds Sterling.

The maximum number of shares of Banco Santander, S.A. to be delivered under this plan, approved for 2021, is 25,025,216, equal to 0.14% of the share capital as of the date of the call to meeting.

The plan is subject to the approval of the tax authorities of the United Kingdom. Each of the subgroups and companies covered by the plan will ultimately decide whether or not to implement this plan in connection with its employees.

Without prejudice to the generality of the provisions of resolution Twelve below, and without prejudice to the powers of the board of directors in remuneration matters under the Bylaws and the rules and regulations of the board, the board of directors is hereby authorised, as required, to the broadest extent permitted by law and with the express power of delegation to the executive committee, to carry out any acts that may be necessary or merely appropriate in order to implement the aforementioned plan, as well as to further develop and elaborate, to the extent required, on the rules set forth herein. All of the foregoing will also be deemed to be without prejudice to the acts that the decision-making bodies of Santander UK Group Holdings plc., of companies within the subgroup thereof and of the other companies of the Santander Group registered in the United Kingdom or having branches therein and referred to in the first paragraph above, have already performed or may hereafter perform in the exercise of their powers, within the framework defined by this resolution of the shareholders acting at the meeting, in order to implement the plan and to establish, develop and elaborate on the rules applicable thereto.

**Item Twelve**      **Authorisation to the board of directors to interpret, remedy, supplement, implement and develop the resolutions approved by the shareholders at the meeting, as well as to delegate the powers received from the shareholders at the meeting, and grant of powers to convert such resolutions into notarial instruments.**

Proposal:

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, carry out 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 any 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 Twelve.

- B) To authorise Ms Ana Patricia Botín-Sanz de Sautuola y O'Shea, Mr José Antonio Álvarez Álvarez and Mr Jaime Pérez Renovales 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, the aforementioned persons are empowered, also on a several basis, to carry out the required filing of the annual accounts and other documentation with the Commercial Registry.

ITEM TO BE SUBMITTED TO A CONSULTATIVE VOTE

**Item Thirteen**      **Annual director remuneration report.**

Annual director remuneration report

The shareholders are asked to provide a consultative vote on the annual director 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 amended by Circulars 7/2015 of 22 December, 2/2018 of 12 June and 1/2020 of 6 October of the National Securities Market Commission). The aforementioned annual report is included in sections 6 (except for 6.6), 9.4 and 9.5 of the "Corporate governance" chapter of the consolidated directors' report, which is part of the 2020 annual report.



# Curricula Vitae of the directors, including those submitted to re-election or ratification

This section contains the curricula of the directors, including those submitted to re-election or ratification. These texts have been extracted for our shareholders' convenience from the 2020 annual report of Banco Santander, S.A. (the "2020 report") and must be read in conjunction with the full 2020 report, which is available at our corporate website: [www.santander.com](http://www.santander.com) and at the information desks in this room.





**Ana Botín-Sanz de Sautuola y O'Shea**  
**GROUP EXECUTIVE CHAIRMAN**  
*Executive director*

Ms Botín joined the board in 1989.

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

**Education:** Degree in Economics from Bryn Mawr College (Pennsylvania, United States).

**Experience:** Ms Botín joined Banco Santander, S.A. after working at JP Morgan (New York, 1980-1988). In 1992, she was appointed senior executive vice-president. Between 1992 and 1998, she led Santander's expansion into Latin America. In 2002, she was appointed executive chairman of Banco Español de Crédito, S.A. Between 2010 and 2014, she was chief executive officer of Santander UK. In 2014, she was appointed executive chairman of Santander.

**Other positions of note:** Ms Botín is a member of the board of directors of The Coca-Cola Company. She is also founder and chairman of the CyD Foundation (which supports higher education) and the Empieza por Educar Foundation (the Spanish subsidiary of the international NGO, Teach for All), and sits on the advisory board of the Massachusetts Institute of Technology (MIT). In February 2021, she was appointed president of the European Banking Federation.

**Positions in other Group companies:** Ms Botín is a non-executive director of Santander UK plc and Santander UK Group Holdings plc; a non-executive chairman of Universia España Red de Universidades, S.A. and Universia Holding, S.L; and a non-executive director of Santander Holding USA, Inc., Santander Bank, N.A. and PagoNxt, S.L.

**Membership of board committees:** Executive committee (chairman), and innovation and technology committee.

**Skills and competencies:** Extensive international experience in banking, having held the highest executive roles. She has also led the transformational, strategic and cultural change of Grupo Santander. Moreover, she has shown an ongoing commitment to sustainable and inclusive growth, as demonstrated by her philanthropic activities.



**José Antonio Álvarez Álvarez**  
**VICE CHAIRMAN & CHIEF EXECUTIVE OFFICER**  
*Executive director*

Mr Álvarez joined the board in 2015.

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

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

**Experience:** José Antonio Álvarez joined Santander in 2002 and was appointed senior executive vice president of the Financial Management and Investor Relations division in 2004 (Group chief financial officer). He served as director at SAM Investments Holdings Limited, Santander Consumer Finance, S.A. and Santander Holdings US,

Inc. He also sat on the supervisory boards of Santander Consumer AG, Santander Consumer Bank GmbH and Santander Bank Polska, S.A. He was a board member of Bolsas y Mercados Españoles, S.A.

**Other positions of note:** None.

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

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

**Skills and competencies:** Mr Álvarez is a highly qualified and talented leader with a distinguished career in banking. He brings significant strategic and international management expertise, in particular financial planning, asset management and consumer finance. He has vast experience with, and a strong reputation among, key stakeholders such as regulators and investors.



**Bruce Carnegie-Brown**  
**VICE CHAIRMAN & LEAD INDEPENDENT DIRECTOR**  
*Non-executive director (independent)*

Joined the board in 2015.

**Nationality:** British. Born in 1959 in Freetown, Sierra Leone.

**Education:** Master of Arts in English Language and Literature from the University of Oxford.

**Experience:** Mr Carnegie-Brown was non-executive chairman of Moneysupermarket.com Group plc (2014-2019), non-executive director of Jardine Lloyd Thompson Group plc (2016-2017) and non-executive chair of AON UK Ltd (2012-2015). He was the founder and managing partner of the quoted private equity division of 3i Group plc, and president and chief executive officer of Marsh Europe, S.A. He was also lead independent director

at Close Brothers Group plc (2006-2014) and Catlin Group Ltd (2010-2014). He previously worked at JP Morgan Chase for 18 years and Bank of America for four years.

**Other positions of note:** Mr Carnegie-Brown is the non-executive chairman of Lloyd's of London and Cuvva Limited.

**Positions in other Group companies:** Mr Carnegie-Brown is non-executive director of Santander UK plc and Santander UK Group Holdings plc.

**Membership of board committees:** Executive committee, nomination committee (chairman), remuneration committee (chairman), and innovation and technology committee.

**Skills and competencies:** Mr Carnegie-Brown has a lengthy background in banking (particularly investment banking) and considerable expertise in insurance. He also possesses significant international experience in Europe (UK), the Middle East and Asia. His top-management insight provides the board with know-how in regard to remuneration, appointments and risk. As lead independent director, he has also gained an excellent understanding of investors' expectations, as well as managing relations with them and financial entities.



**Homaira Akbari**  
*Non-executive director (independent)*

Ms Akbari joined the board in 2016.

**Nationality:** American and French. Born in 1961 in Tehran, Iran.

**Education:** PhD in Experimental Particle Physics from Tufts University and MBA from Carnegie Mellon University.

**Experience:** Homaira Akbari was non-executive director of Gemalto NV and Veolia Environment, S.A. She was chairman and CEO of SkyBitz, Inc., managing director of TruePosition Inc., non-executive director of Covisint

Corporation and US Pack Logistics LLC. She has also held various posts at Microsoft Corporation and Thales Group.

**Other positions of note:** Ms Akbari is chief executive officer of AKnowledge Partners, LLC and an independent director of Landstar System, Inc. and Temenos, AG.

**Positions in other Group companies:** Ms Akbari is non-executive director of Santander Consumer USA Holdings Inc. and PagoNxt, S.L.

**Membership of board committees:** Audit committee, innovation and technology committee, and responsible banking, sustainability and culture committee.

**Skills and competencies:** Ms Akbari brings significant executive experience from technology companies. Her knowledge about digital transformation challenges is an asset to the board. She also has extensive experience in various geographies and knowledge about water, energy and waste management and treatment, which are of particular value to the group.



**Javier Botín-Sanz de Sautuola y O'Shea**  
*Non-executive director*

Mr Botín joined the board in 2004.

**Nationality:** Spanish. Born in 1973 in Santander, Spain.

**Education:** Degree in Law from the Complutense University of Madrid.

**Experience:** Javier Botín founded JB Capital Markets, Sociedad de Valores, S.A.U in 2008 and has been its executive chairman ever since. He was co-founder and executive director of the equities division of M&B Capital

Advisers, S.V., S.A. (2000-2008). Previously, he had been a legal adviser within the International Legal Department of Banco Santander, S.A. (1998-1999).

**Other positions of note:** In addition to the financial sector, Mr Botín works with several not-for-profit organisations. He has been chairman of the Botín Foundation since 2014 and is also a trustee of the Princess of Girona Foundation.

**Positions in other Group companies:** None.

**Membership of board committees:** None.

**Skills and competencies:** Mr Botín brings international and managerial expertise to the board, particularly in finance and banking. He also brings a deep understanding of Grupo Santander, its operations and its strategy from his tenure as a non-executive director.



**Álvaro  
Cardoso de Souza**

*Non-executive director  
(independent)*

Mr de Souza joined the board in 2018.

**Nationality:** Portuguese. Born in 1948 in Guarda, Portugal.

**Education:** Degree in Economics and Business Administration from Pontificia Universidade Católica de São Paulo, MBA-Management Program for Executives from the University of Pittsburgh, and a graduate of the Investment Banking Marketing Program at Wharton Business School.

**Experience:** Álvaro Cardoso de Souza has held various roles in Citibank Group, including CEO of Citibank Brazil, as well as senior roles in the US relating to consumer finance, private banking and Latin America.

He was a board member at AMBEV. S.A., Gol Linhas Aéreas, S.A. and Duratex, S.A. He was chairman of WorldWildlife Group (WWF) Brazil, a board member at WWF International and chairman and member of the audit and asset management committees of FUNBIO (Fundo Brasileiro para a Biodiversidade).

**Other positions of note:** None.

**Positions in other Group companies:** Mr de Souza is the non-executive chairman of Banco Santander (Brasil), S.A.

**Membership of board committees:** Risk supervision, regulation and compliance committee (chairman), and responsible banking, sustainability and culture committee.

**Skills and competencies:** Mr de Souza possesses broad international experience in banking, particularly in Brazil. He has a solid understanding of strategy and risk management, which is key to his role as chairman of our risk supervision, regulation and compliance committee. In addition, his active involvement with several environmental foundations and NGOs brings with him very useful knowledge about sustainability.



**Sol  
Daurella Comadrán**

*Non-executive director  
(independent)*

Ms Daurella joined the board in 2015.

**Nationality:** Spanish. Born in 1966 in Barcelona, Spain.

**Education:** Degree in Business and MBA from ESADE.

**Experience:** Sol Daurella Comadrán served on the board of the Círculo de Economía and was an independent non-executive director at Banco Sabadell, S.A., Ebro Foods, S.A. and Acciona, S.A. She has also been the honorary consul-general of Iceland in Barcelona since 1992.

**Other positions of note:** Ms Daurella is chairman of

Coca-Cola European Partners plc and executive chairman of Olive Partners S.A. She also holds several roles at Cobega Group companies and is chairman of the board of trustees of the FERO Oncology Research Foundation.

**Positions in other Group companies:** None.

**Membership of board committees:** Nomination committee, remuneration committee, and responsible banking, sustainability and culture committee.

**Skills and competencies:** Ms Daurella brings to the board excellent strategy and high-level management skills from her international top-executive experience at listed and large privately-held entities, particularly distributors. She has vast knowledge of corporate governance as the former chair of several boards. She also possesses audit experience, having served on several audit committees. In addition, as a trustee at various health, education and environmental foundations, Ms Daurella contributes responsible business and sustainability insight to the board.



**Henrique  
de Castro**

*Non-executive director  
(independent)*

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) and MBA from the University of Lausanne (Switzerland).

**Experience:** Henrique de Castro 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:** Mr de Castro is an independent director of Fiserv Inc.

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

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

**Skills and competencies:** Due to his executive roles in the world's top technology companies, Mr de Castro brings valuable experience in technological and digital strategy from a wide range of geographies.



**Gina  
Díez Barroso**

*Non-executive director  
(independent)*

Ms Díez joined the board in 2020.

**Nationality:** Mexican. Born in 1955 in Mexico City, Mexico.

**Education:** Degree in Design from Centro de Diseño, Mexico City.

**Experience:** She has over 20 years' experience in the real estate and education sectors. Until April 2020, she was an independent director of Banco Santander México, S.A. and several Grupo Santander companies in Mexico. She has been member of the board of directors of Americas

Society/Council of the Americas, Laurel Strategies and Qualitas of Life Foundation.

**Other positions of note:** She is the founder and president of Grupo Diarq, S.A. de C.V. and Centro de Diseño y Comunicación, S.C. (Universidad Centro). In addition, she is a member of the board of Dalia Women, S.A.P.I de C.V. (Dalia Empower), member of Comité de 200 (C200) and represents Mexico at the W20, the G20 womens' initiative. She founded and is a trustee of the Pro-Educación Centro and Diarq foundations.

**Positions in other Group companies:** None.

**Membership of board committees:** None.

**Skills and competencies:** Ms Díez possesses vast experience in the real estate and education sectors, and has extensive knowledge of responsible business and sustainability as a result of having been a charter member and trustee of foundations focusing on education, gender diversity and social support.



**Luis  
Isasi Fernández de Bobadilla**

*Non-executive director*

Mr Isasi joined the board in 2020.

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

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

**Experience:** With broad experience in the financial and securities market sectors, Mr Isasi began his career at Abengoa, before holding 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 chairman and country head for Spain. He is now a senior adviser there. He has also been director of Madrileña Red de Gas, S.A. and Sociedad Rectora de la Bolsa de Madrid, S.A., as well as an independent director of Grifols, S.A.

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

**Positions in other Group companies:** None.

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

**Skills and competencies:** Mr Isasi has vast experience in a wide range of sectors and international markets, as well as a strong institutional network within Spain.



**Ramiro  
Mato García-Ansorena**

*Non-executive director  
(independent)*

Mr Mato joined the board in 2017.

**Nationality:** Spanish. Born in 1952 in Madrid, Spain.

**Education:** Degree in Economics from the Complutense University of Madrid and graduate of Harvard Business School's Management Development Programme.

**Experience:** Ramiro Mato held several roles in Banque BNP Paribas, including chairman of BNP Paribas Group in Spain. Previously, he had held several top roles in Argentaria. He was a member of the Spanish Banking Association (AEB),

Bolsas y Mercados Españoles, S.A. (BME) and the board of trustees of the Fundación Española de Banca para Estudios Financieros (FEBEF).

**Other positions of note:** Mr Mato is chairman of Ansorena, S.A. and vice-chairman of the board of trustees of Fundación Esperanza y Alegría.

**Positions in other Group companies:** None.

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

**Skills and competencies:** Mr Mato has had an extensive career in banking and capital markets. He has held senior executive and non-executive roles and brings considerable expertise in top management, audit, risk and strategy, mainly within the financial sector. He has also been active on the boards of trustees of several education foundations.



