Overview of our Corporate Governance
November 2019
Important Information

Non-IFRS and alternative performance measures

In addition to the financial information prepared in accordance with International Financial Reporting Standards ("IFRS") and derived from our financial statements, this presentation contains certain financial measures that constitute alternative performance measures ("APMs") as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority ("ESMA") on 5 October 2015 (ESMA/2015/1415en) and other non-IFRS measures ("Non-IFRS Measures"). The financial measures contained in this presentation that qualify as APMs and non-IFRS measures have been calculated using the financial information from Santander Group but are not defined or detailed in the applicable financial reporting framework and have neither been audited nor reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider these APMs and non-IFRS measures to be useful metrics for management and investors to facilitate operating performance comparisons from period to period. While we believe that these APMs and non-IFRS measures are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute of IFRS measures. In addition, other companies, including companies in our industry, may calculate or use such measures differently, which reduces their usefulness as comparative measures. For further details of the APMs and Non-IFRS Measures used, including its definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see 2019 Q3 Financial Report, published as Relevant Fact on 30 October 2019 and 2018 Annual Financial Report, filed with the Comisión Nacional del Mercado de Valores of Spain (CNMV) on 28 February 2019. These documents are available on Santander’s website (www.santander.com).

The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from those included in the subsidiaries. The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from those of such subsidiaries.

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Santander cautions that this presentation contains statements that constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as "expect", "project", "anticipate", "shall", "intend", "predict", "risk", "will", "Roll", "RollRWA", "TNAA", "target", "goal", "objective", "estimate", "future" and similar expressions. These forward-looking statements are found in various places throughout this presentation and include, without limitation, statements concerning our future business development and economic performance and our shareholder remuneration policy. While these forward-looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. The following important factors, in addition to those discussed elsewhere in this presentation, could affect our future results and could cause outcomes to differ materially from those anticipated in any forward-looking statement: [1] general economic or industry conditions in areas in which we have significant business activities or investments, including a worsening of the economic environment, increasing in the volatility of the capital markets, inflation or deflation, and changes in demographics, consumer spending, investment or saving habits; [2] exposure to various types of market risks, principally including interest rate risk, foreign exchange rate risk, equity price risk and risks associated with the replacement of benchmark indices; [3] potential losses associated with prepayment of our loan and investment portfolio, declines in the value of collateral securing our loan portfolio, and counterparty risk; [4] changes in laws, regulations or taxes, including changes in regulatory requirements associated with prepayment of our loan and investment portfolio, declines in the value of collateral securing our loan portfolio, and counterparty risk; (5) other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements speak only as of the date of this presentation and are based on the knowledge, information available and views taken on such date, such knowledge, information and views may change at any time. Santander does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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Statements as to historical performance or financial accretion are not intended to mean that future performance, share price or future earnings (including earnings per share) for any period will necessarily match or exceed those of any prior period. Nothing in this presentation should be construed as a profit forecast.

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Santander at a glance
1. The Santander vision

Our success is based on one purpose, one aim and one way of doing things. We are creating a more responsible bank.

Our purpose
To help people and businesses prosper.

Our aim as a bank
To be the best open financial services platform, by acting responsibly and earning the lasting loyalty of our people, customers, shareholders and communities.

Our how
Everything we do should be Simple, Personal and Fair.

Our stakeholders
By building loyalty, and acting responsibly, we generate value for all of them.

Data as at 30 September 2019.
1.2 Balanced diversification

Structure based on 3 geographic segments (with 10 core markets) plus Santander Global Platform, supported by global business segments, the corporate centre and other functions servicing the whole Group.

Primary segments – Operating areas
Our distribution in 3 regions allows for a better and faster execution throughout the Group.

- Europe
  Spain, SCF1, Portugal, Poland and United Kingdom

- South America
  Brazil, Chile, Argentina, Uruguay, Andean region

- North America
  United States and Mexico

Secondary segments – Global businesses
Our global businesses bring profit-making capacity and competitive advantage to our local banks.

1. Santander at a glance
   - Europe
     Spain, SCF2, Portugal, Poland and United Kingdom
   - South America
     Brazil, Chile, Argentina, Uruguay, Andean region
   - North America
     United States and Mexico

Group functions and Corporate Centre activities
Our corporate centre supports and drives our local banks and global businesses.

1. Creation of Santander Global Platform (SGP) to accelerate progress towards the best open financial services platform. Our digital services are consolidated under a single unit – Openbank and Open Digital Services (ODS) - Global Payments Services - Digital Assets.
2. Santander Consumer Finance (SCF) with presence in Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the UK.
1.3 Group subsidiary governance model

Our model of autonomous subsidiaries, in liquidity and capital, limits the possibility of contagion between the Group’s units, reducing systemic risk.

1. First executive.
2. Europe, North America and South America, reporting to Group CEO.
1.4 Group – subsidiary interaction

A balanced Group – subsidiary model adding value to the sum of the parts.

- **Consistent governance across the Group following the subsidiary governance model**
  - **Group**
  - **Subsidiaries**

**Best practices and talent sharing** across the whole Group and among subsidiaries is key to our success.

**Multiple point of entry structure** that has been demonstrated to be a key resilience instrument and is a result of our diversification strategy.

**Continuous collaboration and day-to-day interaction** between local and corporate teams.

**A common set of corporate frameworks and policies** across the Group adapted to our local markets’ conditions.

**Enabling the identification of synergies and economies of scale** across the Group.

**Definition and implementation of new initiatives**, both at Group and local levels, to keep developing our management and control model.

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Definition and implementation of new initiatives, both at Group and local levels, to keep developing our management and control model.
1.5 A unique business model

Santander is a retail bank with a unique business model driven by 3 strengths.

1. Scale
   Our scale provides potential for organic growth.

2. Business model
   Unique personal banking relationships strengthen customer loyalty.

3. Diversification
   Our geographic and business diversification and our subsidiaries model make us more resilient under adverse circumstances.

= We have delivered predictable and profitable growth

Highlights 9M 2019

We have consistently delivered growth, profitability and strong balance sheets.

