

## BASE PROSPECTUS



### BANCO SANTANDER, S.A.

(incorporated with limited liability in Spain)

## €50,000,000,000 PROGRAMME FOR THE ISSUANCE OF DEBT INSTRUMENTS

This document (the “**Base Prospectus**”) constitutes a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of the EU of 14 June 2017 (as amended, the “**Prospectus Regulation**”) relating to instruments (the “**Instruments**”) issued under the programme described herein (the “**Programme**”) by Banco Santander, S.A. (“**Santander**”, “**Banco Santander**”, the “**Issuer**” or the “**Bank**”) and has been prepared in accordance with, and including the information required by Annexes 6, 7, 14, 15 and 22 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation (the “**Delegated Regulation 2019/980**”).

This Base Prospectus has been approved on 13 March 2023, as a base prospectus issued in compliance with the Prospectus Regulation for the purpose of giving information with regard to the issue of Instruments under the Programme during the period of twelve months after the date of its approval. This Base Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Regulation. The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed under the Prospectus Regulation. Such approval by the Central Bank of Ireland should not be considered as an endorsement of the Issuer or the quality of the securities that are the subject of this Base Prospectus. Such approval relates only to the Instruments which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU, as amended (“**MiFID II**”) and/or which are to be offered to the public in any member state (“**Member State**”) of the European Economic Area (“**EEA**”). This Base Prospectus is drawn up in the English language. In case there is any discrepancy between the English text and the Spanish text, the English text stands approved for the purposes of approval under the Prospectus Regulation.

Application has been made to The Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”) for the Instruments to be admitted to the official list (the “**Official List**”) and trading on its regulated market. This Base Prospectus will be published on the website of Euronext Dublin (<https://live.euronext.com/>) and the information incorporated by reference under Section titled “*Documents incorporated by Reference*” herein will be published on the website of Banco Santander ([www.santander.com/en/home](http://www.santander.com/en/home)). The Programme also permits Instruments to be issued on the basis that they will be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer. If the Instruments are admitted to listing on the Taipei Exchange and offered in Taiwan, the Instruments shall not be offered, sold or re-sold, directly or indirectly, to investors other than professional institutional investors (“**Professional Institutional Investors**”) as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the Republic of China. In such case, purchasers of the Instruments are not permitted to sell or otherwise dispose of the Instruments except by transfer to a Professional Institutional Investor.

For the purposes of the Directive 2004/109/EC (the “**Transparency Directive**”) the Home Member State is Spain.

The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

References in this Base Prospectus to “**CMU Instruments**” are to Instruments denominated in any lawful currency which the Central Money Markets Unit Service (the “**CMU**”) operated by the Hong Kong Monetary Authority (the “**HKMA**”) accepts for settlement from time to time that are, or are intended to be, cleared through the CMU.

This Base Prospectus will be valid for a year from the date of its approval. The obligation to supplement the Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid.

There are certain risks related to any issue of Instruments under the Programme, which investors should ensure they understand and make their own assessment as to the suitability of investing in such Instruments (see “*Risk Factors*” on pages 19 to 66 of this Base Prospectus). Potential investors should note the statements regarding the tax treatment in Spain of income obtained in respect of the Instruments and the disclosure requirements imposed by Law 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*), as amended from time to time (“**Law 10/2014**”) on the Issuer in relation to the Instruments. In particular, payments on the Instruments may be subject to Spanish withholding tax if certain information relating to the Instruments is not received by the Issuer in a timely manner.

The Instruments may be issued in bearer form (“**Bearer Instruments**”) or in registered form (“**Registered Instruments**”). Bearer Instruments may be issued in new global note (“**NGN**”) form and Registered Instruments may be held under the new safekeeping structure (“**NSS**”) to allow Eurosystem eligibility. Unless otherwise specified in the relevant Final Terms, each Tranche of Bearer Instruments having an original maturity of more than one year will initially be represented by a temporary Global Instrument (each a “**Temporary Global Instrument**”) and each Tranche of Bearer Instruments having an original maturity of one year or less will initially be represented by a permanent Global Instrument (each a “**Permanent Global Instrument**”) and, together with a Temporary Global Instrument, each a “**Global Instrument**”) which, in each case, will (i) if the Global Instruments are stated in the relevant Final Terms to be issued in NGN form, be delivered on or prior to the original issue date of the relevant Tranche with a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”); or (ii) if the Global Instruments are not intended to be issued in NGN form (“**CGN**”), be delivered on or prior to the original issue date of the relevant Tranche to a common depository (“**Common Depository**”) for, Euroclear and Clearstream, Luxembourg, or as otherwise agreed between the Issuer and the relevant Dealer; or (iii) if the Global Instruments are intended to be cleared through the CMU, be deposited on the original issue date of the relevant Tranche with a sub-custodian for the CMU operated by the HKMA (each a “**CMU Global Instrument**”). Interests in Temporary Global Instruments will be exchangeable for interests in a Permanent Global Instrument or, if so stated in the relevant Final Terms, for definitive Bearer Instruments (the “**Definitive Instruments**”) after the date falling 40 days after the issue date upon certification as to non-U.S. beneficial ownership. If specified in the relevant Final Terms, interests in Permanent Global Instruments will be exchangeable for Definitive Instruments. Registered Instruments will be represented by registered certificates (each an “**Individual Certificate**”), one Individual Certificate being issued in respect of each Holder’s entire holding of Registered Instruments of one Series and may be represented by registered global certificates (each a “**Global Registered Instrument**”). Registered Instruments which are held in Euroclear and Clearstream, Luxembourg will be registered (i) if the Global Registered Instrument is not to be held under the NSS, in the name of nominees for Euroclear and Clearstream, Luxembourg or a common nominee for both or (ii) if the Global Registered Instrument is to be held under the NSS, in the name of a nominee of the Common Safekeeper and the relevant Individual Certificate(s) will

be delivered to the appropriate depository, a Common Depository or Common Safekeeper, as the case may be. Registered Instruments which are, or are intended to be cleared through the CMU, will be registered in the name of the HKMA as operator of the CMU, and will be deposited on the issue date with a sub-custodian for the CMU operated by the HKMA (each a “**CMU Global Registered Instrument**”). The provisions governing the exchange of interests in Global Instruments for other Global Instruments and Definitive Instruments are described in “*Summary of Provisions Relating to the Instruments while in Global Form*”.

The Instruments have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States, and include Instruments in bearer form that are subject to U.S. tax law requirements. The Instruments may not be offered, sold or (in the case of Instruments in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”) and, in addition in the case of Instruments in bearer form, as defined in the U.S. Internal Revenue Code of 1986, as amended, and U.S. Treasury regulations promulgated thereunder) except in certain transactions exempt from or not subject to the registration requirements of the Securities Act, the securities laws of the applicable state or other jurisdiction of the United States and applicable U.S. tax law requirements.

**MIFID II product governance / target market** – The relevant Final Terms in respect of any Instruments may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MIFID Product Governance Rules**”), any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**PRIIPs / IMPORTANT – EEA RETAIL INVESTORS** – Unless the relevant Final Terms in respect of any Instrument specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, the Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the “**EU PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA will be prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

**UK MiFIR product governance / target market** – The relevant Final Terms in respect of any Instruments may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**PRIIPs / IMPORTANT – UK RETAIL INVESTORS** – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by the EU PRIIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Amounts payable under the Instruments may be calculated or otherwise determined by reference to an index or a combination of indices and amounts payable on Reset Instruments issued under the Programme may in certain circumstances be determined in part by reference to such indices. Any such index may constitute a benchmark for the purposes of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**EU BMR**”). If any such index does constitute such a benchmark the relevant final terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to article 36 of the EU BMR. Not every index will fall within the scope of the EU BMR.