**Ramón Martín  
Chávez Márquez**

*Non-executive director  
(independent)*

Mr Chávez joined the board in 2020.

**Nationality:** American. Born in 1964 in Albuquerque, New Mexico (US).

**Education:** A.B. magna cum laude in Biochemical Sciences and Master of Computer Science from Harvard University. PhD in Medical Information Sciences from Stanford University.

**Experience:** Mr Chávez was Chief technology officer (CTO) and co-founder of Quorum Software Systems (1989-1993), global head of energy derivatives at Credit Suisse Financial Products (1997-2000) and CEO and co-founder of Kiodex (2000-2004). In 2005, he joined Goldman Sachs, where he was a partner from 2006 to 2019 and where he held various executive positions, including global co-head of the securities division, Chief information officer (CIO) and CFO. He was also member of the management committee from 2012 until 2019, when he left the firm.

Furthermore, he has been director of PNM Resources, Inc., the International Swaps and Derivatives Association (ISDA) and the Santa Fe Opera, and a member of the board of trustees of amfAR (the Foundation for AIDS Research).

**Other positions of note:** Mr Chávez is an independent director of Recursion Pharmaceuticals, Inc., Paige.AI, Inc. and Mount Sinai Genomics, Inc. DBA Sema4. He is also member of the Harvard University Board of Overseers, member of the board of trustees of the Institute for Advanced Study of Princeton (New Jersey) and of the Los Angeles Philharmonic, as well as a member of the Stanford University School of Medicine Board of Fellows.

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

**Membership of board committees:** Nomination committee, remuneration committee, risk supervision, regulation and compliance committee and innovation and technology committee (chairman).

**Skills and competencies:** Mr Chávez brings extensive experience in the global financial and IT sectors, which will enhance the board's digital capabilities.



**Sergio  
Rial**

*Executive director*

Mr Rial 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 from the Instituto Brasileiro do Mercado de Capitais, Insead, Harvard Business School and Wharton Business School.

**Experience:** Mr Rial joined the Group as chairman of the board of Banco Santander (Brasil), S.A. in 2015, becoming its CEO and vice-chairman in 2016. He has been a director of Banco Santander International since 2018 and, since April 2019, regional head for South America. 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-chairman, member of the board of directors and global CFO. He has also been CEO at Seara Foods and Marfrig Global Foods and a director of Mosaic Fertilizers.

**Other positions of note:** Mr Rial is an independent director of Delta Airlines Inc. and non-executive chairman of Ebury Partners Limited.

**Positions in other Group companies:** Mr Rial is a non-executive director of Banco Santander International (USA), SAM Investment Holding Limited, PagoNxt, S.L. and Santander Global Trade Platforms Solutions, S.L., and non-executive chairman of Uniersia Brasil, S.A.

**Membership of board committees:** None.

**Skills and competencies:** Mr Rial brings extensive executive experience in banking and finance. He also has a deep understanding of Latin American markets, especially Brazil. His previous experience in multinational groups across geographical areas and sectors increases the board's diversity and gives it a valuable perspective on environmental and social issues.



**Belén  
Romana García**

*Non-executive director  
(independent)*

Belén Romana 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:** Belén Romana 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 chairman of Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB).

**Other positions of note:** Non-executive director of Aviva plc, London and independent director of SIX Group AG and Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.U. Furthermore, she is a member of the board of trustees of the Rafael del Pino Foundation and co-chair of the Global Board of Trustees of the Digital Future Society, and member of the advisory board of GFI, España and TribalData.

**Positions in other Group companies:** None.

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

**Skills and competencies:** Given her background as a government economist and overall executive and non-executive experience in finance (particularly from serving on the audit committees of listed companies), Ms Romana is a recognised financial expert. Having held important positions in Spanish credit institutions and in the field of capital markets, she can also provide strategic insights into banking, financial regulations and government relations.



**Pamela  
Walkden**

*Non-executive director  
(independent)*

Mrs Walkden joined the board in 2019.

**Nationality:** British. Born in 1960 in Worcester, England.

**Education:** Master's Degree in Economics from Cambridge University.

**Experience:** Pamela Walkden has had an extensive career in banking. She has served in a number of senior management positions at Standard Chartered Bank, including as Group Head of Human Resources, Chief Risk Officer, Group Treasurer,

Group Head of Asset and Liability Management and Regional Markets, Group Head of Internal Audit, Group Head of Corporate Affairs and Group Manager of Investor Relations. In addition, she served as an independent member of the UK Prudential Regulation Authority (PRA) Regulatory Reform Panel and as member of the European Banking Authority Stakeholder Group.

**Other positions of note:** Mrs Walkden is a lay member of the Welfare and Ethics Committee of the Royal Veterinary College.

**Positions in other Group companies:** None.

**Membership of board committees:** Audit committee (chairman).

**Skills and competencies:** Ms Walkden is a recognised financial expert in view of her broad, international experience in banking and auditing.

# Director remuneration policy and annual director remuneration report

This section contains the director remuneration policy referred to in item Eight on the agenda and the annual director remuneration report submitted to a consultative vote under item Thirteen on the agenda. These texts have been extracted for our shareholders' convenience from the 2020 report and must be read in conjunction with the full 2020 report, which is available at our corporate website: [www.santander.com](http://www.santander.com) and at the information desks in this room. In particular, the extracts include section 6.4 (remuneration policy) and 6 (except for 6.6), 9.4 and 9.5 (annual director remuneration report) of the "Corporate governance" chapter of the 2020 report.



# 6. Remuneration

Sections [6.1](#), [6.2](#), [6.3](#), [6.4](#), [6.5](#), [6.7](#), [9.4](#) and [9.5](#) comprise the annual report on directors' remuneration that must be prepared and submitted to the consultative vote of the general shareholders' meeting.

In addition, section [6.4](#) sets out the directors' remuneration policy for 2021, 2022 and 2023, which is to be put to a vote at the general shareholders' meeting.

The annual report on directors' remuneration and the directors' remuneration policy for 2021, 2022 and 2023 were approved by our board of directors on 22 February 2021, without any votes against or abstentions.

The current remuneration policy for directors is available on our corporate website.

## 6.1 Principles of the remuneration policy

### Director remuneration in their capacity as such

The board of directors sets the individual remuneration of directors (including executive directors) for the performance of supervisory and collective decision-making duties within the amount fixed by shareholders and commensurately with the roles they perform on the collective decision-making body, their committee membership and attendance, and other objective circumstances the board might consider.

### Remuneration of directors for executive duties

Banco Santander's remuneration policy for executive duties dictates that:

1. Remuneration must be in line with shareholders' interests, conducive to creating long-term value and compatible with our rigorous risk management, long-term strategy and values.
2. Fixed remuneration must make up a significant proportion of total compensation.
3. Variable remuneration must reward individuals for their role in achieving set goals within the framework of prudent risk management.
4. The global remuneration package and its structure must be competitive in order to attract and retain talent.
5. Remuneration decisions must avert conflicts of interest and discrimination.

The remuneration committee and the board enlisted the assistance of Willis Towers Watson to:

- Compare relevant data with that on markets and comparable entities on account of the group's size, characteristics and operations.
- Analyse and confirm compliance with certain quantitative metrics required to evaluate accomplishment of objectives.
- Estimate the fair value of variable remuneration linked to long-term objectives.

## 6.2 Remuneration of directors for supervisory and collective decision-making duties: policy applied in 2020

### A. Composition and limits

According to our Bylaws, the remuneration of directors in their condition as such consists of a fixed annual amount set at the general shareholders' meeting. This amount remains in effect until shareholders vote to amend it, even though the board may reduce it in the years it deems appropriate. At the annual general shareholders' meeting, remuneration for 2020 was set at EUR 6 million, which included (a) annual allotment and (b) attendance fees.

Santander has taken out a civil liability insurance policy for directors subject to usual terms proportionate to its circumstances.

Directors can receive shares, share options or share-linked compensation, subject to prior approval at the general shareholders' meeting. Directors can also receive other compensation following a proposal made by the remuneration committee and upon resolution by the board of directors, as may be deemed appropriate, in consideration for the performance of other duties in Banco Santander, whether they are the duties of an executive director or otherwise in addition to their oversight and collective decision-making as board members.

Lastly, non-executive directors do not have the right to receive any benefit on the occasion of their removal from office.

## B. Annual allotment

Each director received the amounts for serving on the board and its committees included in the chart below for 2019 and 2020.

As a gesture of responsibility in view of the situation created by the health emergency the board of directors agreed on 5 May 2020 to reduce their allotments by 20% for the balance of 2020, with effect from 1 April 2020, and propose that amounts saved thereby be used to finance the initiatives of Banco Santander to fight against the covid-19 pandemic.

Accordingly, the applicable amounts in 2020 and 2019 were:

Amount per director in euros	2020		2019
	1 Apr to 31 Dec	1 Jan to 31 Mar	
Members of the board of directors	49,500	22,500	90,000
Members of the executive committee	93,500	42,500	170,000
Members of the audit committee	22,000	10,000	40,000
Members of the appointments committee	13,750	6,250	25,000
Members of the remuneration committee	13,750	6,250	25,000
Members of the risk supervision, regulation and compliance committee	22,000	10,000	40,000
Members of the responsible banking, sustainability and culture committee	8,250	3,750	15,000
Chairman of the audit committee	38,500	17,500	70,000
Chairman of the appointments committee	27,500	12,500	50,000
Chairman of the remuneration committee	27,500	12,500	50,000
Chairman of the risk supervision, regulation and compliance committee	38,500	17,500	70,000
Chairman of the responsible banking, sustainability and culture committee	27,500	12,500	50,000
Lead director	60,500	27,500	110,000
Non-executive vice chairmen	16,500	7,500	30,000

A. Since 2015, Bruce Carnegie-Brown has been allocated EUR 700,000 in minimum total annual pay (including annual allowances and attendance fees) for services to the board and its committees, particularly as chairman of the appointments and remuneration committees and lead independent director; and for the required time and dedication to perform these roles. However, in line with the board of directors' decision to reduce their allotments and fees with effects from 1 April 2020 explained above, which is shared by Mr. Bruce Carnegie-Brown, the same reduction shall be applied to this amount. Accordingly, the amount assigned for 2020 will be EUR 595,000.

## C. Attendance fees

Pursuant to resolutions approved by the board on the remuneration committee's recommendations, attendance fees for board and committees meetings (not including the executive committee, for which no fees are set) totalled the amounts included in the chart below for the last two years.

The amounts applied until 31 March 2020 were the same as in 2019. On 5 May 2020, as a gesture of responsibility in view of the situation created by the health emergency, the board of directors agreed to reduce their attendance fees by 20% for the balance of 2020, with effect from 1 April 2020, and propose that the amounts saved thereby be used to finance the initiatives of Banco Santander to fight against the covid-19 pandemic.

Attendance fees per director per meeting in euros	2020		2019
	1 Apr to 31 Dec	1 Jan to 31 Mar	
Board of directors	2,080	2,600	2,600
Audit committee and risk supervision, regulation and compliance committee	1,360	1,700	1,700
Other committees (excluding executive committee)	1,200	1,500	1,500

## D. Breakdown of bylaw-stipulated emoluments

Total director bylaw-stipulated emoluments and attendance fees received in 2020 amounted to EUR 4.1 million (EUR 4.9 million in 2019). This is 31% less than the amount approved at the general meeting. Each director earned the following amounts for these items:

Directors	Exec utive	Non- execu tive	Amount in euros										Board and committee attendance fees	emoluments and attendance fees	2019
			2020												
			Board <sup>N</sup>	EC	AC	ASC	RC	RSRCC	RBSCC	Total					
Ms Ana Botín-Sanz de Sautuola y O'Shea		—	76,500	144,500	—	—	—	—	—	12,750	233,750	55,220	288,970	333,800	
Mr José Antonio Álvarez Álvarez		—	76,500	144,500	—	—	—	—	—	—	221,000	48,620	269,620	312,800	
Mr Bruce Carnegie-Brown		I	326,380	144,500	—	21,250	21,250	—	—	—	513,380	81,620	595,000	700,000	
Ms Homaira Akbari		I	76,500	—	34,000	—	—	—	—	12,750	123,250	79,040	202,290	225,900	
Mr Francisco Javier Botín-Sanz de Sautuola y O'Shea <sup>A</sup>		N	76,500	—	—	—	—	—	—	—	76,500	44,720	121,220	136,800	
Mr Álvaro Antonio Cardoso de Souza		I	136,000	—	—	—	—	34,000	12,750	—	182,750	60,420	243,170	275,500	
Mr Ramón Martí Chávez Márquez		I	8,086	—	—	548	5,269	8,430	—	—	22,333	15,120	37,453	—	
Ms Sol Daurella Comadrán		I	76,500	—	—	21,250	21,250	—	—	12,750	131,750	81,920	213,670	239,700	
Manuel Drummond Borges Cirne de		I	76,500	—	34,000	—	21,250	—	—	—	131,750	85,040	216,790	86,746	
Ms Gina Diez Barroso <sup>E</sup>		I	1,973	—	—	—	—	—	—	—	1,973	2,080	4,053	—	
Mr Luis Isasi Fernández de Bobadilla		N	44,389	83,847	—	—	12,361	19,790	—	—	160,387	42,640	203,027	—	
Mr Ramiro Mato García-Ansorena		I	119,000	144,500	34,000	—	—	34,000	12,750	—	344,250	86,160	430,410	500,300	
Mr Sergio Rial <sup>G</sup>		—	42,000	—	—	—	—	—	—	—	42,000	20,800	62,800	—	
Ms Belén Romana García		I	98,044	144,500	34,000	—	—	34,000	12,750	—	323,294	93,980	417,274	524,600	
Mrs Pamela Ann Walkden <sup>H</sup>		I	114,454	—	34,000	—	—	—	—	—	148,454	66,140	214,594	33,915	
Mr Rodrigo Echenique Gordillo		N	74,724	—	—	20,757	—	—	—	—	95,481	60,020	155,501	219,134	
Mr Ignacio Benjumea Cabeza de Vaca		N	34,500	65,167	—	—	9,583	15,333	5,750	—	130,333	43,140	173,473	432,700	
Mr Guillermo de la Dehesa Romero <sup>I</sup>		N	23,100	43,633	—	6,417	6,417	—	—	—	79,567	28,180	107,747	398,800	
Ms Esther Giménez-Salinas i Colomer <sup>J</sup>		I	63,532	—	—	17,648	—	28,236	10,589	—	120,005	71,400	191,405	228,768	
Mr Carlos Fernández González <sup>M</sup>		I	—	—	—	—	—	—	—	—	—	—	—	213,249	
<b>Total</b>			<b>1,545,182</b>	<b>915,147</b>	<b>170,000</b>	<b>87,870</b>	<b>97,380</b>	<b>173,789</b>	<b>92,839</b>	<b>3,082,207</b>	<b>1,066,260</b>	<b>4,148,467</b>	<b>4,862,712</b>		

A. All amounts received were reimbursed to Fundación Botín.

B. Director since 1 April 2018.

C. Director since 27 October 2020.

D. Director since 17 July 2019.

E. Director since 22 December 2020.

F. Director since 19 May 2020

G. Executive director since 30 May 2020

H. Director since 29 October 2019.

I. Stepped down as executive director on 30 April 2019. Non-executive director from 1 May 2019 to 22 December 2020

J. Stepped down as director on 5 May 2020.

K. Stepped down as director on 3 April 2020.

L. Stepped down as director on 27 October 2020

M. Stepped down as director on 28 October 2019

N Includes emoluments for chairing committees and other roles.