Profitability and efficiency
   Underlying RoTE 11.86%
   EPS EUR 0.202
   Cost-to-income 46.9%

Income statement
   9M’19 Profit attributable to the parent EUR 3,732 mn
   2018 Profit attributable to the parent EUR 7,810 mn

Market capitalisation
   EUR 62,094 mn

Solvency
   Fully loaded CET1 11.30%
   NPL 3.47%

Growth
   Loyal customers 21.0 mn
   Digital customers 36.2 mn

Balance sheet
   Loans and advances to customers EUR 916,003 mn
   Customer deposits EUR 814,285 mn
   Total assets EUR 1,517,885 mn

Data as at 30 September 2019
1. Shareholder base

More than 4 million shareholders worldwide support our strategy.

Shareholders

4,025,074

Shares

16,618,114,582

Americas 20.13%
Europe 78.63%
Rest of the world 1.24%

Retail shareholders 39.05%
Institutional investors 59.89%

Board of directors 1.06%

1. Shares owned or represented by directors, including shares owned by Fundación Botín (of which Mr. Javier Botín is the chairman) and shares syndicated under the shareholders’ agreement entered into by various persons linked to the Botín family.

Data as at October 2019.
1.7 Share performance

Increasing the gap vs. the Eurozone bank index since the Investor Day 2015.

2 Corporate governance
2.1 As a responsible bank we have clear, robust governance

This is key for guaranteeing a sustainable business model over the long term. Best practices on robust governance are channelled to all subsidiaries.

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**Core strengths in our corporate governance**

- **Diversified and well-balanced shareholder base.**
- **Effective engagement with our shareholders:**
  - Physical General Shareholders’ Meetings, with online participation permitted.
  - High participation.
- **AGM quorum**
  - 64.03% 2017
  - 64.55% 2018
  - 68.51% 2019
  - The highest figure recorded in the Bank’s recent history.
  - Commitment to quality of information.
  - Transparency of remuneration with performance metrics aligned with shareholder interest.
- **Effective board of directors:**
  - Majority of independent directors.
  - Balanced, qualified and diverse composition in the boardroom.
  - Separate and complementary roles of Chairman and CEO, and leadership of our lead independent director.
  - Strong committee structure supporting the board.
  - Good long-standing practices in corporate governance embedded in our Board Regulations.
- **Focus on responsible business practices and attention to all stakeholders’ interests:**
  - Publicly communicated responsible banking targets.
  - Thematic responsible banking, sustainability and culture committee in full coordination with the other committees.
2.2 Board composition

Strong commitment to ensuring ongoing board effectiveness, balanced tenure and diversity.

- **Number of directors**: 15
- **Directors**: from 5
- **Percentage of women on the board**: 40%
- **Independent board members**: 60%

Directors are appointed for a 3-year term. 1/3 of the board is put for reelection each year.

**Nationalities**: Spanish, US, Portuguese, British and French.

40% to 60% new gender equality target for 2021.

3.29 average years on board vs. 11.1 years in 2011.

Data as at November 2019.
2.3 Board members

Majority of independent directors (60%) which ensures the board’s independence criteria.
2.4 Continued improvements in corporate governance

Strong commitment to pursuing best international practices.

Board refreshment
At least one independent director appointed every year for the last four years.

- **Ms Pamela Ann Walkden**
  Appointed in 2019
  Independent. Broad experience in the banking industry and significant international and audit experience.

- **Mr Henrique de Castro**
  Appointed in 2019
  Independent. Broad experience in the technological and digital industry.

- **Mr Álvaro Cardoso de Souza**
  Appointed in 2018
  Independent. He strengthens the international diversity of the board and reinforces the overall risk management and accounting skills within the board.

- **Mr Ramiro Mato García-Ansorena**
  Appointed in 2017
  Independent. Adds considerable value to the board thanks to his broad finance, risk and international banking management experience.

- **Ms Homaira Akbari**
  Appointed in 2016
  Independent. Broad experience in the Internet of Things and Big Data.

Greater transparency and improved disclosure of information

In 2018, we took a significant leap forward in terms of improved disclosure; with regard to corporate governance, in particular, and also in general, as evidenced by our redesigned annual report.

New gender equality target for 2021

In February 2019, we replaced our target for the representation of women on our board from 30% to the new target of 40-60% by 2021. We have already achieved this new target.

Improvements in the Rules and regulations of the board of directors

On 26 February 2019, the Rules and regulations of the board were revised with the following aims:

(i) To adapt them to several regulatory guidelines issued by the EBA, ESMA, ECB and CNMV.

(ii) To reflect our long-standing best practices in corporate governance, including the full independence of our audit committee and the transfer of the main responsibility for corporate governance to our nominations committee.

Board responsible banking, sustainability and culture committee

New committee created in June 2018 to intensify the board’s involvement in the development of corporate culture and its commitment to responsible business practices in relation to diversity, inclusion and sustainability.
2.5 Corporate governance framework

Our strong commitment to continuously strengthening our corporate governance framework is key to successfully fulfilling our mission of becoming a more responsible bank in an era of disruption.

Shareholders are at the top of the decision making process

Balanced composition of board committees

- **Board of directors**
  - Executive: 2.5%
  - Independent: 60%
  - Other: 37.5%

- **Remuneration committee**
  - Executive: 60%
  - Independent: 40%

- **Executive committee**
  - Executive: 28.6%
  - Independent: 42.8%
  - Other: 28.6%

- **Nominations committee**
  - Executive: 60%
  - Independent: 40%

- **Risk supervision, regulation and compliance committee**
  - Executive: 80%
  - Independent: 20%

- **Innovation and technology committee**
  - Executive: 25%
  - Independent: 50%
  - Other: 25%

- **Audit committee**
  - Executive: 100%
2.6 Separated roles and responsibilities

A clear separation of the roles of the chairman, CEO and LID is key in our governance structure.

Role of Group executive chairman

The chairman is the highest-ranking officer of the Bank and the main Group representative vis-à-vis the regulators, authorities and other major stakeholders.

The chairman’s direct reports are the CEO and the senior managers in charge of long-term strategy of the Bank (such as Corporate Development), the corporate functions (such as Communications and General Secretariat) and control (including Risk and Internal Audit) and those areas not directly related to the day-to-day management of the business.

The chairman also leads the appointment and succession planning of the senior management of the Bank.