**Arrangers for the Programme**  
**BARCLAYS**  
**SANTANDER CORPORATE & INVESTMENT BANKING (SCIB)**

**Dealers**

<b>BARCLAYS</b>	<b>BNP PARIBAS</b>
<b>BoFA SECURITIES</b>	<b>CITIGROUP</b>
<b>COMMERZBANK</b>	<b>CRÉDIT AGRICOLE CIB</b>
<b>CREDIT SUISSE</b>	<b>DEUTSCHE BANK</b>
<b>GOLDMAN SACHS BANK EUROPE SE</b>	<b>HSBC</b>
<b>J.P. MORGAN</b>	<b>MIZUHO</b>
<b>MORGAN STANLEY</b>	<b>NATIXIS</b>
<b>NATWEST MARKETS</b>	<b>NOMURA</b>
<b>SANTANDER CORPORATE &amp; INVESTMENT BANKING (SCIB)</b>	<b>SOCIÉTÉ GÉNÉRALE CORPORATE &amp; INVESTMENT BANKING</b>
<b>UBS INVESTMENT BANK</b>	<b>UNICREDIT</b>
<b>WELLS FARGO SECURITIES</b>	

13 March 2023

## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Base Prospectus and any Final Terms (as defined below) and declares that, to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

Each Tranche (as defined herein) of Instruments will be issued on the terms set out herein under “*Terms and Conditions of the Instruments*” (the “**Terms and Conditions**”) as completed by a document specific to such Tranche called final terms (the forms of which are contained herein) (the “**Final Terms**”).

The Base Prospectus should be read and construed together with any supplements thereto and with any other documents incorporated by reference therein and, in relation to any Tranche of Instruments, should be read and construed together with the relevant Final Terms.

The Issuer has confirmed to the Dealers referred to in “*Subscription and Sale*” below that this Base Prospectus (together with the relevant Final Terms referred to herein) contains all such information as investors and their professional advisers would reasonably require, and reasonably expect to find, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and of the rights attaching to the relevant Instruments.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer and the companies whose financial statements are consolidated with those of the Issuer (together, the “**Group**” or “**Santander Group**”) or the Instruments other than as contained or incorporated by reference in the Base Prospectus, in the Dealership Agreement (as defined in “*Subscription and Sale*”), in any other document prepared in connection with the Programme or any Final Terms or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Dealers or any of them.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates make any representation or warranty or accept any responsibility, as to the accuracy or completeness of the information contained in the Base Prospectus or any responsibility for any act or omission of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Instruments. Neither the delivery of the Base Prospectus or any Final Terms nor the offering, sale or delivery of any Instrument shall create, in any circumstances, any implication that there has been no adverse change in the financial situation the Issuer or the Group since the date hereof or, as the case may be, the date upon which the Base Prospectus has been most recently amended or supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated into the Base Prospectus by reference.

None of the Dealers or any of their respective affiliates accepts any responsibility for any third party social, environmental and sustainability assessment of any Instruments or makes any representation or warranty or assurance whether the Instruments will meet any investor expectations or requirements regarding such “green” or similar labels. The Dealers or any of their respective affiliates are not responsible for the monitoring of the use of proceeds for any Instruments. No representation or assurance is given by the Dealers or any of their respective affiliates as to the suitability or reliability of the Green, Social and Sustainability Funding Global Framework (as defined herein) or any opinion or certification of any third party made available in connection with an issue of Instruments, and any such opinion or certification is not a recommendation by any Dealer to buy, sell or hold any such Instruments. In the event any such Instruments are listed or admitted to trading on a dedicated “green” or other equivalently labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Instruments.

Prospective investors should determine whether an investment in the Instruments is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Instruments and to arrive at their own evaluations of the investment.

Prospective investors should consider that the trading market for debt securities issued by banks is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other Western and industrialised countries, that such market volatility could adversely affect the price of the Instruments and that the different economic and market conditions could have any other adverse effect.

Each potential investor in any of the Instruments should determine the suitability of such investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and professional advisers, whether it:

- (i) has sufficient knowledge and expertise to make a meaningful evaluation of the relevant Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Base Prospectus, taking into account that the Instruments may only be a suitable investment for professional or institutional investors;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact the Instruments will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including where the currency for payments in respect of the Instruments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Instruments, including the provisions relating to their status, and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear applicable risks.

A potential investor should not invest in the Instruments unless it has the knowledge and expertise (either alone or with its financial and professional advisers) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the market value of the Instruments, and the impact of this investment on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (i) relevant Instruments are legal investments for it, (ii) the relevant Instruments can be used as collateral for various types of borrowing and (iii) other restrictions apply to the purchase of any Instruments. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules. Neither the Issuer, the Dealers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Instruments by a prospective investor of the relevant Instruments, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

The distribution of the Base Prospectus and any Final Terms and the offering, sale and delivery of the Instruments in certain jurisdictions may be restricted by law. Persons into whose possession the Base Prospectus or any Final Terms come are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of the Base Prospectus or any Final Terms and other offering material relating to the Instruments, see "*Subscription and Sale*". In particular, the Instruments have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and Instruments in bearer form are subject to U.S. tax law requirements. The Instruments may not be offered, sold or (in the case of Instruments in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) and, in addition, in the case of Instruments in bearer form, as defined in the U.S. Internal Revenue Code of 1986, as amended, and U.S. Treasury regulations promulgated thereunder), except in certain transactions exempt from or not subject to the registration requirements of the Securities Act, the securities laws of the applicable state or other jurisdiction of the United States and applicable U.S. tax law requirements.

**Neither the Base Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

The Instruments will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the relevant Final Terms, save that the minimum denomination of each Instrument will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency indicated in the relevant Final

Terms and save that (i) in the case of any Instruments which are to be admitted to trading on a regulated market within the EEA or offered to the public in an EEA Member State in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be at least €1,000 (or its equivalent in other currencies) or such higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency; and (ii) unless otherwise permitted by then current laws and regulations, Instruments (including Instruments denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the UK or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Instruments. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The maximum aggregate principal amount of Instruments outstanding at any one time under the Programme will not exceed €50,000,000,000 (and for this purpose, any Instruments denominated in another currency shall be translated into euro at the date of the agreement to issue such Instruments (calculated in accordance with the provisions of the Dealership Agreement)). The maximum aggregate principal amount of Instruments which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement and the approval by the Central Bank of Ireland of the relevant supplement to the Base Prospectus.

**IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF INSTRUMENTS, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN THE RELEVANT FINAL TERMS MAY OVER-ALLOT INSTRUMENTS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE INSTRUMENTS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF INSTRUMENTS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF INSTRUMENTS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF INSTRUMENTS. ANY STABILISING ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

**There are certain risks relating to an investment in the Instruments. See “Risk Factors”.**

Series of Instruments may be rated or unrated. Where a Series of Instruments is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Instruments will be issued by a credit rating agency established in the European Union (the “EU”) and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended, the “CRA Regulation”) will be disclosed in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold Instruments and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

All references in this Base Prospectus to “\$”, “US\$” or “US dollars” are to United States dollars, references to “Sterling” and “£” are to pounds sterling, references to “euro”, “EUR” and “€” are to the single currency of participating Member States of the EU, references to “CHF” are to Swiss Francs, references to “PLN” and to “zł” are to Polish Zloty, references to “BRL” are to Brazilian Real, references to the “PRC” or “China” are to the People’s Republic of China, excluding Taiwan, Hong Kong and Macau, references to “Hong Kong” are to the Hong Kong Special Administrative Region of the People’s Republic of China; references to “Macau” are to the Macau Special Administrative Region of the People’s Republic of China, and references to “Renminbi” “RMB” or “CNY” are to the lawful currency of the PRC.