P: Proprietary I: Independent N: Non-external (neither proprietary nor independent).

EC: Executive committee AC: Audit committee ASC: Appointments committee RC: Remuneration committee

RSRCC: Risk supervision, regulation and compliance committee. RBSCC: Responsible Banking, sustainability and culture committee.

## 6.3 Remuneration of directors for executive duties

The policy on directors' remuneration for executive duties in 2020 was approved by the board of directors and put to a binding vote at the general shareholders' meeting on 3 April 2020, with 94,40% of the votes in favour. The table below summarises the policy and its implementation for Ana Botín and José Antonio Álvarez.

In the case of Sergio Rial, who was appointed director on April 2020, he has not received any remuneration for executive duties in Banco Santander, S.A. during 2020, but he qualifies as an executive director pursuant to section 529 *duodecies* of the Spanish Companies Act (Ley de Sociedades de Capital), because of his role as CEO and vice-president of Banco Santander (Brasil) S.A. (Santander Brasil).

Component	Type	Policy	Implementation in 2020
Gross annual salary	Fixed	<ul style="list-style-type: none"> <li>• Paid in cash on a monthly basis.</li> </ul>	<ul style="list-style-type: none"> <li>• Ana Botin: EUR 3,176 thousand.</li> <li>• José Antonio Álvarez: EUR 2,541 thousand.</li> </ul>
Variable remuneration	Variable	<ul style="list-style-type: none"> <li>• Individual benchmark reference.</li> <li>• Calculated against annual quantitative metrics and a qualitative assessment on account of individual performance.</li> <li>• 50% of each payment is shares withheld for three years, unless the director already holds shares for an amount equivalent to twice their fixed remuneration. The number of shares is set at the time of the award.</li> <li>• 40% paid in 2021;</li> <li>• 60% deferred in five years. <ul style="list-style-type: none"> <li>◦ 24% paid in equal parts in 2022 and 2023.</li> <li>◦ 36% paid in equal parts in 2024, 2025 and 2026, provided certain long-term objectives are met (2020-2022).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• See section 6.3 B ii) for details on annual metrics and assessment.</li> <li>• See section 6.3 B iv) for details on long-term metrics.</li> <li>• See section 6.3 B iii) for details on individual variable pay.</li> </ul>
Pension scheme	Fixed	<ul style="list-style-type: none"> <li>• Annual contribution of 22% of base salary.</li> </ul>	<ul style="list-style-type: none"> <li>• No change since 2018</li> </ul>
	Variable	<ul style="list-style-type: none"> <li>• Annual contribution of 22% of 30% of the average of variable remuneration in the last three years</li> </ul>	<ul style="list-style-type: none"> <li>• See section 6.3 C for details on annual contributions and pension balance.</li> </ul>
Other remuneration	Fixed	<ul style="list-style-type: none"> <li>• Includes life, accident and medical insurance, and other in-kind compensation.</li> <li>• Includes a fixed remuneration supplement in cash (not considered salary or pensionable) since supplementary death and disability benefits were eliminated.</li> </ul>	<ul style="list-style-type: none"> <li>• No change for Ana Botin or José Antonio Álvarez since 2018.</li> </ul>
		<ul style="list-style-type: none"> <li>• Payment for non-compete commitment</li> </ul>	<ul style="list-style-type: none"> <li>• N/A.</li> </ul>
Shareholding policy	N/A	<ul style="list-style-type: none"> <li>• In addition to the regulatory obligation to hold shares for one year from their grant date, executive directors also have the obligation to hold them for three years from their award date, unless the director already holds shares for an amount equivalent to 200% of their fix annual remuneration.</li> <li>• Ana Botín and José Antonio Alvarez have the obligation to accumulate this 200% within a period of five years since 2016 to demonstrate the shareholding.</li> </ul>	<ul style="list-style-type: none"> <li>• Policy updated during 2020 to assure compliance with recommendation 62 to the Good Governance Code for Listed Companies of the CNMV</li> </ul>

### A. Gross annual salary

The board resolved to maintain the same gross annual salary for Ana Botín and José Antonio Álvarez for 2020 as in 2019.

It also maintained the fixed pension contribution of 22% of gross annual salary it had declared in 2019 for 2020.

Executive directors' gross annual salary and fixed annual contribution to pension for 2020 and 2019 were as follows:

EUR thousand	2020			2019		
	Gross annual salary	Fixed annual pension contribution	Total	Gross annual salary	Fixed annual pension contribution	Total
Ms Ana Botín-Sanz de Sautuola y O'Shea	3,176	699	3,875	3,176	699	3,875
Mr José Antonio Álvarez Álvarez	2,541	559	3,100	2,541	559	3,100
Mr Rodrigo Echenique GordilloA	—	—	—	600	—	600
<b>Total</b>	<b>5,717</b>	<b>1,258</b>	<b>6,975</b>	<b>6,317</b>	<b>1,258</b>	<b>7,575</b>

A. Stepped down as executive director on 30 April 2019. Non-executive director from 1 May 2019 to 22 December 2020. Figure includes his gross annual salary until he ceased to be an executive director.

## B. Variable remuneration

### i) General policy for 2020

The board approved the executive directors' variable remuneration on the remuneration committee's recommendation, according to its policy:

- Variable components (including the variable part of the contributions to the benefit systems) of executive directors' total remuneration in 2020 should amount to less than 200% of fixed components, as established by resolution of the annual general shareholders' meeting on 3 April 2020.
- At the beginning of 2021, on the remuneration committee's recommendation, the board approved the final amount of the 2020 incentive, based on the set bonus pool in accordance with the directors' remuneration policy approved at the general shareholders' meeting of 3 April 2020, in consideration of:
  - A group of short-term quantitative metrics measured against annual objectives.
  - A qualitative assessment that cannot adjust the quantitative result by more than 25 percentage points upwards or downwards.
  - Any exceptional adjustment that must be supported by evidence.
  - The final figure is adjusted to executive directors' individual variable remuneration benchmark in accordance with the current model as well as (i) their individual objectives, which generally match the group's and cover financial, risk management, client satisfaction and social impact metrics, such as being among the Top 10 companies to work for in the group's main geographies or financial empowerment objectives; and (ii) how they achieve them, with consideration for how they manage employees and have adhered to corporate values.

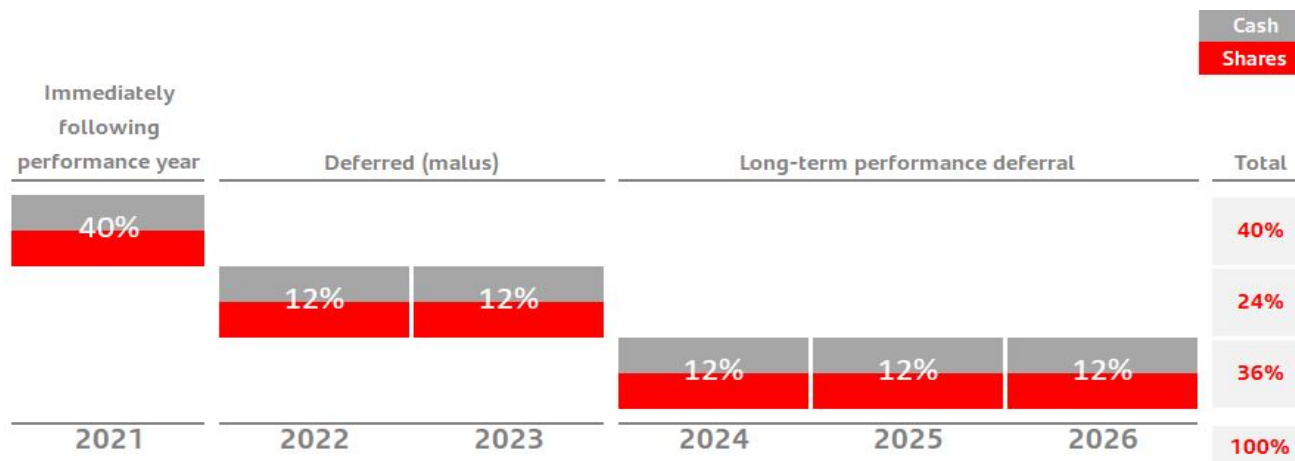


A. Any exceptional adjustment supported by evidence

Quantitative metrics and qualitative assessment aspects are described below.

- Payment of the approved incentive is split equally into cash and shares. 40% is paid in 2021, once the final amount has been set. The remaining 60% will be deferred in equal parts over five years (subject to long-term metrics) as follows:
  - The deferred amount payable in 2022 and 2023, (24% of the total) will be paid if none of the malus clauses described below are triggered.
  - The deferred amount payable in 2024, 2025 and 2026, (36% of the total) will be paid if the malus clauses are not triggered and the multi-year targets described below are reached. These targets can only reduce these amounts and the number of deferred shares (which can be lower but not higher).
  - When the deferred amount is paid in cash, the beneficiary may be paid the amount adjusted for inflation up to the date of payment.
  - All payments in shares will be withheld for three years after being delivered, unless the director already holds shares for an amount equivalent to twice his/her annual salary.
  - The hedging of Santander shares received during the retention and deferral periods is expressly prohibited. The sale of shares is also prohibited for one year from time they are received.

The payment schedule of the incentive is illustrated below.



All deferred payments can be subject to malus, even if they are not subject to long-term objectives. Similarly, Santander can claw back paid incentives in the scenarios and for the period dictated in the group's malus and clawback policy.

**ii) Quantitative metrics and qualitative assessment for 2020**

Executive directors' variable remuneration for 2020 has been based on the corporate centre executives' common bonus pool, which calculation comes from the quantitative and qualitative metrics approved by the board at the beginning of 2020 on the remuneration committee's recommendation. This also takes into account the input received from the human resources committee, which for these purpose counts on the participation of the senior management in charge of

the group's risk, compliance, audit, human resources and general secretariat and financial accounting and control functions, who among others provided input on risk, solvency, liquidity, results' quality and recurrence, and other compliance and control aspects. The quantitative and qualitative results for the bonus pool resulting from the process above, which are considered by the board, upon recommendation from the remunerations committee, are included in the chart below.

It is worth noting that none of the metrics and targets below have been modified in any manner, despite the exceptional crisis circumstances created by the covid-19 pandemic:

Category and (weight)	Quantitative metrics				Qualitative		Total weighted score
	Metrics	% Achievement over target	Assessment	Weighted assessment <sup>A</sup>	Component	Assessment	
Customers (20%)	Net Promoter Score (NPS) <sup>C</sup>	Target: TOP3 in 6 countries. Achieved: TOP3 in 6 countries <sup>D</sup>	81.3 %	8.13 %	Evaluation of the robustness of the governance, culture and management of conduct risk with our clients	+2.15% - Strength in governance, especially in the approval of products, and relevant improvements in remuneration models, while some aspects of culture and management by the first line of defense are still under development.	20.33 %
	Number of loyal customers <sup>D</sup>	Target: 22,719,800 Achieved: 22.838.300	100.5 %	10.05 %			
Risks (10%)	Non-performing loans ratio	% Target: 3.08% % Achieved: 3.21%	95.6 %	4.78 %	Assessment of the control environment and appropriate management of risk appetite and excesses recognised.	+ 1.45% - Improvement of the control environment, key in managing the risks derived from the health and economic crisis. No relevant non-compliance in risk appetite.	6.23 %
	Cost of Credit Ratio (IFRS9)	% Target: 1.02% % Achieved: 1.28%	0.0 %	0.00 %			
Capital (20%)	Capital ratio (CET1)	% Target: 11.90% % Achieved: 12.10%	180.0 %	36.00 %	Efficient capital management.	+ 3.10% - Reinforced capital ratio and above the target, despite the significant increase in provisions due to the context of the year	39.10 %
Return (50%)	Ordinary net profit (ONP) <sup>E</sup>	Target: €8,243.2 million <sup>G</sup> Result: €4,581.15 million	0.0 %	0.00 %	Suitability of business growth compared to the previous year, considering the market environment and competitors.	+1.83% - Solid and sustainable results despite global crisis context, with focus this year on on new origination and protecting spreads, managing costs in an efficient manner.	5.41 %
	RoTE - Return on Tangible Equity	% Target: 11,34% <sup>G</sup> % Achieved: 6.71% <sup>G</sup>	0.0 %	0.00 %	Sustainability and solidity of results. Efficient cost management and achievement of efficiency goals.	+ 0.30% - Sustainable growth in a global crisis environment, with more efficient use of capital in term of profitability.	
					Progress in the commitments assumed to promote the Group's Responsible Banking agenda and incorporate it into its business strategy (additional indicator in 2020)	+ 3.28% - Progress exceeding forecasts in most of the Group's responsible banking agenda commitments.	
Exceptional adjustment	Elements (non-exhaustive) under consideration: macro-economic environment, general control environment, compliance with internal and external regulations, prudent and efficient liquidity and capital planning management.				The underlying business performance resulted in a final bonus calculation of 71.08% of the target bonus. The board of directors, upon recommendation from the remuneration committee, exercised its discretion to reduce this target bonus to 67.32%, which was the original target submitted to the board in December 2020 and resolved that the amount saved would be contributed to the Santander fund set up to support the fight against Covid-19		(3.75)%
<b>TOTAL</b>							<b>67.32 %</b>

A. The weighted assessment is the result of multiplying each objective's assessment by its weighting per category. Each category has same weighting, except as described under Note E below.

B. Result of adding or subtracting the qualitative assessment to/from the weighted assessment.

C. The net promoter core (NPS) measures customers' willingness to recommend Santander. The assessment is based on the number of the group's core markets where Santander's NPS scores in the top 3, as well as on its performance against competitors. In 2020.

D. The achievement amount is calculated by adding the weight each country where the target is met has over the total of Santander Group clients.

E. For this purpose, ONP is attributed ordinary net profit, adjusted upwards or downwards for transactions the board believes have an impact not connected to the performance of evaluated directors, for which extraordinary profit, corporate transactions, special allowances, or accounting or legal adjustments that may occur in the year are evaluated. The specific weight of ONP in the total scorecard is 20% and RoTE is 30%.

F. 2020 underlying profit attributable to the Group is €5,081 million, but restructuring costs have been applied to it for the purpose of calculating scorecard results, reducing this figure to €4,581 million

G. 2020 ordinary RoTE is 7.44%, but restructuring costs have been applied to it for the purpose of calculating scorecard results, reducing this figure to 6.71%.

The following section details the individual variable remuneration approved by the board.

### iii) Determination of the individual variable remuneration for executive directors set in 2020

The board approved executive directors' variable remuneration on the remuneration committee's recommendation based on the policy mentioned in the paragraphs above and the result of the quantitative metrics and qualitative assessment described above, and taking into account the commitment made by Ana Botín and José Antonio Álvarez on 23 March 2020 to reduce the total on their salary and variable remuneration in 50% described below.

The board also verified that none of the following circumstances have occurred:

- The Group's ONP<sup>1</sup> for 2020 was not more than 50% less than for 2019. Otherwise, variable remuneration would not have been greater than 50% of the benchmark incentive.
- The group's ONP was not negative. Otherwise, the incentive would have been zero.

The board voted to maintain the same benchmark incentive for Ana Botín and José Antonio Álvarez in 2020 as in 2019.

Variable contributions to pensions were not modified in 2020, so the amounts are the 22% of the 30% of the last three assigned bonus' average.