Role of chief executive officer

The chief executive officer is entrusted with the day-to-day management of the business.

Accordingly, the chief executive officer’s direct reports are the senior managers in charge of the businesses (heads of the regional - Europe, North America and South America- and global businesses) and of the functions supporting the business (such as finance, financial control and IT & operations).

Role of lead independent director

Engages with shareholders and other investors with the purpose of gathering information on their concerns, in particular, with regard to the Bank’s corporate governance.

Facilitates discussion and open dialogue among the independent directors, including by coordinating meetings of non-executive directors and generally engaging with them to canvas their views.

Directs the regular assessment of the chairman of the board of directors and coordinates her succession plan.

Replaces the chairman in the event of absence and has key rights like the ability to call board meetings under the terms set down in the Rules and regulations of the board of directors.

Chairs the nominations committee and plays a key role in Governance.
2.7 Board skills and diversity matrix

Our board composition ensures the right balance of knowledge, capabilities, qualifications, diversity and experience.

<table>
<thead>
<tr>
<th>SKILLS AND EXPERIENCE</th>
<th>Executive</th>
<th>Independent</th>
<th>Other Non-executive</th>
</tr>
</thead>
<tbody>
<tr>
<td>THEMATIC SKILLS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banking (86.7%)</td>
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<tr>
<td>Other financial services (66.7%)</td>
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<tr>
<td>Accounting, Auditing &amp; Financial Literacy (93.3%)</td>
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<tr>
<td>Retail (86.7%)</td>
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<tr>
<td>Risk management (96.7%)</td>
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<tr>
<td>Business strategy (80%)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Responsible business &amp; Sustainability (80%)</td>
<td></td>
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<tr>
<td>HR, Culture, Talent &amp; Remuneration (93.3%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal (26.7%)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Governance &amp; Control (86.7%)</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>International experience</td>
<td>Europe (86.7%)</td>
<td>US/UK (86.7%)</td>
<td>Others (46.7%)</td>
</tr>
<tr>
<td>HORIZONTAL SKILLS</td>
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<tr>
<td>Top management (93.3%)</td>
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<tr>
<td>Government, Regulatory &amp; Public Policy (33.3%)</td>
<td></td>
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<tr>
<td>Academia &amp; Education (53.3%)</td>
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<tr>
<td>Significant directorship tenure (93.3%)</td>
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<tr>
<td>DIVERSITY</td>
<td></td>
<td></td>
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<tr>
<td>Female (40%)</td>
<td></td>
<td></td>
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<tr>
<td>Geographical provenance/International education</td>
<td>Europe (73.3%)</td>
<td>US/UK (53.3%)</td>
<td>Others (6.7%)</td>
</tr>
<tr>
<td>BOARD TENURE</td>
<td></td>
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<tr>
<td>0 to 3 years (33.3%)</td>
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<td>4 to 11 years (40%)</td>
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<td>12 years or more (26.7%)</td>
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Data as at November 2019.
2.8 Board assessment and directors' succession plan

Annual assessment of the board to achieve our objectives and solid succession planning which guarantees the stability of our business.

Board assessment

▲ Annual assessment of the board.
▲ External assessment at least once every three years (last one in 2017).
▲ 2018 self-assessment scope:
  ▲ Functioning of the board and all committees.
  ▲ Performance of the executive chairman, the chief executive officer, the lead independent director, the secretary of the board and each director.
▲ The directors acknowledged the significant positive efforts to date to enhance meeting management and quality of information provided, enabling directors to focus on key strategic and business issues and constructively challenge management.

Succession plan

▲ Succession planning for the main directors is a key element of the Bank’s good governance, ensuring an orderly leadership transition whilst maintaining continuity and stability of the board.
▲ Board succession planning continues to be a key area for the nominations committee and the board, with appropriate and robust plans in place that are regularly revisited.
2.9 Action plan for 2019

As a result of the self-assessment, in February 2019, the board approved an action plan with improvements in the following areas.

- Strengthen the composition of the board with international experience and experience in technology, sustainability and environmental matters.
- Enhance director’s induction and development programme.
- Review the board’s annual agenda to ensure appropriate scheduling and time allocation to business strategy and to review the Bank’s major risks.
- Consider increasing the frequency of the meetings of the responsible banking committee and greater coordination with countries.
- Continue to provide opportunities for the Board to interact with the executive team and strengthen relations.
- Continue to focus on gender diversity.

- Priority areas of desired expertise have been incorporated into board succession and recruitment planning. The Board nomination committee will continue to review potential candidates to enhance overall skills as part of its ongoing work.
- Engagement with regional executives and site visits to the Group’s main geographies have been included in the induction programme for new directors. Also a more solid ongoing development programme for directors has been put in place.
- Thematic forward looking agenda has been successfully implemented for the audit, risk, nomination and remuneration board committees. Learning and disciplines will be shared with the remaining committee chairs to implement as appropriate.
- The committee has concluded that the number of meetings per year envisaged (4) is appropriate, although frequency could be flexible if business needs require it. Guiding principles for subsidiaries have been established to ensure that the responsible banking agenda is embedded across the Group.
- The Board and the executive team have been provided with a number of opportunities to engage outside the boardroom (e.g. Board dinners regularly held with the wider executive team, Young Leaders Programme and Board’s visit to Mexico). Further opportunities for engagement will be considered through the remainder of the year.
- With a view to driving gender diversity, all proposed appointments are now accompanied by a diversity impact analysis as part of the suitability assessment. The Group subsidiaries shall also ensure their respective boards remain focused on composition with a view to enhance gender diversity, in line with the Group’s target.
3 Remuneration policy
3. Remuneration policy

3.1 Board of directors' remuneration

The director remuneration policy is submitted each year as a separate point of the agenda at the General Meeting of Shareholders. In 2019 it received the support of 91.64% of votes.

General lines

▲ Remuneration of directors is based on the positions held by the directors on the collective decision-making body, membership and attendance of the various committees, and such as other objective circumstances that the board may take into account.

▲ The components of the remuneration are:

- Annual allotment
- Attendance fees

Executive fixed components

▲ Consistent with the level of responsibility within the Bank with the goal of retaining professionals and attracting the best talent.