For the avoidance of doubt, uniform resource locators (“URLs”) given in respect of web-site addresses in the Base Prospectus are inactive textual references only and it is not intended to incorporate the contents of any such web sites into this Base Prospectus nor should the contents of such web sites be deemed to be incorporated into this Base Prospectus.

This Base Prospectus (and the documents incorporated by reference in this Base Prospectus) contains certain management measures of performance or alternative performance measures (“APMs”), which are used by management to evaluate Issuer’s overall performance. These APMs are not audited, reviewed or subject to review by Issuer’s auditors and are not measurements required by, or presented in accordance with, International Financial Reporting Standards as adopted by the EU (“IFRS-EU”). Accordingly, these APMs should not be considered as alternatives to any performance measures prepared in accordance with IFRS-EU. Many of these APMs are based on Issuer’s internal estimates, assumptions, calculations, and expectations of future results and there can be no guarantee that these results will actually be achieved. Accordingly, investors are cautioned not to place undue reliance on these APMs.

Furthermore, these APMs, as used by the Issuer, may not be comparable to other similarly titled measures used by other companies. Investors should not consider such APMs in isolation, as alternatives to the information calculated in accordance with IFRS-EU, as indications of operating performance or as measures of Issuer’s profitability or liquidity. Such APMs must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU and investors are advised to review these APMs in conjunction with the audited consolidated annual financial statements and the unaudited quarterly business activity and results report incorporated by reference in this Base Prospectus.

The descriptions (including definitions, explanations and reconciliations) of all APMs are set out in Section 8 of the Group’s 2022 Annual Report which is incorporated by reference into this Base Prospectus (see “*Documents Incorporated by Reference*”).

The Issuer believes that the description of these management measures of performance in this Base Prospectus follows and complies with the ESMA Guidelines introduced on 3 July 2016 on Alternative Performance Measures.

**Restrictions on marketing and sales to retail investors** – Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments constituting TLAC/MREL-Eligible Instruments (all terms as defined in the Terms and Conditions) set out in this Base Prospectus are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as such Instruments to retail investors.

**MIFID II product governance / target market** – The relevant Final Terms in respect of any Instruments may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules, any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**PRIIPs / IMPORTANT – EEA RETAIL INVESTORS** – Unless the relevant Final Terms in respect of any Instrument specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, the Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by the EU PRIIPs Regulation for offering or selling the Instruments or otherwise making them available to retail investors in the EEA will be prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

**UK MiFIR product governance / target market** – The relevant Final Terms in respect of any Instruments may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**PRIIPs / IMPORTANT – UK RETAIL INVESTORS** – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus regulation as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**SALES TO CANADIAN INVESTORS** – The Instruments may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Instruments must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any supplement or amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

**Notice to Capital Market Intermediaries and Prospective Investors pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors** - Prospective investors should be aware that certain intermediaries in the context of certain offerings of Instruments pursuant to the Programme, each such offering, a “**CMI Offering**”, including certain Dealers, may be “capital market intermediaries” (“**CMIs**”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (“**OCs**”) for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Instruments and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.



Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Instruments subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Instruments distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the relevant Final Terms or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealer and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

**Notification under Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)** - Unless otherwise stated in the relevant Final Terms, all Instruments shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”)) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the “**MAS**”) Notice SFA 04-N12: Notice on the Sale of Investment Product and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**GUIDANCE UNDER THE HONG KONG MONETARY AUTHORITY CIRCULAR** - In October 2022 the HKMA issued guidance on enhanced investor protection measures on the sale and distribution of debt instruments with loss-absorption features and related products (the “**HKMA Circular**”). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments, are to be targeted in Hong Kong at professional investors (as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any subsidiary legislations or rules made under the SFO, “**Professional Investors**”) only and are generally not suitable for retail investors in either the primary or secondary markets. Investors in Hong Kong should not purchase the Instruments in the primary or secondary markets unless they are Professional Investors only and understand the risks involved. The Instruments are generally not suitable for retail investors.

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## OVERVIEW OF THE PROGRAMME

*The following overview is qualified in its entirety by the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Instruments, the relevant Final Terms.*

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Delegated Regulation 2019/980.

<b>Issuer:</b>	Banco Santander, S.A.
<b>LEI Code:</b>	5493006QMFDDMYWIAM13
<b>Risk Factors:</b>	Investing in Instruments issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Instruments are discussed under “ <i>Risk Factors</i> ” above.
<b>Description:</b>	Programme for the issuance of debt instruments.
<b>Size:</b>	Up to €50,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Instruments outstanding at any one time.
<b>Arrangers:</b>	Banco Santander, S.A. and Barclays Bank Ireland PLC.
<b>Dealers:</b>	<p>Banco Santander, S.A., Barclays Bank Ireland PLC, BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Credit Suisse Bank (Europe), S.A., Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, HSBC Continental Europe, J.P. Morgan SE, Mizuho Securities Europe GmbH, Morgan Stanley Europe SE, Natixis, NatWest Markets N.V., Nomura Financial Products Europe GmbH, Société Générale, UBS Europe SE, UniCredit Bank AG and Wells Fargo Securities Europe, S.A.</p> <p>The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “<b>Dealers</b>” are to the persons listed above as Dealers and to such additional persons that are appointed as Dealers in respect of the whole Programme (and whose appointment has not been terminated) and all persons appointed as a Dealer in respect of one or more Tranches.</p>
<b>Issue and Paying Agent:</b>	The Bank of New York Mellon, London Branch.
<b>Method of Issue:</b>	The Instruments will be issued on a syndicated or non-syndicated basis. The Instruments will be issued in series (each a “ <b>Series</b> ”) having one or more issue dates and on terms otherwise identical (or identical other than in

respect of the first payment of interest), the Instruments of each Series being intended to be interchangeable with all other Instruments of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms for such Tranche (the “**Final Terms**”).

**Issue Price:**

Instruments may be issued at par or at a discount to par or a premium over par and on a fully paid basis, as specified in the relevant Final Terms. The issue price and the principal amount of the relevant Tranche of Instruments will be determined before filing of the relevant Final Terms of each Tranche on the basis of then prevailing market conditions.

**Form of Instruments:**

The Instruments may be Bearer Instruments or Registered Instruments. Bearer Instruments may be issued in NGN form and Registered Instruments may be held under the NSS, in each case, to allow Eurosystem eligibility. Registered Instruments will not be exchangeable for Bearer Instruments and vice versa.

Unless otherwise specified in the relevant Final Terms, each Tranche of Bearer Instruments having an original maturity of more than one year and that is being issued in compliance with the U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) will initially be represented by a Temporary Global Instrument and each Tranche of Bearer Instruments having an original maturity of one year or less will initially be represented by a Permanent Global Instrument which, in each case, will (i) if the Global Instruments are stated in the relevant Final Terms to be issued in NGN form, be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg; or (ii) if the Global Instruments are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the relevant Tranche to a Common Depository for Euroclear and Clearstream, Luxembourg, or as otherwise agreed between the Issuer and the relevant Dealer; or (iii) if the Global Instruments are intended to be cleared through the CMU, be deposited on the original issue date of the relevant Tranche with a sub-custodian for the CMU operated by the HKMA. Interests in temporary

Global Instruments will be exchangeable for interests in a permanent Global Instrument or, if so stated in the relevant Final Terms, for Definitive Instruments after the date falling 40 days after the issue date upon certification as to non-U.S. beneficial ownership. If specified in the relevant Final Terms, interests in permanent Global Instruments will be exchangeable for Definitive Instruments.