### Voluntary Reduction of Executive Remuneration (Chairman and CEO)

On 23 March 2020, given the health crisis created by the covid-19 pandemic, Ana Botín and José Antonio Álvarez proposed to reduce their 2020 total compensation (salary and bonus) by 50% and use the amounts saved to finance the Santander covid-19 relief fund. This proposal was supported by the remuneration committee and approved by the board of directors.

To achieve the 50% reduction compared to 2019, the board of directors decided to apply an additional adjustment to Ana Botín's and José Antonio Álvarez's variable compensation, reducing the variable compensation by 74% in the case of Ana Botín and 79% in the case of José Antonio Álvarez.

Ana Botín's total salary and bonus for 2019 was EUR 9,688 thousand, with EUR 3,176 thousand salary and EUR 6,512 thousand bonus (of which EUR 4,168 thousand was the sum of immediately payable and deferred -not linked to long-term objectives- variable remuneration, and EUR 2,344 thousand

was deferred variable remuneration linked to long-term objectives at face value). Accordingly, the total of her salary and bonus for 2020 has been established at EUR 4,844 thousand, with EUR 3,176 thousand salary and EUR 1,668 thousand bonus (of which EUR 1,068 thousand is the sum immediately payable and deferred -not linked to long-term objectives- variable remuneration, and EUR 600 thousand is deferred variable remuneration linked to long-term objectives at face value).

José Antonio Álvarez's total salary and bonus for 2019 was EUR 6,893 thousand, with EUR 2,541 thousand salary and EUR 4,352 thousand bonus (of which EUR 2,786 thousand was the sum of immediately payable and deferred -not linked to long-term objectives- variable remuneration, and EUR 1,566 thousand was deferred variable remuneration linked to long-term objectives at face value). Accordingly, the total of his salary and bonus for 2020 has been established at EUR 3,446.5 thousand, with EUR 2,541 thousand salary and EUR 906 thousand bonus (of which EUR 580 thousand is immediately payable and deferred -not linked to long-term objectives- variable remuneration, and EUR 326 thousand is deferred variable remuneration linked to long-term objectives at face value).

The chart below shows the comparison between the amounts received in 2019 and those received in 2020:

	2019			2020			% Var. 2020 vs 2019
	Salary	Bonus	Total	Salary	Bonus	Total	
Chairman	3,176	6,512	9,688	3,176	1,668	4,844	(50)%
CEO	2,541	4,352	6,893	2,541	906	3,447	(50)%

Additionally, Ana Botin has made a personal decision to donate the full amount of the cash bonus paid this year for 2020 to Banco Santander's *Euros de tu nómina* program, through which employees can give up part of their pay to projects sponsored by a group of charities voted for by employees and Banco Santander matches the employees donation, and to *Empieza por Educar*, the Spanish affiliate of Teach for All.

### Breakdown of immediately payable and deferred remuneration

The immediately payable variable remuneration in deferred amounts not contingent on long-term metrics and variable remuneration deferred and contingent on long-term objectives approved by the board of directors, following a proposal by the remuneration committee resulting from the aforementioned process are:

<sup>1</sup> For this purpose, ONP is attributed ordinary net profit, adjusted upwards or downwards for transactions the board believes have an impact not connected to the performance of evaluated directors, for which extraordinary profit, corporate transactions, impairments, or accounting or legal adjustments that may occur during the year are evaluated. The exclusion in the calculation for these purposes of goodwill impairments is aligned with the supervisors' criteria on their recommendations on dividend distributions.

**Immediately payable and deferred (not linked to long-term objectives) variable remuneration**

EUR thousand	2020			2019		
	In cash	In shares	Total	In cash	In shares	Total
Ms Ana Botín-Sanz de Sautuola y O'Shea	534	534	1,068	2,084	2,084	4,168
Mr José Antonio Álvarez Álvarez	290	290	580	1,393	1,393	2,786
Mr Rodrigo Echenique Gordillo	—	—	—	640	640	1,280
<b>Total</b>	<b>824</b>	<b>824</b>	<b>1,648</b>	<b>4,117</b>	<b>4,117</b>	<b>8,234</b>

A. Stepped down as executive director on 30 April 2019. Non-executive director from 1 May 2019 to 22 December 2020. Immediate and deferred variable remuneration not contingent on long-term objectives included until he stepped down.

B. The share amounts in the foregoing table correspond to a total of 307 thousand shares in Banco Santander (1,122 thousand shares in 2019).

The following chart states deferred variable remuneration at fair value, which will only be received in 2024, 2025 and 2026, provided that long-term multi-year targets are met

(see section 6.3 B iv)), beneficiaries continue to be employed at Santander Group, in accordance with the terms approved in the general shareholders' meeting, and no circumstances triggering malus clauses occur<sup>2</sup>:

**Deferred variable remuneration linked to long-term objectives (fair value)**

EUR thousand	2020			2019		
	In cash	In shares	Total	In cash	In shares	Total
Ms Ana Botín-Sanz de Sautuola y O'Shea	210	210	420	821	821	1,642
Mr José Antonio Álvarez Álvarez	114	114	228	548	548	1,096
Mr Rodrigo Echenique Gordillo	—	—	—	252	252	504
<b>Total</b>	<b>324</b>	<b>324</b>	<b>648</b>	<b>1,621</b>	<b>1,621</b>	<b>3,242</b>

A. Stepped down as executive director on 30 April 2019. Non-executive director from 1 May 2019 to 22 December 2020. Variable remuneration contingent on long-term objectives included until he stepped down.

B. The number of shares in the table total 121 thousand shares in Banco Santander (442 thousand shares in 2019).

Fair value has been determined on the grant date based on the valuation report of an independent expert, Willis Towers Watson. Based on the design of the plan for 2020 and success levels of similar plans at peer entities, the expert found a range of 60%-80% reasonable to estimate the initial success ratio. Therefore, fair value was considered to be 70% of the maximum value.

The maximum number of shares to be delivered under the plan (480 thousand shares not adjusted for fair value) is within the limit of 4,283 thousand shares authorised in the annual general meeting on 3 April 2020 for executive directors. This limit was calculated with the weighted average daily volume of weighted average listing prices of Santander shares in the 15 trading sessions prior to the Friday (not inclusive) before 2 February 2021 (the date on which the

board approved the 2020 bonus for executive directors), which was EUR 2.685 per share.

**iv) Multi-year targets linked to the payment of deferred amounts in 2024, 2025 and 2026**

The multi-year targets linked to the payment of the deferred amounts payable in 2024, 2025 and 2026 are:

Metrics	Weight	Target and compliance scales (metrics ratios)
A Earnings per share (EPS) growth in 2022 vs 2019	33 %	If EPS growth $\geq$ 15%, then metric ratio is 1.5 If EPS growth $\geq$ 10% but < 15%, then metric ratio is $1 - 1.5^C$ If EPS growth $\geq$ 5% but < 10%, then metric ratio is $0 - 1^C$ If EPS growth < 5%, then metric ratio is 0
B Relative Total Shareholder Return (TSR) <sup>A</sup> in 2020-2022 within a peer group	33 %	If ranking of Santander above percentile 66, then metric ratio is 1 If ranking of Santander between percentiles 33 and 66, then ratio is $0 - 1^D$ If ranking of Santander below percentile 33, then metric ratio is 0
C Fully loaded target common equity Tier 1 ratio (CET1) <sup>B</sup> for 2022	33 %	If CET1 is $\geq$ 12%, then metric ratio is 1 If CET1 is $\geq$ 11% but < 12%, then metric ratio is $0 - 1^E$ If CET1 is < 11%, then metric ratio is 0

A. TSR refers to the difference (%) between the final and initial values of capital invested in ordinary shares of Banco Santander. The final value is calculated based on the dividends or other similar concepts (such as the Santander Scrip Dividend programme) shareholders receive for this investment during the corresponding period -as if they had invested in more shares of the same type at the first date on which the dividend or similar concept was payable to shareholders- and the weighted

<sup>2</sup> Corresponds to the fair value of the maximum amount to be received over a total of 3 years, subject to continued service -with certain exceptions-, non- applicability of malus clauses and compliance with set goals. Fair value was estimated at the plan award date on account of several scenarios for the variables in the plan during the measurement periods.

- average share price at that date. To calculate TSR, the weighted average daily volumes of the weighted average listing prices for the fifteen trading sessions prior to 1 January 2020 (exclusive) is considered (to calculate the initial value) and the fifteen trading sessions prior to 1 January 2023 (exclusive) (to calculate the final value). The peer group consists of BBVA, BNP Paribas, Citi, Crédit Agricole, HSBC, ING, Itaú, Scotia Bank and Unicredit.
- B. To check success in terms of this objective, possible increases in CET1 resulting from capital increases will be disregarded (except in relation to the Santander Scrip Dividend programme). Furthermore, the CET1 ratio at 31 December 2022 could be adjusted to factor out the impact of any new regulations on its calculation up to that date.
- C. Linear increase in the EPS ratio based on the specific EPS growth rate in 2022 in respect of 2019 within this bracket of the scale.
- D. Proportional increase in the TSR ratio based on the number of positions moved up in the ranking.
- E. Linear increase in the CET1 ratio as a function of the CET1 ratio in 2022 within this bracket of the scale.

To determine the annual amount of the deferred portion linked to objectives corresponding to each board member in 2024, 2025 and 2026, the following formula shall be applied to each of these payments ('Final annuity') without prejudice to any adjustment deriving from the malus clauses:

$$\text{Final annuity} = \text{Amt.} \times (1/3 \times A + 1/3 \times B + 1/3 \times C)$$

where:

- 'Amt.' is one third of the variable remuneration amount deferred conditional on performance (i.e. Amt. will be 12% of the total variable pay set in early 2021).
- 'A' is the EPS ratio according to the scale in the table above, based on EPS growth in 2022 vs 2019.
- 'B' is the TSR ratio according to the scale in the table above, according to the relative performance of Banco Santander's TSR within its peer group in 2020-2022.
- 'C' is the CET1 ratio according to compliance with the CET1 target for 2022 described in the table above.
- In any event, if the result of  $(1/3 \times A + 1/3 \times B + 1/3 \times C)$  is greater than 1, the multiplier will be 1.
- **v) Malus and clawback**

Deferred amounts (whether or not contingent on multi-year targets) will be earned if the beneficiary continues to work with the group<sup>3</sup>, and none of the circumstances triggering the malus clause arise before each payment, according to the section on malus and clawback clauses in the remuneration policy.

Similarly, Banco Santander can clawback any paid variable amounts in the scenarios and for the period dictated by the terms and conditions in the said policy.

Variable remuneration for 2020 can be clawed back until the beginning of 2027.

Malus and clawback clauses are triggered if the financial performance of the Banco Santander, a specific division or area, or exposures generated by staff is poor on account of:

Category	Factors
Risk	Significant failures in risk management by Banco Santander, or by a business or risk control unit.
Capital	An increase in capital requirements at the Banco Santander or one of its business units not planned at the time that exposure was generated.
Regulation and internal codes	Regulatory penalties or legal convictions for events that might be attributable to the unit or staff responsible for them. In addition, failure to comply with Banco Santander's internal codes of conduct.
Conduct	Improper conduct, whether individual or collective. Negative effects deriving from the marketing of unsuitable products and the liability of persons or bodies making such decisions will be considered especially significant.

The application of malus or clawback clauses for executive directors shall be determined by the board of directors, at the proposal of the remuneration committee, and cannot be proposed once the retention period for the final payment in shares under the plan has elapsed in early 2027. Therefore, on the remuneration committee's recommendation and depending on the level of compliance with the conditions for applying malus clauses, the board determines the specific deferred incentive amount to be paid as well as any amount that could be subject to clawback.

### C. Main features of the benefit plans

Executive directors participate in the defined contribution pension scheme created in 2012, which covers contingencies due to retirement, disability and death.

<sup>3</sup> When the beneficiary's relationship with Banco Santander or another group entity terminates because of retirement, early retirement or pre-retirement; a dismissal ruled by the courts to be wrongful; unilateral withdrawal for good cause by an employee (which includes the situations set forth in article 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; mandatory redundancy; or because an employer other than Banco Santander ceases to belong to Santander Group, the right to receive shares and deferred amounts in cash and any amounts of the deferred amounts in cash adjusted for inflation will remain under the same conditions in force as if none of such circumstances had occurred. In the case of death, the right will pass to the beneficiary's heirs.

In cases of justified temporary leave due to temporary disability, suspension of contract due to maternity or paternity leave, or leave to care for children or a relative, there will be no change in the beneficiary's rights. If the beneficiary goes to another group company (even through international assignment and/or expatriation), these rights will likewise not change. If the relationship terminates by mutual agreement or because the beneficiary obtains a leave not mentioned above, the terms of the termination or temporary leave agreement will apply.

None of those circumstances attach the right to receive the deferred amount in advance. If beneficiaries or their heirs maintain the right to receive deferred pay in shares and cash and any deferred amounts in cash adjusted for inflation, it will be delivered within the periods and under the terms dictated by the rules for the plans.

None of the above circumstances shall give the right to receive the deferred amount in advance. If the beneficiary or the successors thereof maintain the right to receive the deferred remuneration in shares and cash and, where applicable, the amounts arising from the adjustment for inflation of the deferred amounts in cash, it shall be delivered within the periods and under the terms provided in the rules for the plans.

In the event of pre-retirement and up until the retirement date, executive directors have the right to receive an annual allowance. Ana Botín's maximum allotment is the sum of her fixed remuneration and 30% of the average of her last three variable remuneration amounts. José Antonio Álvarez's allotment is his fixed remuneration paid as senior vice president.

According to the 2012 system, contracts for executive directors (and other senior managers) with defined benefit pension obligations were transformed into a defined contribution system. The new system gives executive directors the right to receive benefits upon retirement, even if they are not active at Banco Santander at the time, based on contributions to the system. It also replaces their previous right to receive a pension supplement in the event of retirement.

The initial amount for each executive director in the new defined contribution pension scheme corresponded to the market value of the assets for which the provisions for due obligations were recognised when the previous pension commitments had been transferred to the new pension scheme.

Every year since 2013, Banco Santander has been contributing to the pension scheme for executive directors and senior executives in proportion to their pensionable bases until their departure from the group, retirement, death or disability (even during pre-retirement). The pensionable base for executive directors is the sum of fixed remuneration plus 30% of the average of their last three variable remuneration amounts (in the event of José Antonio Álvarez's pre-retirement, it will be his fixed remuneration as a senior executive vice-president). Contributions will be 22% of pensionable bases in all cases.

Pursuant to remuneration regulations, contributions calculated on the basis of variable remuneration are subject to the discretionary pension benefits scheme. Therefore, under the policy, malus and clawback clauses can be enforced on them in place at any given time and during the same period in which variable remuneration is deferred. Furthermore, these contributions must be invested in shares in Banco Santander for five years from the date of the executive director's retirement, or from the date on which executive directors leave the group. Once that period has elapsed, the amount invested in shares will be paid to them or their beneficiaries if some contingency covered by the pension scheme was happened or will be added to the remainder of their cumulative balance until their retirement age when the total amount will be paid.

The benefit plan is outsourced to Santander Seguros y Reaseguros, Compañía Aseguradora, S.A. The economic rights of the directors previously mentioned belong to them even if they are not active at Banco Santander at the time of their retirement, death or disability. Their contracts do not stipulate any severance payment outside the extent of the law for termination of contract or the aforementioned annual allowance for pre-retirement.