▲ The board resolved that Ms Ana Botín, Ms José Antonio Alvarez and Mr Rodrigo Echenique would maintain their same gross annual salaries for 2019 as in 2018.

- Benefits systems: Defined contribution plans (including fixed and variable components).
- Fixed salary supplement (as a replacement for the previous disability supplementary benefits).
- Social welfare benefits proportion of their total compensation.
3.2 Executive directors’ remuneration

Annual bonus for executive directors subject to meeting financial and non-financial targets.

### Executive variable remuneration

**Aligned with our strategic goals**

- Annual bonus determined by both financial and non-financial metrics, with 80% of them being shareholder-related metrics, and 20% customer-related metrics. Performance is assessed both quantitatively and qualitatively to ensure that how we achieve our financial results is as important as what financial results we achieve.

- Long-term targets related to earning per share (EPS) growth, relative total shareholder return (TSR) and regulatory capital (CET1).

**Alignment with shareholder interests**

- 50% of all variable remuneration is in shares.
- Shareholding policy: 200% net tax amount of gross salary.
- 60% of variable remuneration is deferred over a 5-year period, with share based payments subject to a one year holding period after vesting.

**Alignment with regulatory requirements**

- Including malus and clawback policy.
Variable remuneration is deferred over five years.

Variable remuneration is paid 50% in cash 50% in shares.

40% of the incentive is paid in the following year and the deferred portion (60%) in five equal parts over the next five years.

The last three payments are additionally subject to long-term objectives.

### 2018 variable remuneration for executive directors (structure)

<table>
<thead>
<tr>
<th>Year</th>
<th>Immediately following performance year</th>
<th>Deferred (malus)</th>
<th>Long-term performance deferral</th>
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<tbody>
<tr>
<td>2018</td>
<td>40%</td>
<td>12%</td>
<td>12%</td>
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<tr>
<td>2019</td>
<td>40%</td>
<td>12%</td>
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<td>2020</td>
<td>40%</td>
<td>12%</td>
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<tr>
<td>2021</td>
<td>40%</td>
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<td>2022</td>
<td>40%</td>
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<tr>
<td>2023</td>
<td>40%</td>
<td>12%</td>
<td>12%</td>
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<tr>
<td>2024</td>
<td>40%</td>
<td>12%</td>
<td>12%</td>
</tr>
</tbody>
</table>

100%
3.4 Executive directors’ remuneration

Executive directors’ remuneration is aligned with shareholder interests.

**Total remuneration as % of attributable net profit**

- 2012: 1.12%
- 2013: 0.50%
- 2014: 0.41%
- 2015: 0.45%
- 2016: 0.42%
- 2017: 0.42%
- 2018: 0.36%

**Variable remuneration as % of cash dividends**

- 2012: 1.07%
- 2013: 1.17%
- 2014: 1.17%
- 2015: 0.65%
- 2016: 0.60%
- 2017: 0.56%
- 2018: 0.44%
4 Risk management and control
4. Risk management and control

4.1 Risk principles

Are the cornerstone of our risk management and control model.

Aligned with the Group’s business model, enabling us to fulfill our strategic goals

1. Advanced risk management with a forward-looking approach that ensures a medium-low risk profile, based on our risk appetite framework defined by the board.

2. Risk culture that is followed by all employees throughout the Group.

3. Clearly defined three-lines-of-defence model that enables us to identify, manage, control, monitor and challenge all risks.

4. Autonomous subsidiaries model with local robust governance aligned with Group and in full compliance with local regulation.

5. Information and data management processes that allow all risks to be identified, assessed, managed and reported at appropriate levels.

6. Risks are managed by the units that generate them based on a clear structure that separates this risk management from the risk control functions.
4.2 Risk processes and tools

Risk management and control processes supported by solid advanced risk management tools.

Sound risk management and control processes

- **Planning**
  Is the process of setting business objectives considering the levels of risk that the business is willing and able to accept.

- **Assessment**
  To determine likelihood, impact and materiality of risks.

- **Monitoring**
  An essential business-as-usual activity to detect any deviation from plan.

- **Identification**
  Risk identification is a key component of effective risk management and control.

- **Decision-making & execution**
  Decisions are required to manage the business’s risk profile within the limits agreed.

- **Mitigation**
  If performance deviations are detected, mitigation actions are considered to bring performance back within acceptable levels.

Advanced risk management tools

- **Risk Profile Assessment (RPA)**
  The Group carries out the identification and assessment of the various risks that it is exposed to.

- **Risk appetite & structure of limits**
  Definition of the amount and type of risks that are considered prudent to assume.

- **Scenario Analysis**
  Analysis of impacts triggered by different scenarios, in which the Group operates, to assess its resilience and identify mitigating actions.

- **Risk Reporting Framework (RRF)**
  Complete, precise and recurring information.
4.3 Risk governance

Our strong governance framework continuously pursues the effective management and control of the risk profile, clearly separating both functions.

Underpinned by our three-lines-of-defence model

1st

All business functions and business support functions that originate risks and have primary responsibility in the management of those risks.

2nd

These are the Risk Control, and Compliance and Conduct functions. The role of these functions is to provide independent oversight and challenge to the risk management activities of the first line of defence.

3rd

Internal Audit function. This function controls and regularly checks, that the policies and procedures are adequate and effectively implemented in the management and control of all risks.

With a robust structure of committees

Board of directors

Risk Management

Risk Control

Executive committee

Risk supervision, regulation and compliance committee

Executive risk committee

Risk control committee

Chair: CEO

Chair: Group CRO

Independent direct report
5 Responsible banking
5.1 Responsible and sustainable governance

Everything we do should be Simple, Personal and Fair.

Ensuring we have the right culture, skills, governance, digital and business practices to meet stakeholders’ expectations. A bank that aspires to be Simple, Personal and Fair.

Supporting small businesses to create new jobs and helping people access finance, supporting finance the low-carbon economy and fostering sustainable consumption. Delivering our purpose.
5.2 Challenge I

New business environment.

- **Strong corporate culture**
  The Santander Way defines our purpose, our aim and how we do business, by being Simple, Personal and Fair in everything we do.