Registered Instruments will be represented by Individual Certificates, one Individual Certificate being issued in respect of each Holder's entire holding of Registered Instruments of one Series and may be represented by a Global Registered Instrument. Registered Instruments which are held in Euroclear and Clearstream, Luxembourg will be registered (i) if the Global Registered Instrument is not to be held under the NSS, in the name of nominees for Euroclear and Clearstream, Luxembourg or a common nominee for both or (ii) if the Global Registered Instrument is to be held under the NSS, in the name of a nominee of the Common Safekeeper and the relevant Individual Certificate(s) will be delivered to the appropriate depositary, a Common Depositary or Common Safekeeper, as the case may be. Registered Instruments which are intended to be cleared through the CMU, will be registered in the name of the HKMA as operator of the CMU, and will be deposited on the issue date with a sub-custodian for the CMU operated by the HKMA

The provisions governing the exchange of interests in Global Instruments for other Global Instruments and Definitive Instruments are described in "*Summary of Provisions Relating to the Instruments while in Global Form*".

**Clearing Systems:**

With respect to Instruments other than CMU Instruments, Euroclear, Clearstream, Luxembourg and/or, in relation to any Instruments, any other clearing system as may be specified in the relevant Final Terms. With respect to CMU Instruments, the CMU.

**Currencies:**

The Instruments may be denominated in any currency subject to compliance with all applicable legal and/or regulatory requirements and/or central bank requirements.

**Maturities:**

Instruments may be issued with any maturity subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Senior Non Preferred Instruments will have an original maturity of at least one year from their date of effective disbursement or such minimum or maximum maturity as may be permitted or

required from time to time by Applicable Banking Regulations. Tier 2 Subordinated Instruments will have a maturity of not less than five years in accordance with Applicable Banking Regulations.

Where Instruments have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the UK or (b) the activity of issuing the Instruments is carried on from an establishment maintained by the Issuer in the UK, such Instruments must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (“FSMA”) by the Issuer.

**Specified Denomination:**

Instruments will be in such denominations as may be specified in the relevant Final Terms save that (i) in the case of any Instruments which are to be admitted to trading on a regulated market within the EEA or offered to the public in an EEA Member State in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be at least €1,000 (or its equivalent in other currencies) or such higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency; and (ii) unless otherwise permitted by the then current laws and regulations, Instruments (including Instruments denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the UK or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum Specified Denomination of £100,000 (or its equivalent in other currencies).

**Fixed Rate Instruments:**

Fixed Rate Instruments bear interest at the fixed rate(s) of interest specified in the relevant Final Terms. The rate of interest will remain constant or may be altered on certain reset dates specified in the relevant Final Terms.

**Floating Rate Instruments:**

Floating Rate Instruments bear interest at a variable rate either determined on the basis of (a) a floating rate set out in the ISDA Definitions, or (b) a reference rate appearing

on the agreed screen page of a commercial quotation service, together with the (positive or negative) margin (if any).

**Fixed/Floating Rate Instruments:**

Fixed/Floating Rate Instruments may bear interest at a rate (a) that the Issuer may elect to convert on the date set out in the relevant Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (b) that will automatically change from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the date set out in the relevant Final Terms.

**Zero Coupon Instruments:**

Zero Coupon Instruments will be offered and sold at a discount to, or at 100 per cent. of, their principal amount. Zero Coupon Instruments do not bear interest and an investor will not receive any return on the Instruments until redemption.

**CMS-Linked Instruments:**

CMS-Linked Instruments bear interest (if any) at a rate determined by reference to one or more swap rates.

**Steeper Instruments:**

Steeper Instruments bear interest at a variable rate either determined on the basis of (a) a floating rate determined by reference to the ISDA Definitions, (b) a reference rate appearing on the agreed screen page of a commercial quotation service or (c) the difference between two rates and, in each case, multiplying that amount by a leverage multiple (if any) and adding a fixed spread.

**Range Accrual Instruments:**

Range Accrual Instruments bear interest in respect of each Interest Period equal to the product of (a) a Fixed Rate, a Floating Rate or at a rate determined by reference to one or more swap rates and (b) a relevant fraction (the “**Range Accrual Factor**”), calculated as set out in the Terms and Conditions.

**Interest Periods and Interest Rates:**

The length of interest periods for the Instruments and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Instruments may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Instruments to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

**Redemption:**

Instruments may be redeemable at the redemption amount specified in the relevant Final Terms subject to compliance with all applicable legal and/or regulatory requirements. Early redemption will be permitted for taxation reasons or, in the case of Ordinary Senior Instruments if so specified in the relevant Final Terms, following an Event of Default or, in the case of

Subordinated Instruments, Senior Non Preferred Instruments and if so specified in the relevant Final Terms, the Ordinary Senior Instruments, upon the occurrence of a TLAC/MREL Disqualification Event, or, in the case of Tier 2 Subordinated Instruments, upon the occurrence of a Capital Disqualification Event, but otherwise early redemption will be permitted only to the extent specified in the relevant Final Terms (including without limitation, pursuant to Condition 5.05 (*Early redemption at the option of the Issuer (Clean-Up Redemption)*)). Redemption of Tier 2 Subordinated Instruments where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms may be made pursuant to a TLAC/MREL Disqualification Event only after five years from their date of issuance or such other minimum period permitted under Applicable Banking Regulations.

Any early redemption of Subordinated Instruments, Senior Non Preferred Instruments or Ordinary Senior Instruments constituting TLAC/MREL-Eligible Instruments will be subject to the prior consent of the competent authorities and/or relevant resolution authorities, to the extent required, in accordance with applicable banking regulations.

**Status of Instruments:**

Instruments may be either Senior Instruments (in which case they will be Ordinary Senior Instruments or Senior Non Preferred Instruments) or Subordinated Instruments (in which case they will be Senior Subordinated Instruments or Tier 2 Subordinated Instruments) as more fully described in Condition 3 (*Status of the Instruments*).

**Substitution and Variation:**

If specified in the relevant Final Terms as being applicable to the Instruments and a TLAC/MREL Disqualification Event, a Capital Disqualification Event or a circumstance giving rise to the right of the Issuer to redeem the Instruments for taxation reasons, as applicable, occurs and is continuing, the Issuer may substitute all (but not some only) of the Instruments (as the case may be) or modify the terms of all (but not some only) of the Instruments, including, in the case of English Law Instruments by changing the governing law of the Instruments from English law to Spanish law, without any requirement for the consent or approval of the Holders, so that they are substituted for, or varied to, become, or remain Qualifying Instruments. See Condition 8 (*Substitution and Variation*).

