

## MATERIAL EVENT

### **VOLUNTARY DELISTING FROM THE EURONEXT REGULATED MARKET**

1. Following the material event announcement of 25 July 2018, informing of the decision to request the voluntary delisting of the common shares representing the share capital of Banco Santander, S.A. ("**Banco Santander**" or the "**Bank**") from the Euronext regulated market ("**Euronext**"), managed by *Euronext Lisbon - Sociedad Gestora de Mercados* (the "**Shares**")<sup>1</sup>, Banco Santander hereby informs that on 27 July 2017 it was notified of the approval of said delisting request.
2. Banco Santander's Shares will be delisted from Euronext on 1 October 2018, and will continue to be traded on the Spanish stock exchanges of Madrid, Barcelona, Bilbao and Valencia, through the *Sistema de Interconexión Bursátil* (Continuous Market), in London (in the form of CDIs), New York (in the form of ADRs) and in Warsaw.
3. In order to protect the interests of the Bank's shareholders who at 11:59pm on 31 July 2018 are the holders of Shares which are traded on Euronext and integrated in the centralized system of *Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.* ("**Interbolsa**"), the Bank offers these shareholders the possibility of selling the Shares on the Madrid stock exchange (*Mercado Contínuo*) during a period of 2 (two) months, from 1 August 2018 until 28 September 2018 (both inclusive), at the market price at which the respective Shares trade on that market at the time of the sale (the "**Sales Facility**").
4. In order to use this Sales Facility, the shareholders of the Bank who at 11:59pm on 31 July 2018 are the holders of Shares which are traded on Euronext and integrated in the Interbolsa centralized system must (i) transmit a sale order to the financial intermediary with which their Shares are deposited, and (ii) request that financial intermediary to transfer the Shares, free of payment, to the account of *Banco Santander Totta, S.A.* ("**Santander Totta**") with Interbolsa.
5. Santander Totta, acting as the interconnection financial intermediary of Banco Santander in Portugal, will (i) transmit the sale order of the Shares referred to in 4. above to the company *Santander Investment Bolsa Sociedad de Valores S.A.* ("**Santander Investment**") for its execution on the Madrid stock exchange, and (ii) will likewise request the transfer of the Shares object of the orders transmitted under the Sales Facility to a securities registration and deposit account opened in its name with the company *Santander Securities Services, S.A.U.* ("**Santander Securities Services**") in the Spanish centralized system, managed by the *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* ("**Iberclear**").
6. Once the sale order of the Shares is executed on the Madrid stock exchange, Santander Totta will receive the corresponding proceeds from the sale of the Shares, subsequently allocating these amounts to their previous holders (the selling shareholders) in Portugal, through their respective financial intermediaries.

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<sup>1</sup> It was also resolved to request the voluntary delisting of the Shares from the Milan, Buenos Aires, Mexico and São Paulo stock exchanges.

7. Banco Santander, as issuer, will assume the intermediation and brokerage costs associated with (i) the transfer of the Shares from Santander Totta to Santander Securities Services, and (ii) the execution of the sales order on the Madrid stock exchange, through Santander Investment, referred to in 5. above, in respect of all shareholders who decide to sell their Shares on the Madrid stock exchange under the Sales Facility.
8. Additionally, Banco Santander will ensure that the Bank's shareholders who choose to make use of the Sale Facility and sell their Shares in the Madrid stock exchange do not incur in a higher market cost than that in which they would incur if they chose to sell the Shares in the Euronext market, reimbursing them the difference between the execution market costs of the sale of the Shares on the Madrid stock exchange and the execution market costs of a comparable transaction on the Euronext.
9. For the purposes of the reimbursement referred to in 8. above, the concerned shareholders must submit to the Bank, through their respective financial intermediaries, and within a maximum period of 2 (two) months from the date of the sale of their Shares on the Madrid stock exchange under the Sales Facility, the following documents:
  - (i) Evidence that the Shares were acquired on the Euronext market and that they were registered in their name on the date hereof;
  - (ii) Evidence of the execution costs incurred to sell their Shares on the Madrid stock exchange under the Sales Facility;
  - (iii) A document from their financial intermediaries evidencing the costs in which the shareholders would have incurred had they chosen to sell their Shares on the Euronext market.
10. The Shares of Banco Santander will continue to be listed on the Euronext market during the term of the Sales Facility indicated in 3. above. During this period, the Shares may be traded on Euronext by their holders under the conditions (including price) in force in that market at the time. The costs of the eventual sale of the Shares on Euronext and/or on the Madrid stock exchange, other than by means of the Sales Facility, shall be exclusively and fully paid by the respective shareholders.
11. Following the termination of the Sales Facility and the conclusion of the delisting from Euronext, the Bank's Shares will continue to be traded on the Spanish stock exchanges and on the other foreign exchanges referred to in 2. above.

In this context, as a result of the Delisting, Banco Santander will request the cancellation of the Shares' registration in Interbolsa's centralized securities system, which will occur as soon as possible after the settlement of all stock exchange operations carried out during the term for which the Sales Facility is in force (*i.e.* until 28 September 2018, inclusive). This cancellation assumes that, after the last settlement, all Shares which continue to be registered in Portugal will be transferred to the Spanish centralized system (Iberclear), and therefore, the financial intermediaries which are still depositaries of the Shares must proceed, as soon as possible, to transfer such Shares to the Spanish centralized system, using the procedure that is established in the applicable regulations: notification to Santander Totta of the Shares which are to be transferred and the participating entity in Iberclear with which the Shares will be deposited. Santander Totta will provide instructions for the registration of the aforementioned Shares in the previously indicated participating entities of Iberclear, and shall subsequently cancel the Shares' registration in Interbolsa.

Costs regarding the intermediation and transfer of the Shares from Interbolsa to Iberclear after the Sales Facility, under the terms described in this paragraph 11. will be assumed by the respective shareholders, regardless of the financial intermediary with which their Shares are deposited (of the Santander Group or others).

Boadilla del Monte (Madrid), 30 July 2018

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### **IMPORTANT INFORMATION**

This announcement does not constitute an offer to buy, to sell, to exchange, or a solicitation of offers to buy, to sell, or to exchange Banco Santander shares or any other security. The distribution of this announcement and/or the transfer of Banco Santander shares in some jurisdictions may be restricted by applicable law. Persons who have access to this announcement should be aware of, and comply with, any such restrictions. Any failure to comply with those restrictions may constitute a breach of the securities laws of any such jurisdiction.