- **Talented and motivated team**
  The more prepared and motivated our workforce is, the stronger their commitment to helping people and businesses prosper will be. Our workforce is diverse in terms of expertise and gender.

- **Responsible business practices**
  We develop our products and services responsibly, and aspire to deliver excellent customer service. Protection of customer data is one of our main priorities.

- **Responsible procurement**
  Our procurement processes are based on ethical, social and environmental criteria to ensure we operate in a sustainable way throughout our operations.

- **Shareholder value**
  We have clear and robust governance. Risks and opportunities are prudently managed, and long-term strategy is designed to safeguard the interests of our shareholders and society at large.

- **Risk culture**
  As a bank, managing risks is an essential part of our daily business. We have a robust risk management model and risk culture to ensure we operate in a prudent and responsible way.

- **Total dividend per share**
  4.5% increase vs. 2017 (+9% cash per share)

- **83% of employees feel motivated to contribute to building a bank that is Simple, Personal and Fair.**

- **86% of employees are proud to work for Santander.**

- **Top 3 bank in 7 countries for customer satisfaction.**

1. Global engagement survey 2019
2. Source: Customer satisfaction study (customers and non-customers) audited by Stiga/Conento.
5.3 Challenge II

Inclusive and sustainable growth.

**Inclusive growth**

By meeting customer needs, helping entrepreneurs start companies and create jobs, strengthening local economies, tackling financial exclusion and supporting people to receive the education and training they need.

**Sustainable growth**

By financing renewable energies, supporting smart infrastructure in the developing world, as well as agrotech and green tech. We actively support the transition to a low-carbon economy.

- **EUR 117,420** million in loans to SMEs and self-employed professionals
- **1,235** Agreements with universities and other academic institutions in 33 countries
- **+ 273,000** Micro-entrepreneurs supported in 2018
- **EUR 16,658** Million in total taxes contribution
- **+1mn** people helped through programmes designed to tackle social exclusion
- **6,689 Mw** of renewable energy financed
- **0.5%** Teq CO₂ reduction from 2017 to 2018
- **EUR 1 bn** Top 3 bank for renewables financing in 2018
- **EUR 16,658** Top 3 bank contribution for renewables financing in 2018

---

**Notes:**
1. In the last ten years, Santander has been eight times within the top three banks in renewable project financing, and always within the top-five.
5.4 Santander’s Responsible Banking public commitments

New business environment

- Top 10 company to work for
- Women on the Board
- Women in senior leadership positions (%)
- Equal pay gap
- Financially empower people
- Green finance raised and facilitated (euros)
- Electricity used from renewable energy sources
- Unnecessary single use plastic free in corporate buildings and branches
- Scholarships, internships & entrepreneurs programmes
- People helped through our community programmes

Inclusive & sustainable growth

- Commitment from 2019 to 2030 is 220Bn
- In those countries where it is possible to certify renewable sourced electricity for the properties occupied by the Group
- People supported through Santander Universities initiative
- People helped through our community investment programmes

---

(1) According to a well-known external source in each country (Great Place to Work, Top Employer, Merco, etc.), (2) Senior positions represent 1% of total workforce, (3) Calculation of equal pay gap compares employees of the same job, level and function, (4) Financially empowered people (mostly unbanked and underbanked), through products and services and social investment initiatives, to get access to the financial system, receive tailored finance and increase their knowledge and resilience through financial education, (5) Includes Santander overall contribution to green finance: project finance, syndicated loans, green bonds, capital finance, export finance, advisory, structuring and other products to help our clients in the transition to a low carbon economy. Commitment from 2019 to 2030 is 220Bn, (6) In those countries where it is possible to certify renewable sourced electricity for the properties occupied by the Group, (7) People supported through Santander Universities initiative (students who receive a Santander scholarship, will achieve an internship in an SME or participate in entrepreneurship programmes supported by the Bank), (8) People helped through our community investment programmes (excluding Santander Universities and financial education initiatives).

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*We will report our progress in these targets in our Annual Report.
5.5 Corporate policies

Responsible and sustainable policies guiding our activity.

Corporate frameworks policies and principles

1. All corporate policies, principles and frameworks are accessible to employees in our single global portal, ensuring strong governance and consistency across the Group.
5.6 Climate change related policies and progress

Updated on yearly basis.

Our policies prohibit worldwide financing of:

- New coal power plants projects
- New thermal coal mine projects
- New customers with coal-fired power plants
- New customers with thermal coal mine projects

...and require enhanced due diligence for certain high-impact activities

What we see from the application of the policies:

- Bankers reduced their activity in relation to these opportunities.
- 3 coal operations withdrawn by Business in 2019.
- Improvement in Banktrack* fossil fuel rankings over last 3 years: now ranked 31st out of 33 banks.

Ranking evolution of total fossil fuel financing for periods of three years

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<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Total fossil fuel financing</td>
<td>31</td>
<td>27</td>
<td>24</td>
</tr>
</tbody>
</table>

*Banking on Climate Change 2019.
In 2019 Santander is the world leader, ranking first among the 25 banks in the index this year. Banco Santander is also listed on the FTSE4Good index since 2003. In 2017 absolute score in the ESG rating of 4.5 points (five being the maximum score).

Santander has also been participating as CDP signatory since 2007. Banco Santander, world leader in the Bloomberg Gender-Equality Index (GEI). With an evaluation of 95.32 points out of 100.

Above industry average scores and in most cases improving the performance over the last year at Sustainalytics, Vigeo Eiris, MSCI and ISS-oekom. In 2019 Santander received Top Employers Europe 2019 certification which acknowledges the working conditions companies create for their employees.

Likewise, in 2018 Santander ranked in the top 3 of the best financial institutions to work in Latin America, according to Great Place to Work.

In 2019 Banco Santander has been included for the first time by Great Place to Work in its list of the 25 best companies to work for in the world, a survey in which more than 8,000 organisations have participated.