**Ratings:**

Series of Instruments may be rated or unrated and, if rated, such ratings will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to



a relevant Series of Instruments will be issued by a credit rating agency established in the EU and registered under the CRA Regulation will be disclosed in the relevant Final Terms.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Taxation:**

All payments of principal and interest in respect of the Instruments will be made free and clear of withholding taxes of the Kingdom of Spain unless the withholding is required by law. In such event, the Issuer shall (subject to customary exceptions and, in respect of Tier 2 Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments constituting TLAC/MREL-Eligible Instruments only in respect of the payment of interest) pay such additional amounts as shall result in receipt by the Holder of the relevant Instrument of such amounts as would have been received by it had no such withholding been required, all as described in “*Terms and Conditions of the Instruments – Taxation*”.

The Issuer considers that, according to Royal Decree 1065/2007, of 27 July, as amended by Royal Decree 1145/2011, of 29 July, it is not obliged to withhold taxes in Spain in relation to interest paid on the Instruments to any investor (whether tax resident in Spain or not) provided that the information procedures described in section “*Taxation*” below are fulfilled.

According to the information procedures described in such section, it would no longer be necessary to provide the Issuer with information regarding the identity and tax residence of the Holders of the Instruments or the amount of interest payable to them, provided certain conditions are met.

For further information on this matter, please refer to “*Risk Factors — Taxation in Spain*”.

**Governing Law:**

English law or Spanish law, as specified in the relevant Final Terms. In the case of English law Instruments, Condition 3 (*Status of the Instruments*) and, if applicable, Condition 14A (*Syndicate of Holders of the Instruments and Modification*) will be governed, and construed in accordance with, Spanish law.

**Listing and Admission to Trading:**

This Base Prospectus has been approved by the Central Bank of Ireland as competent authority under the Prospectus Regulation. The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of

completeness, comprehensibility and consistency imposed under Irish and EU law pursuant to the Prospectus Regulation. Such approval by the Central Bank of Ireland should not be considered as an endorsement of the Issuer or the quality of the securities that are the subject of this Base Prospectus.

Application has been made to Euronext Dublin for the Instruments to be admitted to the Official List and trading on its regulated market, as specified in the relevant Final Terms.

Each Series may be listed on the Official List of Euronext Dublin and traded on the regulated market of Euronext Dublin and/or any other listing authority, stock exchange and/or quotation system (as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Final Terms) or may be unlisted. Under Spanish law, unlisted Instruments are subject to a different tax regime than that applicable to listed Instruments and, if issued under the Programme, such Instruments will be the subject of a supplement to the Base Prospectus.

**Selling Restrictions:**

The United States, the EEA, the UK, Spain, Japan, Switzerland, Belgium, Singapore, Italy, Taiwan, Hong Kong, France, Canada and/or such other restrictions as may be required in connection with the offering and sale of the Instruments. See “*Subscription and Sale*”.

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act, as defined above.

## RISK FACTORS

*An investment in the Instruments may involve a high degree of risk.*

*In purchasing Instruments, investors should note that, where a summary is to be annexed to the relevant Final Terms, the risks relating to the Issuer and the Group, its industry and an individual issue of Instruments summarised in the summary annexed to the relevant Final Terms for that particular issue of Instruments are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in such Instruments. However, as the risks which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the summary annexed to the relevant Final Terms but also, among other things, the risks and uncertainties described below.*

*In purchasing Instruments, investors assume the risk that the Issuer may be unable to make all payments due in respect of the Instruments. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Instruments. It is not possible to identify all such factors, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its businesses and ability to make payments due under the Instruments and are listed in order of decreasing materiality, taking into account both the probability that they might occur as well as the expected magnitude of their negative impact.*

*In addition, factors which are material for the purpose of assessing the market risk associated with Instruments issued under the Programme are detailed below. The factors discussed below regarding the risks of acquiring or holding any Instruments are not exhaustive, and additional risks and uncertainties that are not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on the Instruments.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

### CONTENTS OF THE RISK FACTORS

#### 1. Macro-Economic and Political Risks

***The growth, asset quality and profitability of the Group, among others, may be adversely affected by a slowdown in one or more of the economies in which the Group operates, as well as volatile macroeconomic and political conditions.***

A slowdown or recession of one or more of the economies in which the Group operates, such as the severe recession faced by most world economies as a result of covid-19 pandemic during 2020, could lead major financial institutions, including some of the world's largest global commercial banks, investment banks, mortgage lenders, mortgage guarantors and insurance companies to experience significant difficulties, including runs on deposits, the need for government aid or assistance or the need to reduce or cease providing funding to borrowers (including to other financial institutions).

Volatile conditions in the global financial markets could also have a material adverse effect on the Group, including on the ability of the Group to access capital and liquidity on financial terms acceptable to the Group, if at all. If capital markets financing ceases to become available, or becomes excessively expensive, the Group may be forced to raise the rates it pays on deposits to attract more customers and become unable to maintain certain liability maturities. Any such increase in capital markets funding availability or costs or in deposit rates could have a material adverse effect on its interest margins and liquidity.

In particular, the Group faces, among others, the following risks related to the economic downturn and volatile conditions:

- Reduced demand for its products and services.

- Increased regulation of its industry. Compliance with such regulation will continue to increase the costs of the Group and may affect the pricing for its products and services, increase its conduct and regulatory risks related to non-compliance and limit its ability to pursue business opportunities.
- Inability of its borrowers to timely or fully comply with their existing obligations. Macroeconomic shocks may negatively impact the income of its customers, both retail and corporate, and may adversely affect the recoverability of its loans, resulting in increased loan losses.
- The process the Group uses to estimate losses inherent in its credit exposure requires complex judgements, including forecasts of economic conditions and how these economic conditions might impair the ability of its borrowers to repay their loans. The degree of uncertainty concerning economic conditions may adversely affect the accuracy of its estimates, which may, in turn, impact the reliability of the process and the sufficiency of its loan loss allowances.
- The value and liquidity of the portfolio of investment securities that the Group holds may be adversely affected.

The recoverability of the loan portfolios of the Group and its ability to increase the amount of loans outstanding and its results of operations and financial condition in general, are dependent to a significant extent on the level of economic activity in Europe (in particular, Spain and the UK), North America (in particular, Mexico and the United States) and South America (in particular, Brazil). The credit quality of the loan portfolio of the Group may deteriorate as a result of these risks and the Group's loan loss reserves could be insufficient to cover the Group's loan losses, which can have a material adverse effect on the Group. See risk factor "*The credit quality of the loan portfolio of the Group may deteriorate and the Group's loan loss reserves could be insufficient to cover its loan losses, which could have a material adverse effect on the Group*".

In addition, the Group is exposed to sovereign debt in these regions. The Group's net exposure to sovereign debt at 31 December 2022 amounted to €134,893 million (7.78 per cent. of the Group's total assets at that date) of which the main exposures in the eurozone relate to Spain and Portugal with net exposure of €29,095 million and €5,456 million, respectively. In North America, the main exposures relate to Mexico and the United States (€17,306 million and €23,298 million, respectively) and in South America to Brazil (€23,728 million). Recessionary conditions in the economies of Europe (in particular, Spain and the UK), North America or some of the South American countries in which the Group operates, would likely have a significant adverse impact on its loan portfolio and sovereign debt holdings and, as a result, on its financial condition, cash flows and results of operations.

The Group's revenues are also subject to risk of deterioration from unfavourable political and diplomatic developments, social instability, international conflicts, and changes in governmental policies, including expropriation, nationalisation, international ownership legislation, sanctions, interest-rate caps, fiscal and monetary policies globally.