Pursuant to the director's remuneration policy approved at the annual general meeting on 23 March 2018, the system contributes 22% of the respective pensionable base.

The provisions recognised in 2020 for retirement pensions amounted to 2,019 thousand euros (2,003 thousand euros in 2019), as broken down below.

EUR thousand	2020	2019
Ms Ana Botín-Sanz de Sautuola y O'Shea	1,155	1,145
Mr José Antonio Álvarez Álvarez	864	858
<b>Total</b>	<b>2,019</b>	<b>2,003</b>

These are the amounts corresponding to each executive director as of 31 December 2020 and 2019 in the pension scheme:

EUR thousand	2020	2019
Ms Ana Botín-Sanz de Sautuola y O'Shea	49,444	48,104
Mr José Antonio Álvarez Álvarez	18,082	17,404
Mr Rodrigo Echenique Gordillo	—	13,268
<b>Total</b>	<b>67,526</b>	<b>78,776</b>

A. Rodrigo Echenique has not participated in the defined contribution pension scheme described in the preceding paragraphs. However, for reference purposes, this year's table details his rights before he was named an executive director. Rodrigo Echenique's accrued obligation as of December 2020 is zero, since he received the benefit in the form of capital in 2020. Therefore, there is no pending commitment in this regard in respect of Rodrigo Echenique.

#### D. Other remuneration

Santander Group also takes out insurance policies for life, health and other contingencies for its executive directors. This other remuneration component includes the fixed supplement approved for Ana Botín and José Antonio Álvarez to replace the supplementary benefits from the pension scheme eliminated in 2018, in addition to the cost for insuring death or disability until they retire. Executive directors are also covered under the group's civil liability insurance policy.

Rodrigo Echenique received 1,800 thousand euros as first payment for his compensation for his two-year non-compete commitment from the date he stepped down as executive director (30 April 2019). In May 2020 he received the same amount for the payment that was pending in connection with this commitment.

Note 5 to the group's consolidated financial statements describes other benefits received by executive directors in detail.

#### E. Shareholdings

In 2016, on the remuneration committee's recommendation, the board of directors approved a shareholding policy to better align executive directors with shareholders' long-term interests.

According to this policy, in addition to the executive directors' commitment to maintaining a significant holding of shares in the group for as long as they have their role, executive directors active on 1 January 2016 would have five years to demonstrate that their personal assets include shares in Banco Santander that amount to twice their nett annual salary on that date. Executive directors have complied with this policy.

Likewise, in addition to the regulatory obligation for executive directors not to sell the shares they receive as remuneration for a year from their award, which is included in the shareholding policy, and will apply to all cases, this policy has also been updated to include the obligation for executive directors not to sell the shares they receive as remuneration for a period of three years from their award date, unless the executive director already holds Banco Santander shares for an amount equivalent to twice his/her fix annual remuneration.

#### F. Remuneration of Sergio Rial in Santander Brasil

Sergio Rial has received the following remuneration in his role as CEO of Santander Brasil:

2020	BRL thousand	EUR thousand
Base salary	12,645	2,175
Other fixed benefits	39	7
Pensions	5,041	867
Variable remuneration	30,240	5,201
<b>Total</b>	<b>47,965</b>	<b>8,250</b>

His variable remuneration is subject to the same policy principles, deferrals, multi year targets linked to the payment of deferred amounts and malus and clawback principles described in B herein, though referred to the subsidiary where he is the CEO.

#### G. Remuneration of board members as representatives of Banco Santander

The executive committee has resolved that the remuneration received by directors who represent Banco Santander on boards of companies where it owns equity and were appointed after 18 March 2002 will accrue to the group. No executive director received remuneration for this type of representation in 2020 or 2019.

However, in 2020 Alvaro Cardoso de Souza was paid BRL 1,947 thousand (EUR 335 thousand) as non-executive chairman of Banco Santander Brasil, S.A., Homaira Akbari was paid USD 190 thousand (EUR 156 thousand) as member of the board of Santander Consumer USA (SCUSA) and EUR 17,200 as member of the Board of PagoNxt), and Henrique Manuel Drummond Borges Cirne de Castro and Ramón Martín Chávez Márquez were each paid the same EUR 17,200 as members of the board of PagoNxt.

Likewise, Luis Isasi was paid EUR 740 thousand as chairman of the board of Santander Spain (amount included in the chart below as "other remuneration" as it is paid by Banco Santander, S.A.)

#### H. Individual remuneration of directors for all items in 2020

Below is a breakdown of each director's short-term salary (payable immediately) and deferred remuneration not based on long-term performance for 2020 and 2019. Note 5 to the group's consolidated financial statements contains disclosures on shares delivered in 2020 under the deferred remuneration schemes of previous years where conditions for their delivery were met in the related years.

Directors	EUR thousand									
	2020									2019
	Bylaw-stipulated emoluments		Salary and bonus of executive directors					Pension Contribution	Other remuneration	Total
Board and board committees annual allotment	Board and committee attendance fees	Fixed Salary	Immediate payment bonus (50% in shares)	Deferred payment bonus (50% in shares)	Total					
Ms Ana Botín-Sanz de Sautuola y O'Shea	234	55	3,176	667	400	4,243	1,155	1,131	6,818	9,954
Mr José Antonio Álvarez Álvarez	221	49	2,541	362	217	3,120	864	1,764	6,018	8,270
Mr Bruce Carnegie-Brown	513	82	—	—	—	—	—	—	595	700
Ms Homaira Akbari	123	79	—	—	—	—	—	—	202	226
Mr Francisco Javier Botín-Sanz de Sautuola y O'Shea <sup>A</sup>	77	45	—	—	—	—	—	—	122	137
Mr Álvaro Antonio Cardoso de Souza <sup>B</sup>	183	60	—	—	—	—	—	—	243	276
Mr Ramón Martín Chávez Márquez <sup>C</sup>	22	15	—	—	—	—	—	—	37	—
Ms Sol Daurella Comadrán	132	82	—	—	—	—	—	—	214	240
Mr Henrique Manuel Drummond Borges Cirne de Castro <sup>D</sup>	132	85	—	—	—	—	—	—	217	86
Ms Gina Díez Barroso <sup>E</sup>	2	2	—	—	—	—	—	—	4	—
Mr Luis Isasi Fernández de Bobadilla <sup>F</sup>	160	43	—	—	—	—	—	740	943	—
Mr Ramiro Mato García-Ansorena	344	86	—	—	—	—	—	—	430	500
Mr Sergio Rial <sup>G</sup>	42	21	—	—	—	—	—	—	63	—
Ms Belén Romana García	323	94	—	—	—	—	—	—	417	525
Mrs Pamela Ann Walkden <sup>H</sup>	148	66	—	—	—	—	—	—	214	34
Mr Rodrigo Echenique Gordillo <sup>I</sup>	95	60	—	—	—	—	—	1,800	1,955	4,874
Mr Ignacio Benjumea Cabeza de Vaca <sup>J</sup>	130	43	—	—	—	—	—	102	275	524
Mr Guillermo de la Dehesa Romero <sup>K</sup>	80	28	—	—	—	—	—	—	108	399
Ms Esther Giménez-Salinas i Colomer <sup>L</sup>	120	71	—	—	—	—	—	—	191	228
Mr Carlos Fernández González <sup>M</sup>	—	—	—	—	—	—	—	—	—	214
<b>Total 2020</b>	<b>3,081</b>	<b>1,066</b>	<b>5,717</b>	<b>1,029</b>	<b>617</b>	<b>7,363</b>	<b>2,019</b>	<b>5,537</b>	<b>19,066</b>	<b>—</b>
<b>Total 2019</b>	<b>3,770</b>	<b>1,094</b>	<b>6,317</b>	<b>5,146</b>	<b>3,087</b>	<b>14,550</b>	<b>2,003</b>	<b>5,770</b>	<b>—</b>	<b>27,187</b>

A. All amounts received were reimbursed to Fundación Botín.

B. Director since 1 April 2018.

C. Director since 27 October 2020.

D. Director since 17 July 2019.

E. Director since 22 December 2020.

F. Director since 19 May 2020

G. Executive director since 30 May 2020

H. Director since 29 October 2019.

I. Stepped down as executive director on 30 April 2019. Non-executive director from 1 May 2019 to 22 December 2020

J. Stepped down as director on 5 May 2020.

K. Stepped down as director on 3 April 2020.

L. Stepped down as director on 27 October 2020.

M. Stepped down as director on 28 October 2019.

The following table provides each executive director's salary contingent on multi-year targets. It is only paid if they remain active in the group, malus clauses do not apply and set multi-year targets (or their minimum thresholds, with the corresponding deduction arranged at the end of the year) are achieved.

	EUR thousand	
	2020 (50% in shares) <sup>A</sup>	2019 (50% in shares) <sup>A</sup>
Ms Ana Botín-Sanz de Sautuola y O'Shea	420	1,642
Mr José Antonio Álvarez Álvarez	228	1,096
Mr Rodrigo Echenique Gordillo <sup>B</sup>	—	504
<b>Total</b>	<b>648</b>	<b>3,242</b>

A. Fair value of the maximum amount receivable over a total of 3 years (2024, 2025 and 2026), which was estimated when the plan was granted, based on several scenarios relating to variables in the plan during the measurement periods.

B. Stepped down as executive director on 30 April 2019. Non-executive director from 1 May 2019 to 22 December 2020.

## I. Ratio of variable to fixed pay components in 2020

At the April 2020 AGM, shareholders approved a maximum ratio of 200% of variable to fixed components in executive directors' pay.

The table below shows the ratio of variable components to fixed components for each executive director's total pay in 2020. This ratio decreased by 90 p.p. for Ana Botín and by 66 p.p. for José Antonio Álvarez in respect of 2019 owing to the decrease in their variable pay mentioned in subsection B.iii.

Executive directors	Variable Components / fixed components (%)
Ms Ana Botín-Sanz de Sautuola y O'Shea	40 %
Mr José Antonio Álvarez Álvarez	24 %
Mr Sergio Rial	167 %

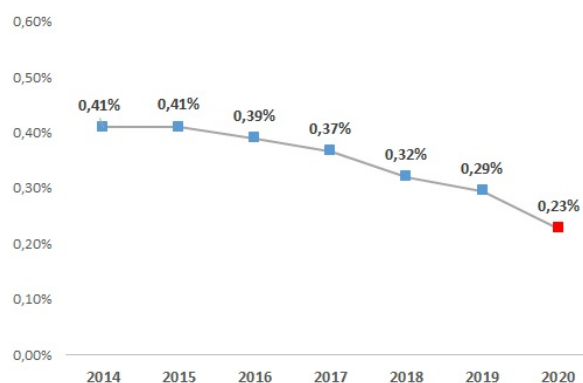
For these purposes:

- Variable components include all items of this nature, such as any contributions to the pension scheme calculated on directors' variable pay.
- Fixed components consist of the other items each director receives for executive duties, including contributions to pension schemes calculated on the basis of fixed remuneration and other benefits, as well as all bylaw-stipulated emoluments that the director is entitled to receive in his or her capacity as such.

## J. Comparative analysis of directors' remuneration, company performance and average remuneration of employees

This chart summarises directors' compensation (short-term remuneration, deferred variable remuneration and/or deferred variable remuneration linked to multi-year targets) for executive duties in relation to underlying attributable profit.

### Ratio of executive directors' total remuneration to underlying attributable profit



The following chart shows the comparative analysis between the directors' remuneration, the company performance (underlying profit attributable to the Group, Ordinary ROTE) and the average remuneration of Santander employees in the last 5 years:

Directors' remuneration <sup>1</sup>	2020	2019	2018	2017	2016
<b>• Executive Directors</b>					
Ms Ana Botín-Sanz de Sautuola y O'Shea	6,818	9,954	10,483	10,582	9,800
Mr José Antonio Álvarez Álvarez	6,018	8,270	8,645	8,893	8,255
Mr Sergio Rial <sup>A</sup>	63	—	—	—	—
<b>• Non-Executive Directors<sup>2</sup></b>					
Mr Bruce Carnegie-Brown	595	700	732	731	721
Mr Francisco Javier Botín-Sanz de Sautuola y O'Shea <sup>B</sup>	122	137	121	124	115
Ms Sol Daurella Comadrán	214	240	215	207	191
Ms Belén Romana García <sup>C</sup>	417	525	414	297	219
Ms Homaira Akbari <sup>D</sup>	202	226	199	159	32
Mr Ramiro Mato García-Ansorena <sup>E</sup>	430	500	450	36	—
Mr Álvaro Cardoso de Souza <sup>F</sup>	243	276	148	—	—
Mr Henrique Manuel Drummond Borges Cirne de Castro <sup>G</sup>	217	86	—	—	—
Mrs Pamela Ann Walkden <sup>H</sup>	214	34	—	—	—
Mr Luis Isasi Fernández de Bobadilla <sup>I</sup>	943	—	—	—	—
Mr Ramón Martín Chávez Márquez <sup>J</sup>	37	—	—	—	—
Ms Gina Díez Barroso <sup>K</sup>	4	—	—	—	—
<b>Company's performance</b>					
Underlying profit attributable to the Group	5.081	8.252	8.064	7.516	6.621
Ordinary RoTE	7,44%	11,79%	12,08%	11,82%	11,08%
<b>Employees' average remuneration</b>					
	43.867	43.262	41.522	40.519	n.a.

1. Deferred variable remuneration linked to long-term objectives not included. 2. Non-executive directors' remuneration fluctuations are caused by joining or leaving the Board of Directors and the difference in the amount of meetings they assist during the year. Hence there is no correlation between their remuneration and the company performance. A. Executive director since 30 May 2020. B. All amounts received were reimbursed to Fundación Botín. C. Director since 22 December 2015. D. Director since 27 September 2016. E. Director since 28 November 2017. F. Director since 23 March 2018. G. Director since 17 July 2019. H. Director since 29 October 2019. I. Director since 19 May 2020. J. Director since 27 October 2020. K. Director since 22 December 2020.

## J. Summary of link between risk, performance and remuneration

Banco Santander's remuneration policy and its application in 2020 have promoted sound and effective risk management while the fulfilment of business objectives.

The key elements of the remuneration policy for executive directors making alignment between risk, performance and reward in 2020 were as follows:

Key words	Aspect aligning risk, performance and remuneration
Metrics balance	The balance of quantitative metrics and qualitative assessments, including customer, risk, capital and profitability in relation to risk, used to determine the executive directors' variable remuneration.
Financial thresholds	The adjustment to variable remuneration if certain financial thresholds are not reached, which may limit the variable remuneration to 50% of the previous year's amount or lead to it not being awarded at all.
Long-term objectives	The long-term objectives linked to the last three portions of the deferred variable remuneration. These objectives are directly associated with return to shareholders relative to a peer group, earnings per share and maintaining a sound capital base.
Individual performance	The discretion of the board to consider the performance of each executive director in the award of their individual variable remuneration.
Variable remuneration cap	200% of fixed remuneration.
Control functions involvement	The work undertaken by the human resources committee aided by senior managers Control functions leading control functions in relation to the analysis of quantitative metrics information and undertaking qualitative analysis.
Malus and clawback	Malus can be applied to unvested deferred pay and clawback can be applied to vested or paid compensation under the conditions dictated by the group's remuneration policy.
Payment in shares	At least 50% of variable pay is in shares withheld for a period of time upon delivery.