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6 Annexes
6.1 Our board - resumes

Ms Ana Botín-Sanz de Sautuola y O’Shea
Group executive chairman
Executive director
Joined the board in 1989
Board attendance in 2018: 100%
▲ Education: Degree in Economics from Bryn Mawr College (Pennsylvania, United States).
▲ Experience: She joined Banco Santander after working at JP Morgan (New York, 1980-1988). In 1992 she was appointed senior executive vice president. Between 1992 and 1998 she led the expansion of Santander in 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: 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 of the Empieza por Educar Foundation (the Spanish subsidiary of the international NGO Teach for All) and she sits on the advisory board of the Massachusetts Institute of Technology (MIT).
▲ Positions in other Group companies: (non-executive in all cases and director unless otherwise indicated): Santander UK plc., Santander UK Group Holdings plc., Universia España, Red de Universidades, S.A. [chairman], Universia Holding, S.L [chairman] and Santander Holding USA, Inc.
▲ Membership of board committees: Executive committee (chairman), innovation and technology committee (chairman), and responsible banking, sustainability and culture committee.

Mr José Antonio Álvarez Álvarez
Vice chairman & chief executive officer
Executive director
Joined the board in 2015
Board attendance in 2018: 100%
▲ Education: Graduate in Economics and Business Administration. MBA from the University of Chicago.
▲ Experience: He 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 also 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 also a board member of Bolsas y Mercados Españoles, S.A. (BME).
▲ Other positions of note: None
▲ Positions in other Group companies: (non-executive in all cases and director unless otherwise indicated): Banco Santander (Brasil) S.A.
▲ Membership of board committees: Executive committee and innovation and technology committee.
6.1 Our board - resumes

Mr Bruce Carnegie-Brown
Vice chairman, Lead independent director
Non-executive director (independent)
Joined the board in 2015
Board attendance in 2018: 100%

▲ Nationality: British. Born in 1959 in Freetown, Sierra Leone.
▲ Education: Master of Arts in English Language and Literature from the University of Oxford.
▲ Experience: Previously he was non-executive chairman of Moneysupermarket.com Group plc, non-executive director of Jardine Lloyd Thompson Group plc, non-executive director of Santander UK Group Holding Ltd, non-executive director of Santander UK, plc. and he held the non-executive chair of AON UK Ltd. He was also 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. and at Catlin Group Ltd. He previously worked at JP Morgan Chase for eighteen years and at Bank of America for four years.
▲ Other positions of note: He is currently non-executive chairman of Lloyd’s of London.

Mr Rodrigo Echenique Gordillo
Non-executive director
Joined the board in 1988
Board attendance in 2018: 100%

▲ Education: Graduate in Law and State Attorney.
▲ Experience: From 1973 to 1976 he held several positions in the Spanish Public Administration (General Secretary of the Post and Telecommunications Office, Technical Advisor in the Office of the Spanish Prime Minister and other positions in the Spanish Tax Authority offices in Pontevedra and Madrid). Former chief executive officer of Banco Santander, S.A. between 1988 and 1994. He served on the board of directors of several industrial and financial companies, including Ebro Azúcares y Alcoholes, S.A. and Industrias Agrícolas, S.A., and was chairman of the advisory board of Accenture, S.A. He was also non-executive chairman of NH Hotels Group, S.A., Vocento, S.A., Vallehermoso, S.A. and Merlin Properties SOCIMI, S.A. He has also been non-executive chairman of Banco Popular Español, S.A.
▲ Other positions of note: He is currently a non-executive director of Inditex, S.A. and chairman of the board of trustees and the executive committee of the Banco Santander Foundation.
▲ Positions in other Group companies: non-executive in all cases and director unless otherwise indicated: Universia Holding, S.L., Banco Santander International (vice-chairman), Universia España, Red de Universidades, S.A. and Banco Santander Chile, S.A.
▲ Membership of board committees: Nominations committee.

▲ Positions in other Group companies: Non-executive chairman of Santander UK, plc and of Santander UK Group Holdings plc.
▲ Membership of board committees: Executive committee, nominations committee (chairman) and remuneration committee (chairman), innovation and technology committee.
6.1 Our board - resumes

Mr Guillermo de la Dehesa Romero
Non-executive director
Joined the board in 2002
Board attendance in 2018: 100%

▲ Nationality: Spanish. Born in 1941 in Madrid, Spain.
▲ Experience: Former secretary of state of Economy, secretary general of Trade, chief executive officer of Banco Pastor, S.A., international advisor to Goldman Sachs International, chairman of Aviva Grupo Corporativo, S.L. and non-executive chairman of Santa Lucía Vida y Pensiones, S.A.
▲ Other positions of note: He is currently non-executive vice chairman of Amadeus IT Group, S.A., honorary chairman of the Centre for Economic Policy Research (CEPR) of London, a member of the Group of Thirty based in Washington and chairman of the board of trustees of IE Business School.

▲ Positions in other Group companies: None.
▲ Membership of board committees: Executive committee, nominations committee, remuneration committee, and innovation and technology committee.

Mr Javier Botín-Sanz de Sautuola y O’Shea
Non-executive director
Joined the board in 2004
Board attendance in 2018: 100%

▲ Education: Degree in Law from the Complutense University of Madrid.
▲ Other positions of note: Executive chairman of JB Capital Markets, Sociedad de Valores, S.A.U. In addition to his work in the financial sector, he collaborates with several non-profit organisations. Since 2014 he has been chairman of the Botín Foundation. He is also a trustee of the Princess of Girona Foundation.

▲ Positions in other Group companies: None.
▲ Membership of board committees: None.
6.1 Our board - resumes

Ms Sol Daurella Comadrán
Non-executive director (Independent)

Joined the board in 2015
Board attendance in 2018: 100%

- **Nationality:** Spanish. Born in 1966 in Barcelona, Spain.
- **Education:** Degree in Business and MBA from ESADE.
- **Experience:** She served on the board of the Circulo de Economía and also as 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:** She is chairman of Coca Cola European Partners, plc., executive chairman of Olive Partners, S.A. and holds several positions at companies belonging to the Cobega Group.
- **Positions in other Group companies:** None.