For the year ending 31 December 2022, 33 per cent. of the underlying profit attributable to the Bank came from Europe (of which 13 per cent. was from Spain and 12 per cent. from the UK), 31 per cent. from South America (22 per cent. from Brazil), 25 per cent. from North America (15 per cent. from the United States and 10 per cent. from Mexico) and 11 per cent. from the Digital Consumer Bank segment (primarily Europe). As of 31 December 2022, the Group's total assets stood at 57 per cent. in Europe (29 per cent. in Spain and 19 per cent. in the UK), 17 per cent. in South America (11 per cent. in Brazil) and 17 per cent. in North America (12 per cent. in the United States and 5 per cent. in Mexico) and 9 per cent. in the Digital Consumer Bank segment (primarily Europe).<sup>1</sup>

In particular, the main regions where the Group operates are subject to the following macroeconomic and political conditions, which could have a material adverse effect on its business, results of operations, financial condition and prospects:

- Governmental and regulatory authorities throughout the world, particularly in Europe and the United States, implemented fiscal and monetary policies and initiatives in response to the adverse effects of the covid-19 pandemic on the economy, individual businesses and households. These fiscal and

<sup>1</sup> Percentages calculated using as denominator the underlying profit of total operating areas (i.e. without considering the -€2,049 million underlying losses accounted for in the Corporate Centre resulting from centralised management of the areas) and the total assets of total operating areas (i.e. without considering €262,217 million total assets accounted for in the Corporate Centre and without intra-group eliminations).

monetary policy measures accelerated the economic recovery in 2021 but in turn significantly increased public debt and introduced risks of economic overheating in certain countries. In 2022, inflationary pressures intensified due to a number of factors, including the revitalisation of demand for consumer goods, labour shortages, supply chain issues and the rise of the prices of energy, oil, gas and other commodities exacerbated by the war in Ukraine. In an effort to contain inflation, central banks have increased interest rates contributing to a slowdown of the global economy. Among the risks that could negatively affect the economies and financial markets of the regions where the Group operates and lead to a further slowdown of the global economy, recession and/or stagflation are (i) the continuance or escalation of the war in Ukraine; (ii) further increases in the prices of energy and other commodities that can lead to further inflationary pressures; (iii) the continued breakdown of global supply chains; and (iv) the tightening of monetary and fiscal policies, including rising interest costs.

- In October 2022, the expansionary fiscal policy measures announced by the Prime Minister of the UK in a scenario of high inflation and restrictive monetary policy triggered a crisis of confidence which resulted in sharp falls in government bond prices and rising yields leading to massive purchases of debt by the Bank of England. If the market volatility that was experienced were to be repeated and spread to other regions, it could generate a financial crisis that could have a material adverse impact on the financial sector, affecting the Group's operating results, financial position and prospects.
- The risk of returning to a fragile and volatile environment and to heightened political tensions in Europe exists if, among others, the policies implemented to provide emergency assistance and support to Ukraine and in the EU countries to alleviate the consequences of the war, to provide relief to the economies most affected by the covid-19 pandemic and to contain inflation do not succeed, the reforms aimed at improving productivity and competition fail, the banking union and other measures of European integration do not take hold or anti-European groups become more widespread. Furthermore, increasing public debt levels together with rising interest costs may not be sustainable, which could lead certain countries into sovereign debt crises. A deterioration of the economic and financial environment in Europe could have a material adverse impact on the financial sector, affecting the Group's operating results, financial position and prospects.
- Growing protectionism and trade tensions, such as the tensions between the United States and China in recent years, could have a negative impact on the economies of the countries where the Group operates, which would also impact its operating results, financial condition and prospects.
- China's deceleration based on structural low economic growth coupled with real estate distress and slow population growth could negatively affect the world economy which would also impact the Group's operating results, financial condition and prospects.
- The economies of some of the countries where the Group operates, particularly in Latin America, have experienced significant volatility in recent decades. This volatility resulted in fluctuations in the levels of deposits and in the relative economic strength of various segments of the economies to which the Group lends. In addition, some of the countries where the Group operates are particularly affected by commodities price fluctuations, which in turn may affect financial market conditions through exchange rate fluctuations, interest rate volatility and deposits volatility. In addition, the Group is exposed to variations in its net interest income or in the fair value of its assets and liabilities resulting from exchange rate fluctuations. In particular, the fiscal instability and political tensions in Brazil and Mexico, and the financial volatility in Argentina could have a negative impact on the economy of these countries and may have a material adverse effect on the Group.

***The war in Ukraine could materially affect the Group's financial position and increase the Group's operational risk.***

On 24 February 2022, Russia launched a large-scale military action against Ukraine. The war in Ukraine has caused an ongoing humanitarian crisis in Europe, as well as volatility in financial markets globally, heightened inflation, shortages and increases in the prices of energy, oil, gas and other commodities. The continuance or escalation of the war, including its extension to other countries in the region, could lead to further increases in energy, oil and gas prices (particularly if supplies to Europe are interrupted) and heightened inflationary pressures, which in turn could lead to further increases in interest rates and market volatility. In addition, the war has exacerbated supply chain problems, particularly to those businesses most sensitive to rising energy prices. The war and its effects could exacerbate the current slowdown in the global economy and could

negatively affect the payment capacity of some of the Group's customers, especially those with more exposure to the Russian or Ukrainian markets.

In response to the Russian military action against Ukraine, several countries, including the United States, the EU member states, the UK and other United Nations ("UN") member states, have imposed severe sanctions on Russia and Belarus, including freezing/blocking assets, targeting major Russian banks, the Russian Central Bank, and certain Russian companies and individuals, imposing trade restrictions against Russia and Russian interests, as well as the disconnection of certain Russian banks from the SWIFT system (*Society for Worldwide Interbank Financial Telecommunication*). In addition, the sanctions imposed also include a ban on trading in sovereign debt and other securities. The scale of sanctions is unprecedented, complex and rapidly evolving, and poses continuously increasing operational risk to the Group. Its corporate framework and policies are designed to ensure compliance with applicable laws, regulations and economic sanctions in the countries in which the Group operates, including the United States, UK, EU and UN economic sanctions. The Group cannot predict whether any of the countries in which it operates will enact additional economic sanctions or trade restrictions in response to the Russian military action against Ukraine. While the Group does not knowingly engage in direct or indirect dealings with sanctioned parties according to applicable sanctions, or in direct dealings with the sanctioned countries/territories, it may on occasion have indirect dealings within the sanctioned countries/territories, but it aims to operate in line with applicable United States, EU, UK and UN blocking and sectoral sanctions regulations.

Furthermore, the risk of cyberattacks on companies and institutions is expected to increase as a result of the war and in response to the sanctions imposed, which could adversely affect the Group's ability to maintain or enhance its cyber security and data protection measures. The Group is actively monitoring the situation to ensure that cyber defences remain updated against current and emerging threats.

While the Group does not have a physical presence in Russia and Ukraine and its direct exposure to Russian or Ukrainian markets and assets is not material, the impact of the war in Ukraine and the sanctions imposed on global markets and institutions, the impact on macroeconomic conditions generally, and other potential future geopolitical tensions and consequences arising from the conflict remain uncertain and may exacerbate its operational risk. Episodes of economic and market volatility and pressure on supply chains and inflation may continue to occur and could worsen if the war persists or increases in severity. As a result, the Group's businesses, results of operations and financial position could be adversely affected by any of these factors directly or indirectly arising from the war in Ukraine.