## 6.4 Directors' remuneration policy for 2021, 2022 and 2023 submitted to a binding shareholder vote

### Remuneration policy principles and remuneration system

#### A. Directors' remuneration in their capacity as such

Director's remuneration is regulated by article 58 of the Banco Santander's bylaws and article 33 of the Rules and regulations of the board of directors. For 2021, 2022 and 2023, no changes to the principles and composition of directors' remuneration for supervisory and collective decision-making duties are planned with respect of those in 2020. They are described in sections [6.1](#) and [6.2](#).

#### B. Executive directors' remuneration

Executive directors are entitled to be paid the remuneration (e.g., salaries, incentives, bonuses, severance payments for early termination from such duties, and amounts to be paid by Banco Santander for insurance premiums or contributions to savings schemes) deemed appropriate for performing executive functions following a proposal from the remunerations committee and by resolution of the board of directors, subject to the limits set by law. For 2021, 2022 and 2023, no changes to the principles of executive directors' remuneration for executive duties are planned. They are described in sections [6.1](#) and [6.3](#).

Every year, Banco Santander conducts a comparative analysis of total compensation for executive directors and other senior executives. For 2021, the analysis will consist of a 'peer group' made up by BBVA, BNP Paribas, Citi, Crédit Agricole, HSBC, ING, Itaú, Scotia Bank and Unicredit.

### Directors' remuneration for 2021

#### A. Directors remuneration in their capacity as such

In 2021, directors, in their capacity as such, will receive remuneration for supervisory and collective decision-making duties for a total of up to 6 million euros as authorised by the shareholders at the April 2020 AGM (which will again be put to a vote at the 2021 AGM). It consists of:

- annual allocation; and
- attendance fees.

The amounts agreed for 2021 are the same as those initially established for 2020 disclosed in section [6.2.B and C](#) above, with the exception of the IT and innovation committee, whose members will receive an annual allotment of EUR 25,000, with an additional EUR 70,000 in the case of its chairman, and the same attendance fees as other committees (with the exception of the executive committee, the audit committee and the risk supervision, regulation and compliance committee).

The specific amounts and the form of payment are determined by the board of directors in the manner described in section [6.2](#) above, based on the objective circumstances of each director.

As per the description of the director remuneration system, Banco Santander will pay the premium for the civil liability insurance of its directors in 2021, which it took out under customary market terms and proportionally to the circumstances of Banco Santander.

## B. Executive directors' remuneration for the performance of executive duties

### i) Fixed remuneration components

#### A) Gross annual salary

On the remuneration committee's recommendation, the board resolved that Ana Botín and José Antonio Álvarez's gross annual salaries would be the same for 2021 as in 2020. Their gross annual salary amounts could increase owing to adjustments made to the fixed remuneration mix based on standards approved by the remuneration committee, as long as it will not increase the group's costs.

As regional head for South America, Sergio Rial will receive, subject to the approval of the 2021 AGM, a gross annual salary amount of EUR 750 thousand.

#### B) Other fixed remuneration components

- Benefit systems: defined contribution schemes as set out in section 'Pre-retirement and benefit schemes'.
- Supplement to fixed salary: Ana Botín will receive EUR 525,000 and José Antonio Álvarez, EUR 710,000 as a supplement to their fixed pay in 2021. This had been approved in 2018 when the supplementary death and disability pension schemes were eliminated.
- Social welfare benefits: executive directors will also receive social welfare benefits such as life insurance premiums, medical insurance and the allocation of remuneration to employee loans, in accordance with Banco Santander's general policy for senior management, and in the same terms as the rest of employees. Additional information can be found under the 'Pre-retirement and benefit plans' section.

### ii) Variable remuneration components

The board approved the policy on executive directors' variable remuneration for 2021 on the remuneration committee recommendation, based on the remuneration policy principles described under section [6.3](#).

In the case of Sergio Rial, although it is not expected that he will receive any variable remuneration from Banco Santander, S.A. in 2021, the same principles apply to his variable remuneration in Santander Brasil, though referred to the metrics and targets for the region and country where he carries out his executive duties.

Executive directors' variable remuneration consists of a single incentive scheme, linked to the achievement of short-and long-term objectives. It is structured as follows:

- The final amount of variable remuneration will be set at the start of the following year (2022) based on the benchmark amount and subject to compliance with the annual objectives described under section B) below.
- 40% of the incentive will be paid immediately once the final amount has been set, and 60% will be deferred in equal parts paid out over five years and subject to long-term metrics:
  - The amount deferred over the first two years (24% of the total) will be paid in 2023 and 2024 on the condition that

no malus clauses described under section 6.3 B vi) are triggered.

- The amount deferred over the next three years (36% of the total) will be paid in 2025, 2026 and 2027, on the condition that no malus clauses are triggered and long-term targets –described in section D) Deferred incentive subject to long-term performance objectives– are met.

The Group can claw back incentives already paid in the cases and during the term set out in its malus and clawback policy, described under section [6.3 B vi\)](#).

Exceptionally, when a new executive director joins Banco Santander, his/her variable pay may include a sign-on bonus and/or buyouts.

Variable components in executive directors' total remuneration for 2021 cannot exceed the limit of 200% of fixed components, submitted for approval to the 2021 AGM. However, under EU regulations on remuneration, certain variable components can be excluded.

#### A. Variable remuneration benchmark

Variable remuneration for executive directors in 2021 will be set based on a standard benchmark contingent upon the full achievement of set targets. The board of directors may revise the variable pay benchmark on the remuneration committee's recommendation and following market and internal contribution criteria.

#### B. Setting of final variable remuneration based on yearly results

Based on that standard benchmark, 2021 variable remuneration for executive directors will be based on the corporate bonus pool, and set according to:

- A set of short-term quantitative metrics measured against annual objectives.
- A qualitative assessment that cannot raise or lower the quantitative result by more than 25%.
- An exceptional adjustment that must be supported by duly substantiated evidence and may involve changes owing to control and/or risk deficiencies, negative assessments from supervisors or unexpected material events.

In an effort to further simplify the executive compensation framework, upon recommendation from the remuneration committee, the board of directors has approved a simplification of the metrics based on yearly results, which number has been reduced from the seven metrics used in 2020 and previous years to four.

The scorecard below provides the detailed quantitative metrics, qualitative assessment factors and weightings:

Category and weighting	Quantitative metrics	Qualitative assessment
Customers (20%)	NPS <sup>A</sup>	Accomplishment of objectives in the rules on risk conduct with customers.
	Risks - Cost of Credit Ratio (10%)	Appropriate management of risk appetite and excesses recognised. Adequate management of operational risk.
	Capital - Capital Ratio (CET1)(20%)	Efficient capital management
Shareholders (80%)		Suitable business growth in respect of the previous year, considering the market and competitors.
	Return - RoTE: return on tangible equity <sup>B</sup> (50%)	Sustainable and robust earnings. Progress against the <a href="#">11 public commitments for responsible banking</a> included in the responsible banking report.
		Efficient cost management and achievement of efficiency goals.

A. Net promoter score.

B. For this purpose, these metrics may be adjusted upwards or downwards by the board, following a proposal from the remuneration committee, when inorganic transactions, material changes to the Group's composition or size or other extraordinary circumstances (such as impairments, legal changes or restructuring procedures) have occurred which affect the suitability of the metric and achievement scale established in each case and resulting in an impact not related to the performance of the executive directors and executives being evaluated.

Lastly, as additional conditions for determining the incentive, the following circumstances must be confirmed to set variable pay:

- If the group's ONP for 2021 were 50% less than in 2020, variable pay would in no case exceed 50% of the benchmark incentive for 2021.
- If the group's ONP were negative, the incentive would be zero.

When setting individual bonuses, the board will also consider restrictions to the dividend policy imposed by supervisors.

### C) Forms of payment of the incentive

Variable remuneration is 50% in cash and 50% in shares. One portion is paid in 2022 and the other is deferred for five years and subject to long-term metrics:

- 40% of variable pay is paid in 2022, net of tax, with half in cash and half in shares.
- 60% paid, if applicable, in five equal parts in 2023, 2024, 2025, 2026 and 2027, net of tax, with half in cash and half in shares, under the conditions stipulated in section D).

The final three payments will also be subject to long-term objectives described in section D) below.

The portion paid in shares cannot be sold until one year has elapsed since they were delivered.

### D) Deferred variable pay subject to long-term objectives

As indicated above, the amounts deferred in 2025, 2026 and 2027 will be paid on the condition that the group achieves its long-term targets for 2021-2023, in addition to the terms described in section E).

The long term metrics and related targets are:

- Banco Santander's consolidated underlying EPS growth target in 2023 vs 2020. The EPS ratio for this target is obtained as follows:

#### EPS growth in 2023

(% vs. 2020)	'EPS Ratio'
≥ 125%	1.5
≥ 100% but < 125%	1 - 1.5 <sup>A</sup>
≥ 70% but < 100%	0 - 1 <sup>A</sup>
< 70%	0

A. Straight-line increase in the EPS ratio based on the underlying EPS growth rate in 2023 in respect of 2020 within this bracket of the scale.

To verify compliance with this objective, the board, following a proposal from the remuneration committee, may adjust it to remove the effects of any regulatory change to its calculation rules or any extraordinary circumstances (such as impairments, corporate transactions or restructuring procedures) that have occurred which affect the suitability of the metric and achievement scale established in each case and resulting in an impact not related to the performance of the executive directors and executives being evaluated.

- Relative performance of Banco Santander's total shareholder return (TSR) in 2021-2023 in respect of the weighted TSR of a peer group comprising 9 credit institutions, with the appropriate TSR ratio based on the group's TSR among its peers.

Ranking of Santander TSR	'TRS Ratio'
Above the 66 <sup>th</sup> percentile	1
Between the 33 <sup>rd</sup> and 66 <sup>th</sup> percentile (both inclusive)	0 - 1 <sup>A</sup>
Below the 33 <sup>rd</sup> percentile	0

A. Increase in the TSR ratio proportional to the number of positions moved up in the ranking.

TSR measures the return on shareholders' investment. It is the sum of the change in share price plus dividends and other similar items (including the Santander Scrip Dividend programme) shareholders can receive during the period. The peer group comprises the following entities: BBVA, BNP Paribas, Citi, Credit Agricole, HSBC, ING, Itaú, Scotiabank and Unicredit.

(c) Compliance with the Santander Group's consolidated fully loaded target common equity tier 1 ratio (CET1) for 2023. The CET1 ratio relating to this target is obtained as described below:

CET1 in 2023	CET1 ratio
≥ 12%	1
≥ 11% pero < 12%	0 – 1 <sup>A</sup>
< 11%	0

A. Linear increase in the CET1 ratio based on the CET1 ratio for 2022 within this range of the scale.

To verify compliance with this objective, the CET1 ratio deriving from share capital increases (other than those implemented under the Santander Dividendo Elección scrip dividend scheme) will be disregarded. Moreover, the CET1 ratio at 31 December 2023 may be adjusted by the board, following a proposal of the remuneration committee, to remove the effects of any regulatory change to its calculation rules or any extraordinary circumstance (such as impairments, corporate transactions or restructuring procedures) not related to the performance of the executive directors and executives being evaluated, that may arise in relation to its calculation until such date.

The following formula will be used to set the annual amount of performance-based deferred variable remuneration in 2025, 2026 and 2027 ('Final annuity'), without prejudice to any adjustment deriving from the application of the malus policy (see section 6.3 B vi):

$$\text{Final annuity} = \text{Amt.} \times (1/3 \times A + 1/3 \times B + 1/3 \times C)$$

where:

- 'Amt.' is one third of variable remuneration deferred conditional on performance (i.e. Amt. will be 12% of the total incentive set in early 2022).
- 'A' is the EPS ratio according to the scale in the table above, based on EPS growth in 2023 vs 2020.
- 'B' is the TSR ratio according to the scale in the table above, according to the relative performance of Banco Santander's TSR within its peer group in 2021-2023.
- 'C' is the CET1 ratio according to compliance with the CET1 target for 2023 described in section (c) above.
- In any event, if the result of  $(1/3 \times A + 1/3 \times B + 1/3 \times C)$  is greater than 1, the multiplier will be 1.

The estimated maximum amount to be delivered in shares to executive directors is 11.5 million euros.

#### E) Other terms of the incentive

Directors will be paid deferred amounts (including those linked to long-term targets) if they remain in the group and none of the circumstances triggering malus clauses arise (as per the malus and clawback section in the group's remuneration policy) under terms similar to those indicated for 2020. Furthermore, the group can claw back paid incentives under the scenarios, period and terms and conditions set out in the remuneration policy.

Hedging Santander shares received during the retention and deferral periods is expressly prohibited.

The effect of inflation on the deferred amounts in cash may be offset.

Selling shares is also prohibited for at least one year since they are received.

The remuneration committee may propose to the board adjustments in variable remuneration under exceptional circumstances owing to internal or external factors, such as requirements, orders or recommendations issued by regulatory or supervisory bodies. Such adjustments will be described in detail in the report on the remuneration committee and the annual report on directors' remuneration put to a non-binding vote at the annual general meeting.

#### iv. Shareholdings

As described in section 6.3.E, in addition to the regulatory obligation not to sell shares they receive as remuneration for a year since from their award date, in order to comply with recommendation 62 of the Spanish Corporate Governance Code, the policy on shareholdings has been updated to include the obligation for executive directors not to sell the shares they receive as variable remuneration for a period of three years from their award date, unless the executive director already holds Banco Santander shares for an amount equivalent to twice his/her annual salary.

#### v. Principle of equal pay

Executive directors, as well as any other Santander employee, are subject to the principle of equal pay included in Santander Group's Remuneration Policy, which does not allow for any kind of discrimination, and fosters for remuneration management to assure equal pay for men and women.

### Directors' remuneration for 2022 and 2023

#### A. Directors' remuneration

For 2022 and 2023, no changes to directors' remuneration are planned in respect of the remuneration described for 2021, although shareholders at the 2022 or 2023 annual general meeting could approve an amount higher than the six million euros currently in force, or the board could approve an alternative allocation of that amount to directors.

#### B. Directors' remuneration for the performance of executive duties

Executive directors' remuneration will conform to principles similar to those applied in 2021, with the following changes.

##### i. Fixed components of remuneration

###### A. Gross annual salary

Executive directors' annual gross fixed pay may be adjusted each year based on the criteria approved by the remuneration committee at any given time. For 2022 and 2023, it may not increase above 5% of their annual gross salary in the previous year. It could also increase owing to adjustments made to the fixed remuneration mix based on standards approved by the remuneration committee, as long as it will not increase the Group's costs.

The 5% increase mentioned above may be higher for one or several directors provided that, when applying the rules or requirements or supervisory recommendations that may be applicable, and if so proposed by the remuneration committee, it is appropriate to adjust their remuneration mix and, in particular, their variable remuneration, in view of the functions they perform

This should not increase executive directors' total remuneration. Otherwise, it must be disclosed in the report on the remuneration committee and the annual report on director's remuneration put to a non-binding vote at annual general meeting.

#### B) Other fixed remuneration components

No changes planned in respect of the terms for 2021.

##### ii) Variable remuneration components

The policy on executive directors' variable remuneration for 2022 and 2023 will be based on the same principles as in 2021, following the same single-incentive scheme described above, and subject to the same rules of operation and limitations.