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

Mr Ignacio Benjumea Cabeza de Vaca
Non-executive director

Joined the board in 2015
Board attendance in 2018: 100%

- **Nationality:** Spanish. Born in 1952 in Madrid, Spain.
- **Education:** Degree in Law from Deusto University, ICADE E-3 and State Attorney.
- **Experience:** Former senior executive vice president, general secretary and secretary of the board of Banco Santander, and board member, senior executive vice president, general secretary and secretary to the board of Banco Santander de Negocios, S.A. and of Santander Investment, S.A. He was also technical general secretary of the Ministry of Employment and Social Security, general secretary of Banco de Crédito Industrial, S.A. and director of Dragados, S.A., Bolsas y Mercados Españoles, S.A. (BME) and of the Governing Body of the Madrid Stock Exchange.
- **Other positions of note:** He is vice chairman of the board of trustees and member of the executive committee of the Financial Studies Foundation and a member of the board of trustees and the executive committee of the Banco Santander Foundation.
- **Positions in other Group companies:** None.
- **Membership of board committees:** Executive committee, remuneration committee, risk supervision, regulation and compliance committee, innovation and technology committee and responsible banking, sustainability and culture committee.
6.1 Our board - resumes

Ms Pamela Ann Walkden
Non-executive director (Independent)
Joined the board in 2019
▲ Education: Master Degree in Economics from Cambridge University.
▲ Experience: She has extensive experience in the banking sector and she has served in a number of senior management positions predominantly 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: She is a lay member of the Welfare and Ethics Committee of the Royal Veterinary College, London.
▲ Positions in other Group companies: None.
▲ Membership of board committees: Audit committee.

Ms Homaira Akbari
Non-executive director (Independent)
Joined the board in 2019
▲ Education: Doctorate in Experimental Particle Physics from Tufts University and MBA from Carnegie Mellon University.
▲ Experience: She was chairman and CEO of SkyBitz, Inc., managing director of TruePosition Inc., non-executive director of Covisint Corporation US Pack Logistics LLC., Gemalto NV and Veolia Environment, S.A. and she has held various posts at Microsoft Corporation and at Thales Group.
▲ Other positions of note: She is chief executive officer of Aknowledge Partners, LLC. She is also a non-executive director of Landstar System, Inc. and non-executive chairman of WorkFusion.
▲ Positions in other Group companies: None.
▲ Membership of board committees: Audit committee, innovation and technology committee and responsible banking, sustainability and culture committee.
6.1 Our board - resumes

Ms Esther Giménez-Salinas i Colomer
Non-executive director (Independent)
Joined the board in 2012
Board attendance in 2018: 100%

▲ Education: PhD in Law and Psychologist by the University of Barcelona.
▲ Experience: She was chancellor of the Ramon Llull University, member of the Conference of Rectors of Spanish Universities (CRUE), member of the General Council of the Judiciary of Spain, member of the scientific committee on criminal policy of the Council of Europe, executive vice president of the Centre for Legal Studies and Specialised Training of the Justice Department of the Government of Catalonia and member of the advisory board of Endesa-Catalunya.
▲ Other positions of note: Professor emeritus at Ramón Llull University, director of the Chair of Restorative and Social Justice at the Pere Tarrés Foundation, Special Chair of Restorative Justice Nelson Mandela of the National Human Rights Commission of Mexico, director of Aqu (quality assurance agency for the Catalan university system) and of Gawa Capital Partners, S.L. Member of the Bioethics Committee of the Government of Catalonia.
▲ Positions in other Group companies: None.
▲ Membership of board committees: Nominations committee, risk supervision, regulation and compliance committee and responsible banking, sustainability and culture committee.

Ms Belén Romana García
Non-executive director (Independent)
Joined the board in 2015
Board attendance in 2018: 100%

▲ Education: Graduate in Economics and Business Administration from Universidad Autónoma de Madrid and Government Economist.
▲ Experience: She was formerly senior executive vice president of Economic Policy and senior executive vice president of the Treasury of the Ministry of Economy of the Spanish Government, as well as director of the Bank of Spain and the CNMV. She also held the position of director of the Instituto de Crédito Oficial and of other entities on behalf of the Spanish Ministry of Economy. She served as non-executive director of Banco Español de Crédito, S.A. and executive chairman of Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB).
▲ Positions in other Group companies: None.
▲ Membership of board committees: Executive committee, audit committee (chairman), risk supervision, regulation and compliance committee, innovation and technology committee and responsible banking, sustainability and culture committee.
6.1 Our board - resumes

Mr Ramiro Mato García-Ansorena
Non-executive director (Independent)
Joined the board in 2017
Board attendance in 2018: 100%

Education: Degree in Economics from the Complutense University of Madrid and Management Development Programme of the Harvard Business School.
Experience: He has held several positions in Banque BNP Paribas, including chairman of the BNP Paribas Group in Spain. Previously, he held several significant positions in Argentaria. He has been a member of the Spanish Banking Association (AEB) and of Bolsas y Mercados Españoles, S.A. (BME) and member of the board of trustees of the Fundación Española de Banca para Estudios Financieros (FEBEF).

Mr Álvaro Cardoso de Souza
Non-executive director (Independent)
Joined the board in 2018
Board attendance in 2018: 87.5%
Member of the Board since 1 April 2018.

Education: Degree in Economics and Business Administration from Pontificia Universidade Católica de Sao 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.
Experience: 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 was a member of the board of AMBEV S.A., Gol Linhas Aéreas, S.A. and of Duratex, S.A. He has been chairman of WorldWildlife Group (WWF) Brazil, 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).

Other positions of note: None.
Positions in other Group companies: None.
Membership of board committees: Risk supervision, regulation and compliance committee (chairman) and responsible banking, sustainability and culture committee.
6.1 Our board - resumes

Mr Henrique de Castro
Non-executive director (Independent)
Joined the board in 2019

▲ Education: Degree in Business Administration from the Lisbon School of Economics and Management (Portugal) and Master’s Degree in Business Administration (MBA) from the University of Lausanne (Switzerland).
▲ Other positions of note: He was non-executive director of First Data Corporation, and chief operating officer of Yahoo Inc. Previously, he was the manager of the worldwide devices, media and platform business of Google Inc, the sales and business development manager for Europe of Dell Inc. and a consultant at McKinsey & Company.
▲ Positions in other Group companies: He is a non-executive director of Fiserv Inc. and of Target Corporation.
▲ Membership of board committees: Innovation and technology committee, audit committee and remuneration committee.