***The global covid-19 pandemic has materially impacted the business of the Group, and the continuance of this pandemic or any future outbreak of any other highly contagious diseases or other public health emergency, could materially and adversely impact its business, financial condition, liquidity and results of operations.***

Although the global economy has begun to recover from the covid-19 pandemic, certain adverse effects of the pandemic continue to impact the macroeconomic environment and may persist for some time. Should the ongoing effects of the covid-19 pandemic continue for an extended period of time, or worsen, the Group's business, financial position, liquidity, results of operations and prospects could be adversely affected.

In 2021, high vaccination rates in many countries and a progressive relaxation of health and safety restrictions, together with the fiscal and monetary policy measures implemented, contributed to an increase in employment levels and recovery of the global economy generally, with some variations across sectors and regions. In 2022, certain adverse consequences of the pandemic continued to impact the macroeconomic environment and may persist for some time, including labour shortages and disruptions of global supply chains, that contributed to rising inflationary pressures. The pandemic remains dynamic and the emergence of variants resistant to existing vaccines remains uncertain.

If new covid-19 waves force countries to re-adopt measures that restrict economic activity, the macroeconomic environment could deteriorate and adversely impact the business and results of operations of the Group, which could include, but is not limited to (i) a continued decreased demand for its products and services; (ii) further material impairment of its loans and other assets including goodwill; (iii) decline in value of collateral; (iv) constraints on its liquidity due to market conditions, exchange rates and customer withdrawal of deposits and continued draws on lines of credit; and (v) downgrades to its credit ratings. See risk factor "*Credit, market and liquidity risk may have an adverse effect on the credit ratings of the Group and its cost of funds. Any downgrade in the credit rating of the Group would likely increase its cost of funding, require the Group to post additional*

*collateral or take other actions under some of its derivative and other contracts and adversely affect its interest margins and results of operations”.*

Moreover, the operations of the Group could still be impacted by risks from remote work or bans on non-essential activities. While in 2022 the employees of the Group have progressively returned to the office, there is still flexibility to work remotely. If the Group becomes unable to successfully operate its business from remote locations including, for example, due to failures of its technology infrastructure, increased cybersecurity risks, or governmental restrictions that affect its operations, this could result in business disruptions that could have a material and adverse effect on its business.

In light of the impact that the covid-19 pandemic had on the economic situation and forecasts in the markets where the Group is present, a review was carried out in 2020 to evaluate both goodwill and the recoverability of deferred tax assets. As a result of this review, in 2020 the Group adjusted the valuation of its goodwill and deferred tax assets, resulting in a non-recurring impairment of €12,600 million, of which €10,100 million related to goodwill and €2,500 million related to deferred tax assets. This adjustment did not affect the Group’s liquidity, credit risk or market positions, and was neutral in CET1 capital. Furthermore, at the end of 2020 the Group recorded additional allowances for impairment of financial assets at amortised cost of €3,105 million due to the effect of the covid-19 pandemic. At the end of December 2021 and December 2022 the Group did not record additional provisions related to the covid-19 pandemic.

The extent to which the consequences of the covid-19 pandemic affect the Group’s business, financial condition, liquidity and results of operations of the Group will depend on future developments that remain uncertain, including the rate of distribution and administration of vaccines globally, the severity and duration of any resurgence of covid-19 variants, future actions taken by governments, central banks and other third parties in response to the pandemic, and the effects on the Group’s customers, counterparties, employees and third-party service providers. Any future outbreak of any other highly contagious diseases or other public health emergency may also have similar adverse effects on the Group’s business, financial condition, liquidity and results of operations or cause other risks to it.

***The UK’s withdrawal from the EU has led to disruptions in the Group’s UK-based operations that could have a material adverse effect on the operations, financial condition and prospects of the Group.***

On 31 January 2020, the UK ceased to be a member of the EU (“**Brexit**”) and a limited trade deal was agreed between the UK and the EU with the relevant new regulations coming into force on 1 January 2021.

The trade deal, however, does not include agreements on certain areas, such as financial services and data adequacy. As a result, Santander UK plc (“**Santander UK**”) has, and will continue to have, a limited ability to provide cross-border services to EU customers and to trade with EU counterparties. The wider and continuing impact of the UK’s withdrawal from the EU on financial markets through market fragmentation, reduced access to finance and funding, and a lack of access to certain financial market infrastructure, may affect the operations, financial condition and prospects of the Group and those of its customers.

Residual risks remain around the impact of Brexit to the UK’s economy. Brexit has contributed to global pandemic-related supply and labour market constraints and reduced economic output and exports as businesses attempt to adapt the new cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers and suppliers.

The UK’s withdrawal from the EU has been hampered by the overlay and development of economic risks from the covid-19 pandemic and the war in Ukraine and the longer term effects are difficult to assess. Further, there is ongoing political and economic uncertainty, such as (i) increased friction with the EU and EU countries; (ii) the possibility of second referendum on Scottish independence from the UK; and (iii) instability in Northern Ireland derived from failure of the agreement between the UK and the EU to reach a deal on the Northern Ireland protocol, which could negatively affect Santander UK’s customers and counterparties and have a material adverse effect on the operations, financial condition and prospects of the Group.

The Group considered these circumstances in its assessment of the recoverability of the cash-generating unit that supports Santander UK’s goodwill, which was impaired during 2020 and 2019. In 2021 and 2022 there was no impairment of Santander UK’s goodwill.

## 2. Risks Relating to the Issuer and the Group Business

### *Legal, Regulatory and Compliance Risks to the business model of the Group.*

*The Group is exposed to risk of loss from legal and regulatory proceedings.*

The Group faces risk of loss from legal and regulatory proceedings, including tax proceedings, that could subject it to monetary judgements, regulatory enforcement actions, fines and penalties. The current regulatory and tax enforcement environment in the jurisdictions in which the Group operates reflects an increased supervisory focus on enforcement, combined with uncertainty about the evolution of the regulatory regime, and may lead to material operational and compliance costs.

The Group is from time to time subject to regulatory investigations and civil and tax claims, and party to certain legal proceedings incidental to the normal course of its business, including among others in connection with conflicts of interest, lending and derivatives activities, relationships with its employees and other commercial, data protection or tax matters. In view of the inherent difficulty of predicting the outcome of legal matters, particularly where the claimants seek very large or indeterminate damages, or where the cases present novel legal theories, involve a large number of parties or are in the early stages of investigation or discovery, the Group cannot state with certainty what the eventual outcome of these pending matters will be or what the eventual loss, fines or penalties related to each pending matter may be.

The amount of the Group's reserves in respect of these matters, which considers the likelihood of future cash flow outflows associated with each of such claims, is substantially less than the total amount of the claims asserted against it, and, in light of the uncertainties involved in such claims and proceedings, there is no assurance that the ultimate resolution of these matters will not significantly exceed the reserves currently accrued by the Group. As a result, the outcome of a particular matter may be material to its operating results for a particular period. As of 31 December 2022, the Group had provisions for taxes, other legal contingencies and other provisions for €4,073 million.

For example, in Poland the Group is exposed to significant litigation in connection with CHF indexed and CHF denominated loans in which it is facing claims that those loans or clauses included in them are abusive. Whilst the Court of Justice of the European Union ("CJEU") and the Polish Supreme court have issued several rulings on this matter sufficient case law has not yet been developed. In the absence of a firm position by the Polish Supreme Court, it is difficult to expect a full unification of judicial decisions, and decisions of the Polish Supreme Court and CJEU issued on particular issues may be important for shaping further case law on CHF matters. The CJEU is expected to make a decision in 2023 on one of the individual cases, which would need to be reviewed and adopted by Polish national courts to be binding precedent.