#### A) Setting variable remuneration

Executive directors' variable remuneration for 2022 and 2023 will be set based on the corporate bonus pool and a benchmark approved for each year which takes into account:

- a set of short-term quantitative metrics measured against annual objectives and aligned with the group's strategic plan. These metrics will also cover, at least, shareholder return targets, capital and customers. They can be measured at group level and, where applicable, at division level, for a specific business division headed by an executive director. The results of each metric can be contrasted with the budget for the financial year, as well as with growth from the previous year.
- a qualitative assessment that cannot raise or lower the quantitative result by more than 25%. It will be conducted for the same categories as the quantitative metrics, including shareholder returns, risk and capital management and customers.
- an exceptional adjustment that must be duly substantiated and may involve changes owing to control and/or risk shortfalls, negative assessments from supervisors or unexpected material events.

The quantitative metrics, qualitative assessment and potential extraordinary adjustments will ensure main objectives are considered from the perspective of the various stakeholders and that the importance of risk and capital management is factored in.

Once the corporate bonus pool is fixed according to the criteria above, the board of directors, further to a proposal from the remunerations committee, decides on the individual bonus, taking into consideration the level of achievement of their individual objectives, which in general terms coincide with the bonus pool metrics (60%) and their compliance with corporate values (40%).

Lastly, the following circumstances must be confirmed to set variable remuneration:

- If ONP does not reach a certain compliance threshold, the incentive cannot exceed 50% of the year's incentive benchmark.
- If the group's ONP were negative, the incentive would be zero.
- When setting individual variable pay, the board will also consider restrictions to the dividend policy imposed by supervisors.

#### B. Forms of payment of the incentive

No changes to pay forms are planned in respect of the terms in place for 2021.

#### C. Deferred variable remuneration subject to long-term objectives

The last three annual payments of each deferred variable remuneration amount will be made in accordance with the terms described under section E) above and if the group fulfils long-term objectives for at least three years. This may only confirm or reduce payment amounts and number of deferred shares.

Long-term metrics will, at least, cover value creation and shareholder returns as well as capital and sustainability over a minimum period of three years. They will be aligned with the group's strategic plan and main priorities towards its stakeholders. They can be measured for the entire group or by country or business, when appropriate, and subsequently compared to a group of peers.

The portion paid in shares cannot be sold until one year has elapsed since they were delivered.

#### D. Other terms of the incentive

No changes to the continuity, malus and clawback clauses of the remuneration policy for 2021 described in section E are expected. Furthermore, no changes are planned in respect of the clauses on hedging shares or the deferred amounts in cash adjusted for inflation.

#### iii) Shareholdings

The policy on shareholdings approved in 2016, with the amendment introduced in 2020 relating to not selling the shares they receive as variable remuneration for a period of three years detailed in section 6.3.E above will apply in 2022 and 2023, unless the remuneration committee proposes it be amended to the board in light of exceptional circumstances (regulations, orders or recommendations from regulators or supervisors). Such amendments would be described in detail in the report on the remuneration committee and the annual report on director's remuneration put to a non-binding vote at the annual general meeting.

#### iv) Principle of equal pay

The same principle of equal pay that applies for executive directors and any other Santander employee described in respect of 2021 applies for 2022 and 2023.

#### Terms and conditions of executive directors' contracts

Executive directors' terms of service are governed by board-approved contracts they sign with Banco Santander. The basic terms and conditions, besides those relating to the

remuneration mentioned above, are the ones described herebelow.

#### A. Exclusivity and non-competition

Executive directors may not contract with other companies or entities to perform services, unless expressly authorised by the board of directors. In all cases, they are bound by a duty of non-competition in relation to companies and activities similar in nature to Banco Santander and its consolidated group.

In addition, executive director contracts impose prohibitions on competing and attracting customers, employees and suppliers, which can be enforced for two years after their termination in their executive duties for reasons other than a breach by Banco Santander. In regard to Ana Botín and José Antonio Álvarez, the compensation to be paid by Banco Santander for this duty of non-competition is 80% of the fixed remuneration, 40% payable on termination of the contract and 60% at the end of the two-year period for Ms Ana Botín and Mr José Antonio Álvarez.

However, it is envisaged that in 2021, subject to approval at the 2021 AGM, their contracts shall be amended so that the compensation for the duty of non-competition shall be twice the amount of the fixed remuneration.

#### B. Code of Conduct

Executive directors are obliged to adhere strictly to the group's General Code and the Code of Conduct in Securities Markets, especially in terms of confidentiality, professional ethics and conflicts of interest.

#### C. Termination

The length of executive directors' contract

is indefinite. Contracts do not provide for any severance payment upon termination apart from what the law provides.

If Ana Botín's contract is terminated by Banco Santander, she must remain available to the group for four months in order to ensure proper transition (6 months from the moment pre-retirement provisions are taken out). During this period, she would continue to receive her gross annual salary.

#### D. Pre-retirement and benefit plans

The board of directors has approved, subject to the condition that the remuneration policy be approved at the annual general shareholders' meeting, an amendment to the contracts of the executive directors whereby:

- Ana Botín ceases to have the right to pre-retire if she leaves Banco Santander out of her own volition, keeping this right in case of termination by Banco Santander until 31 August 2022. After this date, she does not have the right to pre-retire. While she keeps this right she will be entitled to an annual allotment equal to the sum of her fixed remuneration and 30% of the average amount of her last variable remuneration, to a maximum of three. This allotment is subject to the malus and clawback provisions in place for a period of five years.
- José Antonio Álvarez ceases to have the right to pre-retire in case of termination of his contract.

They both participate in the defined contribution scheme created in 2012, which covers the contingencies of retirement, disability and death. Banco Santander makes annual contributions to executive directors' benefit plans schemes. Annual contributions are calculated in proportion to executive directors' pensionable bases, and the group will continue to make them until the executive directors' leave the group or until their early retirement within the group, their death or disability (including during pre-retirement). The pensionable base of executive directors' annual contributions is their fixed remuneration plus 30% of the average of their last three variable remuneration amounts. Contributions will be 22% of pensionable bases.

The pension amount that corresponds to contributions linked to variable remuneration will be invested in Santander shares for five years from the earlier of the date of retirement or cessation. It will be paid in cash after the five years have elapsed or on the retirement date (if later). Moreover, the malus and clawback clauses for variable remuneration contributions will apply for the same period as the related bonus or incentive.

This benefit plan is outsourced to Santander Seguros y Reaseguros, Compañía Aseguradora, S.A. Executive directors' economic rights under the scheme belong to them even if they are not active in the group at the time of their retirement, death or disability. Their contracts do not provide for any severance pay upon termination apart from what the law provides and in the case of pre-retirement, the aforementioned annual allotment.

#### E. Insurance and other remuneration and benefits in kind

Ana Botín and José Antonio Álvarez will receive the supplement to their fixed remuneration approved when the supplementary life and health benefits were eliminated in 2018. It will be paid in 2021, 2022 and 2023 in the same amount and continue to be paid until they reach retirement age (even if they are still active).

The group has life and health insurance policies taken out for directors. Insurance premiums for 2021 include standard life insurance and the life insurance cover with the supplement to their fixed remuneration mentioned above. In 2022 and 2023, premiums could vary if directors' fixed pay or actuarial circumstances change.

Furthermore, executive directors are covered by Banco Santander's civil liability insurance policy and may receive other benefits in kind (such as employee loans) pursuant to the group's general policy and subject to the corresponding tax treatment.

#### F. Confidentiality and return of documents

Directors are bound to a strict duty of confidentiality during their relationship and subsequent to termination. Executive directors are required to return any documents and items relating to their activities and in their possession to Banco Santander.

## G. Other terms and conditions

Executive directors' contracts stipulate the following notice periods:

	By decision of the Banco Santander (months)	By decision of the director (months)
Ms Ana Botin-Sanz de Sautuola y O'Shea	6*	4
Mr José Antonio Álvarez Álvarez	6	—

\* From the moment she ceases to have the right to pre-retire

Contracts do not provide pay in lieu of notice clauses.

### Terms and conditions of Sergio Rial's contracts

The contract between Sergio Rial and Banco Santander, S.A. for his role as Santander Regional Head of South America, whose EUR 750 thousand remuneration is being submitted to the approval of the 2021 AGM as part of this remuneration policy, includes his confirmation that this role is compatible with his role as CEO and vice-president of Santander Brasil, and is subject to an indefinite term, and to customary exclusivity and non-competition, code of conduct, termination (without including any payment for termination) and confidentiality and return of documents conditions.

Likewise, the terms and conditions of the remuneration he receives in his condition as CEO and vicechairman of Santander Brasil are fixed by this subsidiary, in accordance with Group policies, the subsidiary's policies, and applicable local regulations.

### Appointment of new executive directors

The components of remuneration and basic structure of the agreements described in this remunerations policy will apply to any new director that is given executive functions at Banco Santander, notwithstanding the possibility of amending specific terms of agreements so that, overall, they contain conditions similar to those previously described.

Directors' total remuneration for executive duties cannot exceed the highest remuneration received by the group's current executive directors under the remuneration policy approved by shareholders. The same rules apply if a director assumes new duties or becomes an executive director.

If a director takes up executive functions in a specific division or local unit, the board of directors, on the remuneration committee's recommendation, can adapt the metrics for setting and paying incentives to take that division or local unit into account in addition to the group.

Remuneration paid to directors in that capacity will be included within the maximum amount set by shareholders to be distributed by the board of directors in the terms described above.

A new director coming from an entity outside Santander Group could be paid a buyout to offset any variable remuneration foregone for having accepted a contract with the group; and/or a sign-on bonus for leaving to join Banco Santander.

This compensation could be paid fully or partly in shares, depending on the delivery limits approved at the annual general shareholders' meeting. Authorisation is expected to be sought at the next general shareholders' meeting in order to deliver a maximum number of shares to any new executive directors or employees to whom buyout regulations apply. Furthermore, sign-on bonuses can only be paid once to new executive directors, in cash or in shares, and in each case they will not exceed the sum of the maximum variable remuneration awarded for all executive directors.

## 6.5 Preparatory work and decision-making process with a description of the participation of the remuneration committee

Section 4.7 '[Remuneration committee activities for 2020](#)', (the report on the remuneration committee) states:

- Pursuant to Banco Santander's bylaws and the Rules and regulations of the board of directors, the duties relating to the remuneration of directors performed by the remuneration committee.
- How the remuneration committee is composed on the date the report is approved.
- The number of meetings it had in 2020, including joint sessions with the risk, compliance and regulation supervision committee.
- The date of the meeting in which the report was approved.
- The 2019 annual report on directors' remuneration was approved by the board of directors and put to a binding vote at the April 2020 AGM, with 93.77% of the votes in favour. The tally of the votes was:

	Number	% of total <sup>A</sup>
Votes cast	10,429,789,366	96.55 %

	Number	% of total <sup>A</sup>
Votes against	649,059,435	6.01 %
Votes in favour	9,777,014,101	90.51 %
Abstentions	372,790,860	3.45 %

A. Percentage on total valid votes and abstentions.

- The portion of variable remuneration paid or deferred as shares for group executives in Brazil, Chile, Mexico, Poland and Santander Consumer US can be delivered in shares or similar instruments of their own listed entities (as in previous years).

In 2021, the board will maintain its flexibility in determining total or partial payment in shares or similar instruments of Banco Santander and/or subsidiaries in the proportion it considers appropriate in accordance with the maximum number of Santander shares to be delivered set by shareholders at the annual general shareholders' meeting and any regulatory restrictions applicable in each jurisdiction).

The aggregate amount of variable remuneration for identified staff in 2020, the amounts deferred in cash and shares, and the ratio of the variable to fixed remuneration components are explained in the remuneration policies chapter of Banco Santander's Pillar III disclosures report for 2020.

## 6.7 Prudentially significant disclosures document

On the remuneration committee's recommendation, the board approves the key remuneration elements of managers or employees who, while not belonging to senior management, take on risks, carry out control functions (i.e. internal audit, risk management and compliance) or who receive global remuneration that places them in the same remuneration bracket as senior management and employees who take on risk. These are typically those whose professional activities may have an important impact on the Group's risk profile (all of these, together with the senior management and Banco Santander's board of directors form the so called 'Identified Staff' or 'Material Risk Takers')

Every year, the remuneration committee reviews and, if applicable, updates identified staff in order to include individuals within the organisation who qualify as such. The Remuneration Policies chapter in the 2020 Pillar III disclosures report<sup>4</sup> of Banco Santander, S.A. explains the criteria and regulations followed to identify such staff.

At the end of 2020, 1,394 group executives (including executive directors and non-director senior managers) were considered identified staff (1,359 in 2019), which accounts for 0.73% of the total workforce (0.69% in 2019).

Identified staff have the same remuneration standards as executive directors (see sections [6.1](#) and [6.3](#)), but not:

- Category-based deferral percentages and terms.
- The possibility of certain manager categories of only having deferred variable pay subject to malus and clawback clauses (and not to long-term targets).

<sup>4</sup> The 2020 Pillar III disclosures report can be found on our corporate website.

## 9.4 Reconciliation to the CNMV's remuneration report model

Section in the CNMV model	Included in statistical report	Further information elsewhere and comments
<b>A. Remuneration policy for the present fiscal year</b>		
A.1	No	<ul style="list-style-type: none"> <li>• See section <a href="#">6.4</a>.</li> <li>• See sections <a href="#">4.7</a> and <a href="#">6.5</a>.</li> <li>• See 'Summary of link between risk, performance and reward' in section <a href="#">6.3</a>.</li> </ul>
A.2	No	See section <a href="#">6.4</a> .
A.3	No	See section <a href="#">6.4</a> .
A.4	No	See section <a href="#">6.5</a> .
<b>B. Overall summary of application of the remuneration policy over the last fiscal year</b>		
B.1	No	See sections <a href="#">6.1</a> , <a href="#">6.2</a> , and <a href="#">6.3</a> .
B.2	No	See 'Summary of link between risk, performance and reward' in section <a href="#">6.3</a> .
B.3	No	See sections <a href="#">6.2</a> and <a href="#">6.3</a> .
B.4	No	See section <a href="#">6.5</a> .
B.5	No	See section <a href="#">6.2</a> and <a href="#">6.3</a> .
B.6	No	See 'Gross annual salary' in section <a href="#">6.3</a> .
B.7	No	See 'Variable remuneration' in section <a href="#">6.3</a> .
B.8	No	Not applicable.
B.9	No	See 'Main features of the benefit plans' in section <a href="#">6.3</a> .
B.10	No	See 'Other remuneration' in section <a href="#">6.3</a> .
B.11	No	See 'Terms and conditions of executive directors' contracts' in section <a href="#">6.4</a> .
B.12	No	No remuneration for this component.
B.13	No	See <a href="#">note 5</a> to the consolidated financial statements.
B.14	No	See 'Insurance and other remuneration and benefits in kind' in section <a href="#">6.4</a> .
B.15	No	See 'Remuneration of board members as representatives of the Bank' in section <a href="#">6.3</a> .
B.16	No	No remuneration for this component.
<b>C. Breakdown of the individual remuneration of directors</b>		
C	Yes	See section <a href="#">9.5</a> .
C.1 a) i)	Yes	See section <a href="#">9.5</a> .
C.1 a) ii)	Yes	See section <a href="#">9.5</a> .
C.1 a) iii)	Yes	See section <a href="#">9.5</a> .
C.1 a) iii)	Yes	See section <a href="#">9.5</a> .
C.1 b) i)	Yes	See section <a href="#">9.5</a> .
C.1 b) ii)	No	Not awarded.
C.1 b) iii)	No	Not awarded.
C.1 b) iv)	No	Not awarded.
C.1 c)	Yes	See section <a href="#">9.5</a> .
<b>D. Other information of interest</b>		
D	No	See section <a href="#">4.7</a> .