Mr Jaime Pérez Renovales
General secretary and secretary non-director of the board
He joined the Group in 2003

▲ Education: Graduate in Law and Business Administration at Universidad Pontificia de Comillas (ICADE E-3) and State Attorney
▲ Experience: He was director of the office of the second vice president of the Government for Economic Affairs and Minister of Economy, deputy secretary of the Presidency of the Government, chairman of the Spanish State Official Gazette and of the committee for the Public Administration Reform. Previously, he was general vice secretary and vice secretary of the board and head of Legal Affairs of the Santander Group, general secretary and secretary of the board of Banco Español de Crédito, S.A. and deputy director of Legal Services at CNMV.
▲ Secretary of all board committees.
6.2 Board committees

Our board has seven board committees and one external advisory board.

Comparison of number of meetings held¹

<table>
<thead>
<tr>
<th></th>
<th>Santander</th>
<th>Average Spain</th>
<th>US average</th>
<th>UK average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive committee</td>
<td>45</td>
<td>8.5</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Audit committee</td>
<td>13</td>
<td>8.4</td>
<td>8.4</td>
<td>5.2</td>
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<tr>
<td>Nominations committee</td>
<td>13</td>
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<td>4.6</td>
<td>4</td>
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<tr>
<td>Remuneration committee</td>
<td>11</td>
<td>6.3</td>
<td>6.2</td>
<td>5.2</td>
</tr>
<tr>
<td>Risk supervision, regulation and compliance committee</td>
<td>13</td>
<td>13</td>
<td>NA</td>
<td>6.1</td>
</tr>
</tbody>
</table>

¹ Source: Spencer Board Index 2018 (Spain, United States and United Kingdom). NA: Not available.
6.2 Board committees

Executive

It exercises by delegation all the powers of the board, except those which cannot be delegated pursuant to the law, the bylaws or the Rules and regulations of the board of directors.

Oversight of our executive committee is ensured through regular reports submitted to the board on the principal matters dealt with by the committee and by making available to all directors the minutes of its meetings and all the supporting documentation made available to it.

Responsible banking, sustainability and culture

Created in June 2018. Its purpose is to assist our board of directors in fulfilling its oversight responsibilities with respect to the responsible business strategy and sustainability issues of the Group, preparing and reviewing the corporate culture and values and advising on its relations with various stakeholders, especially with employees, customers and communities with which the Group carries out its activities.

<table>
<thead>
<tr>
<th>Chairman</th>
<th>Ana Botín</th>
<th>Executive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other members</td>
<td>José Antonio Álvarez</td>
<td>Executive</td>
</tr>
<tr>
<td></td>
<td>Bruce Carnegie-Brown</td>
<td>Independent</td>
</tr>
<tr>
<td></td>
<td>Ignacio Benjumea</td>
<td>Other external</td>
</tr>
<tr>
<td></td>
<td>Guillermo Dehesa</td>
<td>Other external</td>
</tr>
<tr>
<td></td>
<td>Ramiro Mato</td>
<td>Independent</td>
</tr>
<tr>
<td></td>
<td>Belén Romana</td>
<td>Independent</td>
</tr>
</tbody>
</table>

| Number of meetings in 2018    | 45                  |
| Hours devoted in 2018         | 225                 |
| Average attendance in 2018    | 95%                 |

| Chairman                      | Ramiro Mato         | Independent |
| Other members                 | Ana Botín           | Executive |
|                               | Homaira Akbari      | Independent |
|                               | Ignacio Benjumea    | Other external |
|                               | Álvaro Cardoso      | Other external |
|                               | Sol Daurella        | Independent |
|                               | Belén Romana        | Independent |
|                               | Esther Giménez-Salinas | Independent |

| Number of meetings in 2018    | 2                   |
| Hours devoted in 2018         | 10                  |
| Average attendance in 2018    | 100%                |
6.2 Board committees

Innovation and technology

Its purpose is to assist our board of directors in fulfilling its oversight responsibilities and activities with respect to the overall role of technology in the Group’s business and innovation strategy and plans, as well as the trends resulting from new business models, technologies and products.

Remuneration

Prepare and propose the decisions relating to remuneration that the board of directors must adopt, including those that have an impact on the Company’s risk and risk management.

Periodically review the remuneration programmes.

Ensure the transparency of remuneration.

Assess the achievement of performance targets and the need for ex post risk adjustment, including the application of malus and clawback arrangements.
6.2 Board committees

Audit

Supervise the effectiveness of the Bank’s internal control and internal audit.

Supervise the process of preparation and submission of regulated financial information and submit recommendations or proposals intended to safeguard its integrity to the board of directors.

Propose to the board of directors the selection, appointment, re-election and replacement of the external auditor, in addition to preserving its independence.

Nominations

Propose, review and verify the application of the director selection policy. Annually verify the classification of each director.

Apply and supervise the succession plan for the directors approved by the board of directors, working in coordination with the chairman of the board or, for purposes of the succession of the chairman with the lead director.

Propose and review the policies and internal procedures for the selection and continuous evaluation of members of senior management and other employees. Support and advise the board in relation to corporate governance and internal governance policy. Supervise and evaluate the strategy for communication and relations with shareholders and investors, including small- and mid-sized shareholders of the Company and its Group.
6.2 Board committees

Risk supervision, regulation and compliance

Support and advise the board in defining and assessing risk policies affecting the Group and in determining the current and future risk appetite and the strategy and culture in this area, including proposing appropriate changes in view of internal or external circumstances affecting the Group.

Assist the board in monitoring the implementation of the risk strategy, appetite and limits.

Assist the board in approving the capital and liquidity strategy and supervising its application.

Systematic review of exposure to principal customers, economic sectors of activity, geographic areas and risk types. Cooperating in establishing rational remuneration policies and practices. Supervise the compliance function.
External advisory board

External advisory board whose members are non-directors. Its purpose is to provide strategic advice to the Group, with a special focus on innovation, digital transformation, cybersecurity and new technologies.

It also provides views on trends in capital markets, corporate governance, brand and reputation, regulation and compliance, and global financial services with a customer based approach.

Chairman
Larry Summers

Other members
Sheila C. Bair  Mike Rhodin  Marjorie Scardino  Francisco D’Souza  
James Whitehurst  George Kurtz  Blythe Masters  Nadia Schadlow