## 9.5 Statistical information on remuneration required by the CNMV

### B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED

B.4 Report on the result of non-binding vote at General Shareholders' Meeting on annual report on remuneration from previous year, indicating the number of votes against, as the case may be.

	Number	% of total
Votes cast	10,429,789,366	96.55 %

	Number	% of total
Votes against	649,059,435	6.01 %
Votes in favour	9,777,014,101	90.51 %
Abstentions	372,790,860	3.45 %

### C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Directors	Type	Period of accrual in year 2020
Ms Ana Botín-Sanz de Sautuola y O'Shea	Executive	From 01/01/2020 to 31/12/2020
Mr José Antonio Álvarez Álvarez	Executive	From 01/01/2020 to 31/12/2020
Mr Bruce Carnegie-Brown	Independent	From 01/01/2020 to 31/12/2020
Ms Homaira Akbari	Independent	From 01/01/2020 to 31/12/2020
Mr Francisco Javier Botín-Sanz de Sautuola y O'Shea	Other external	From 01/01/2020 to 31/12/2020
Mr Álvaro Antonio Cardoso de Souza	Independent	From 01/01/2020 to 31/12/2020
Mr Ramón Martín Chávez Márquez	Independent	From 27/10/2020 to 31/12/2020
Ms Sol Daurella Comadrán	Independent	From 01/01/2020 to 31/12/2020
Mr Henrique Manuel Drummond Borges Cirne de Castro	Independent	From 01/01/2020 to 31/12/2020
Ms Gina Díez Barroso	Independent	From 22/12/2020 to 31/12/2020
Mr Luis Isasi Fernández de Bobadilla	Independent	From 19/05/2020 to 31/12/2020
Mr Ramiro Mato García-Ansorena	Independent	From 01/01/2020 to 31/12/2020
Mr Sergio Rial	Executive	From 30/05/2020 to 31/12/2020
Ms Belén Romana García	Independent	From 01/01/2020 to 31/12/2020
Mrs Pamela Ann Walkden	Independent	From 01/01/2020 to 31/12/2020
Mr Rodrigo Echenique Gordillo	Other external	From 01/01/2020 to 22/12/2020
Mr Ignacio Benjumea Cabeza de Vaca	Other external	From 01/01/2020 to 05/05/2020
Mr Guillermo de la Dehesa Romero	Other external	From 01/01/2020 to 03/04/2020
Ms Esther Giménez-Salinas i Colomer	Independent	From 01/01/2020 to 27/10/2020

C.1 Complete the following tables on individual remuneration of each director (including the remuneration for exercising executive functions) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration <sup>1</sup>	Severance pay	Other grounds	Total year 2020	Total year 2019
Ms Ana Botín-Sanz de Sautuola y O'Shea	77	55	157	3,176	534	828	—	525	5,352	6,119
Mr José Antonio Álvarez Álvarez	77	49	144	2,541	290	559	—	710	4,370	4,957
Mr Bruce Carnegie-Brown	326	82	187	—	—	—	—	—	595	700
Ms Homaira Akbari	77	79	46	—	—	—	—	—	202	226
Mr Francisco Javier Botín-Sanz de Sautuola y O'Shea	77	45	—	—	—	—	—	—	122	137
Mr Álvaro Antonio Cardoso de Souza	136	60	47	—	—	—	—	—	243	276
Mr Ramón Martín Chávez Márquez	8	15	14	—	—	—	—	—	37	—
Ms Sol Daurella Comadrán	77	82	55	—	—	—	—	—	214	240
Mr Henrique Manuel Drummond Borges Cirne de Castro	77	85	55	—	—	—	—	—	217	86
Ms Gina Díez Barroso	2	2	—	—	—	—	—	—	4	—
Mr Luis Isasi Fernández de Bobadilla	44	43	116	—	—	—	—	740	943	—
Mr Ramiro Mato García-Ansorena	119	86	225	—	—	—	—	—	430	500
Mr Sergio Rial	42	21	—	—	—	—	—	—	63	—
Ms Belén Romana García	98	94	225	—	—	—	—	—	417	525
Mrs Pamela Ann Walkden	114	66	34	—	—	—	—	—	214	34
Mr Rodrigo Echenique Gordillo	75	60	20	—	—	414	1,800	—	2,369	3,926
Mr Ignacio Benjumea Cabeza de Vaca	35	43	95	—	—	—	—	102	275	524
Mr Guillermo de la Dehesa Romero	23	28	57	—	—	—	—	—	108	399
Ms Esther Giménez-Salinas i Colomer	64	71	56	—	—	—	—	—	191	228
Mr Carlos Fernández González	—	—	—	—	—	—	—	—	—	214

Comments

1. Includes deferred amounts from the 2016 deferred and conditional variable remuneration plan subject to long term metrics for Ana Botín, José Antonio Álvarez and Rodrigo Echenique, of which only a third was paid in 2020.

## II) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of year 2020		Financial instruments granted at start of year 2020		Financial instruments consolidated during 2020				Instruments matured but not exercised	Financial instruments at end of year 2020	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares / handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (EUR thousand)	No. of instruments	No. of instruments	No. of equivalent shares
Ms Ana Botin-Sanz de Sautuola y O'Shea	1st cycle of deferred variable remuneration plan linked to multi-year targets (2016)	216,308	216,308	—	—	165,043	165,043	2.685	443	51,265	—	—
	2nd cycle of deferred variable remuneration plan linked to multi-year targets (2017)	206,775	206,775	—	—	—	—	—	—	—	206,775	206,775
	3rd cycle of deferred variable remuneration plan linked to multi-year targets (2018)	309,911	309,911	—	—	—	—	—	—	—	309,911	309,911
	4th cycle of deferred variable remuneration plan linked to multi-year targets (2019)	319,390	319,390	—	—	—	—	—	—	—	319,390	319,390
	5th cycle of deferred variable remuneration plan linked to multi-year targets (2020)	—	—	310,615	310,615	198,792	198,792	2.685	534	—	111,823	111,823
Name	Name of Plan	Financial instruments at start of year 2020		Financial instruments granted at start of year 2020		Financial instruments consolidated during 2020				Instruments matured but not exercised	Financial instruments at end of year 2020	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares / handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (EUR thousand)	No. of instruments	No. of instruments	No. of equivalent shares
Mr José Antonio Álvarez Álvarez	1st cycle of deferred variable remuneration plan linked to multi-year targets (2016)	145,998	145,998	—	—	111,396	111,396	2.685	299	34,602	—	—
	2nd cycle of deferred variable remuneration plan linked to multi-year targets (2017)	138,283	138,283	—	—	—	—	—	—	—	138,283	138,283
	3rd cycle of deferred variable remuneration plan linked to multi-year targets (2018)	207,097	207,097	—	—	—	—	—	—	—	207,097	207,097
	4th cycle of deferred variable remuneration plan linked to multi-year targets (2019)	213,449	213,449	—	—	—	—	—	—	—	213,449	213,449
	5th cycle of deferred variable remuneration plan linked to multi-year targets (2020)	—	—	168,715	168,715	107,976	107,976	2.685	290	—	60,739	60,739

Name	Name of Plan	Financial instruments at start of year 2020		Financial instruments granted at start of year 2020		Financial instruments consolidated during 2020				Instruments matured but not exercised	Financial instruments at end of year 2020	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares / handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (EUR thousand)	No. of instruments	No. of instruments	No. of equivalent shares
Mr Rodrigo Echenique Gordillo	1st cycle of deferred variable remuneration plan linked to multi-year targets (2016)	108,134	108,134	—	—	82,506	82,506	2.685	222	25,628	—	—
	2nd cycle of deferred variable remuneration plan linked to multi-year targets (2017)	107,764	107,764	—	—	—	—	—	—	—	107,764	107,764
	3rd cycle of deferred variable remuneration plan linked to multi-year targets (2018)	164,462	164,462	—	—	—	—	—	—	—	164,462	164,462
	4th cycle of deferred variable remuneration plan linked to multi-year targets (2019)	98,092	98,092	—	—	—	—	—	—	—	98,092	98,092

Comments

After reviewing the results of the 1st cycle of the deferred variable remuneration plan linked to multi-year targets (2016), the board of directors confirmed in 2020, upon recommendation from the remunerations committee, a 76.3% achievement of the long-term metrics of the plan, and the amounts of the pending deliveries for each executive director, payable in February 2020, 2021 and 2022 in connection with this plan.

## III) Long-term saving systems

Name	Remuneration from consolidation of rights to savings system
Ms Ana Botín-Sanz de Sautuola y O'Shea	1,155
Mr José Antonio Álvarez Álvarez	864

Name	Contribution over the year from the company (EUR thousand)				Amount of accumulated funds (EUR thousand)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		2020		2019	
	2020	2019	2020	2019	Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
	Ms Ana Botín-Sanz de Sautuola y O'Shea	1,155	1,145	—	—	49,444	—	48,104
Mr José Antonio Álvarez Álvarez	864	858	—	—	18,082	—	17,404	—
Mr Rodrigo Echenique Gordillo	—	—	—	—	—	—	13,268	—

## iv) Details of other items (Thousands of EUR)

Name	Item	Amount remunerated
Ms Ana Botín-Sanz de Sautuola y O'Shea	Life and accident insurance and fixed remuneration supplement insurance	584
	Other remuneration	22

Name	Item	Amount remunerated
Mr José Antonio Álvarez Álvarez	Life and accident insurance and fixed remuneration supplement insurance	1,045
	Other remuneration	9

## b) Remuneration of the company directors for seats on the boards of other group companies:

## i) Remuneration in cash (Thousands of EUR)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total year 2020	Total year 2019
Ms Homaira Akbari	184	—	—	—	—	—	—	—	184	—
Mr Álvaro Antonio Cardoso de Souza	310	—	—	—	—	—	—	25	335	325
Mr Ramón Martín Chávez Márquez	17	—	—	—	—	—	—	—	17	—
Mr Henrique Manuel Drummond Borges Cirne de Castro	17	—	—	—	—	—	—	—	17	—
Ms Gina Díez Barroso	14	—	—	—	—	—	—	—	14	—
Mr Sergio Rial	—	—	—	2,175	1,664	—	—	181	4,020	—

ii) Table of changes in share/based remunerations schemes and gross profit from consolidated shares of financial instruments

Name	Name of Plan	Financial instruments at start of year 2020		Financial instruments granted at start of year 2020		Financial instruments consolidated during 2020				Instruments matured but not exercised	Financial instruments at end of year 2020	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares / handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments (EUR thousand)	No. of instruments	No. of instruments	No. of equivalent shares
Mr Sergio Rial	5th cycle of deferred variable remuneration plan linked to multi-year targets (2020)	—	—	355,263	355,263	227,367	227,367	7.32	1,664	—	127,896	127,896

iii) Long term saving systems

Name	Remuneration from consolidation of rights to savings system
Mr Sergio Rial	693

Name	Contribution over the year from the company (EUR thousand)				Amount of accumulated funds (EUR thousand)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		2020		2019	
	2020	2019	2020	2019	Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
Mr Sergio Rial	693	—	—	—	—	—	—	—

iv) Detail of other items (Thousands of EUR)

Name	Item	Amount Remunerated 2020
Mr Sergio Rial	Fundo de Pensão do Governo	174
	Other remuneration	7

## c) Summary of remuneration (Thousands of EUR)

The summary should include the amounts corresponding to all the items of remuneration included in this report that have been accrued by the director, in thousand euros.

Name	Remuneration accrued in the company					Remuneration accrued in group companies					Total 2020	Total 2019
	Total cash remuneration	Gross profit on consolidated shares or financial instruments <sup>1</sup>	Contributions to the long-term savings plan	Remuneration for other items	Total 2020	Total 2019	Total cash remuneration	Gross profit on consolidated shares or financial instruments	Contributions to the long-term savings plan	Remuneration for other items		
Ms Ana Botin-Sanz de Sautuola y O'Shea	5,352	977	1,155	606	8,090	9,954	—	—	—	—	—	—
Mr José Antonio Álvarez Álvarez	4,370	589	864	1,054	6,877	8,270	—	—	—	—	—	—
Mr Bruce Carnegie-Brown	595	—	—	—	595	700	—	—	—	—	—	—
Ms Homaira Akbari	202	—	—	—	202	226	184	—	—	—	184	—
Mr Francisco Javier Botin-Sanz de Sautuola y O'Shea	122	—	—	—	122	137	—	—	—	—	—	—
Mr Álvaro Antonio Cardoso de Souza	243	—	—	—	243	276	335	—	—	—	335	325
Mr Ramón Martín Chávez Márquez	37	—	—	—	37	—	17	—	—	—	17	—
Ms Sol Daurella Comadrán	214	—	—	—	214	240	—	—	—	—	—	—
Mr Henrique Manuel Drummond Borges Cirne de Castro	217	—	—	—	217	86	17	—	—	—	17	—
Ms Gina Díez Barroso	4	—	—	—	4	—	14	—	—	—	14	—
Mr Luis Isasi Fernández de Bobadilla	943	—	—	—	943	—	—	—	—	—	—	—
Mr Ramiro Mato García-Ansorena	430	—	—	—	430	500	—	—	—	—	—	—
Mr Sergio Rial	63	—	—	—	63	—	4,020	1,664	693	181	6,558	—
Ms Belén Romana García	417	—	—	—	417	525	—	—	—	—	—	—
Mrs Pamela Ann Walkden	214	—	—	—	214	34	—	—	—	—	—	—
Mr Rodrigo Echenique Gordillo	2,369	222	—	4	2,595	4,874	—	—	—	—	—	—
Mr Ignacio Benjumea Cabeza de Vaca	275	—	—	—	275	524	—	—	—	—	—	—
Mr Guillermo de la Dehesa Romero	108	—	—	—	108	399	—	—	—	—	—	—
Ms Esther Giménez-Salinas i Colomer	191	—	—	—	191	228	—	—	—	—	—	—
Mr Carlos Fernández González	—	—	—	—	—	214	—	—	—	—	—	—
<b>Total</b>	<b>16,366</b>	<b>1,788</b>	<b>2,019</b>	<b>1,664</b>	<b>21,837</b>	<b>27,187</b>	<b>4,587</b>	<b>1,664</b>	<b>693</b>	<b>181</b>	<b>7,125</b>	<b>325</b>

## Comments

1. Includes deferred amounts from the 2016 deferred and conditional variable remuneration plan subject to long term metrics for Ana Botin, José Antonio Álvarez and Rodrigo Echenique, of which only a third was paid in 2020.

This annual report on remuneration has been approved by the board of directors of the company, at its meeting on 22 February 2021.

State if any directors have voted against or abstained from approving this report.

Yes  No







Santander Shareholder and Investor Relations  
Ciudad Grupo Santander  
Avda. de Cantabria, s/n, Pereda Building, Second floor  
Boadilla del Monte, Madrid (Spain)

Shareholder Helpline (Spain): 91 276 92 90  
From outside Spain: +34 91 276 92 90  
E-mail: [accionistas@santander.com](mailto:accionistas@santander.com)

Registered Office:  
Paseo de Pereda, 9-12, Santander (Spain)  
Telephone: + 34 942 20 61 00

Operational Head Office:  
Ciudad Grupo Santander  
Avda. de Cantabria, s/n, 28660 Boadilla del Monte, Madrid (Spain)