At the time of this Base Prospectus, it is not possible to predict the Polish Supreme Court's and CJEU's decisions on individual cases and, to the extent the CJEU issues any decisions, whether national courts will uphold it. As of 31 December 2022, Santander Bank Polska S.A. and Santander Consumer Bank S.A. maintain a portfolio of mortgages denominated in or indexed to CHF for an approximate gross amount of zł8,393.7 million (€1,791.8 million) and the total value of the adjustments to gross carrying amount in accordance with IFRS9 as well as the provisions recorded under IAS37, amount to zł3,557.3 million (€759.4 million). The provisions and adjustments recorded are deemed sufficient to cover the risks associated with the legal claims against the Group. However, in the event that the Group is required to make higher payments than estimated, either with respect to existing or new claims, there could be a significant adverse effect on its results and financial situation.

*The Group is subject to extensive regulation and regulatory and governmental oversight which could adversely affect its business, operations and financial condition.*

As a financial institution, the Group is subject to extensive regulation, which materially affects its businesses. In Spain and the other jurisdictions where the Group operates, there is continuing political, competitive and regulatory scrutiny of the banking industry. Political involvement in the regulatory process, in the behaviour and governance of the banking sector and in the major financial institutions in which the local governments have a direct financial interest and in their products and services, and the prices and other terms they apply to them, is likely to continue. Accordingly, the statutes, regulations and policies to which the Group is subject may be changed at any time. In addition, the interpretation and the application by regulators of the laws and regulations to which the Group is subject may also change from time to time. Extensive legislation and regulation affecting the financial services industry has been adopted in regions that directly or indirectly affect



the Group's business, including Spain, the United States, the EU, the UK, Latin America and other jurisdictions, and further regulations are in the process of being implemented. The manner in which those laws and related regulations are applied to the operations of financial institutions is still evolving. Moreover, to the extent these regulations are implemented inconsistently in the various jurisdictions in which the Group operates, it may face higher compliance costs. Any legislative or regulatory actions and any required changes to its business operations resulting from such legislation and regulations, as well as any deficiencies in its compliance with such legislation and regulation, could result in significant loss of revenue, limit the ability of the Group to pursue business opportunities in which the Group might otherwise consider engaging, limit the Group's ability to provide certain products and services, affect the value of assets that it holds, require the Group to increase its prices and therefore reduce demand for its products, impose additional compliance and other costs on the Group or otherwise adversely affect its businesses.

In particular, legislative or regulatory actions resulting in enhanced prudential standards, in particular with respect to capital and liquidity, could impose a significant regulatory burden on the Bank or on its subsidiaries and could limit the Bank subsidiaries' ability to distribute capital and liquidity, thereby negatively impacting the Bank. Future liquidity standards could require the Bank to maintain a greater proportion of its assets in highly-liquid but lower-yielding financial instruments, which would negatively affect its net interest margin. Moreover, the regulatory and supervisory authorities of the Bank, periodically review the allowance for its loan losses.

Such regulators may recommend the Bank to increase its allowance for loan losses or to recognize further losses. Any such additional provisions for loan losses, as recommended by these regulatory agencies, whose views may differ from those of the Bank's management, could have an adverse effect on its earnings and financial condition. Accordingly, there can be no assurance that future changes in regulations or in their interpretation or application will not adversely affect the Group.

The wide range of regulations, actions and proposals which most significantly affect, or which could most significantly affect, the Group in the future, relate to capital requirements, funding and liquidity and development of a fiscal and banking union in the EU, which are discussed in further detail below. Moreover, there is uncertainty regarding the future of financial reforms in the United States and the impact that potential financial reform changes to the United States banking system may have on ongoing international regulatory proposals. In general, regulatory reforms adopted or proposed in the wake of the financial crisis have increased and may continue to materially increase the Group's operating costs and negatively impact the Group's business model. Furthermore, regulatory authorities have substantial discretion in how to regulate banks, and this discretion, and the means available to the regulators, have been increasing during recent years. Regulation may be imposed on an ad hoc basis by governments and regulators in response to a crisis, and these may especially affect financial institutions such as the Group that are deemed to be a global systemically important institution ("G-SII"). The main regulations and regulatory and governmental oversight that can adversely impact the Group include but are not limited to the items below.

*Increasingly stricter capital regulations and potential requirements could have an impact on the functioning of the Group and its businesses.*

Increasingly onerous capital requirements constitute one of the Bank's main regulatory challenges. Increasing capital requirements may adversely affect the Bank's profitability and create regulatory risk associated with the possibility of failure to maintain required capital levels.

In 2011, the framework known as Basel III, which is a full set of reform measures to strengthen the regulation, supervision and risk management of the banking sector, was introduced (see "*Regulation—Capital, liquidity and funding requirements*"). This aimed to boost the banking sector's ability to absorb impacts caused by financial and economic stress, improve risk management and corporate governance, and improve banking transparency and disclosures. Concerning capital, Basel III redefines available capital at financial institutions (including new deductions and raising the requirements for eligible equity instruments), tightens the minimum capital requirements, compels financial institutions to operate permanently with surplus capital (capital "buffers"), and includes new requirements for the risks considered.

The amendments to the solvency requirements of credit institutions and various transparency regulations, from the practical standpoint, grant priority to high-quality capital (Common Equity Tier 1 or "CET1"), introducing stricter eligibility criteria and more stringent ratios, in a bid to guarantee higher standards of capital adequacy in the financial sector.

The European Central Bank (the “**ECB**”) is required under Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (the “**SSM Regulation**”) to carry out a supervisory review and evaluation process (the “**SREP**”) at least on an annual basis.

The Bank announced on 22 December 2022 that it had received from the ECB its decision regarding the prudential minimum capital requirements effective as of 1 January 2023, following the results of SREP. The ECB decision required the Group to maintain a CET1 ratio of at least 8.91 per cent. on a consolidated basis. This 8.91 per cent. capital requirement includes: the minimum Pillar 1 requirement (4.5 per cent.); the Pillar 2 requirements (0.89 per cent.); the capital conservation buffer (2.5 per cent.); the requirement deriving from its consideration of the Bank as a G-SII (1.0 per cent.) and the counter-cyclical buffer (0.0253 per cent.). The ECB decision also requires that the Group maintains a CET1 capital ratio of at least 7.85 per cent. on an individual basis. As of 31 December 2022, on a consolidated basis, the Group’s total capital ratio was 15.99 per cent. while its CET1 ratio was 12.18 per cent. If the Group did not apply the transitory IFRS 9 provisions, nor the subsequent amendments introduced by Regulation 2020/873 of the EU, the fully-loaded CET1 ratio would have been 12.04 per cent.

In addition, the Bank shall comply with the TLAC/MREL Requirements (as defined in section “*Regulation – EU Banking Reforms*”). The Bank announced on 20 May 2022 that it had received formal notification from the Bank of Spain of its binding minimum MREL requirement, both total and subordinated, for the resolution group of Banco Santander (the “**Resolution Group**”) at a sub-consolidated level, as determined by the Single Resolution Board (“**SRB**”). The requirement became effective on 1 January 2022 and replaced the previously applicable one. The total MREL requirement was set at 30.32 per cent. for 2024 and at 28.95 per cent. as intermediate target for 2022 of the resolution group’s total risk weighted assets. The subordination requirement was set at 9.04 per cent. As of 31 December 2022 the structure of own funds and eligible liabilities of the Resolution Group met the intermediate target of the requirement determined by the SRB effective 1 January 2022, and the Bank’s funding plan has been built to further strengthen MREL ratio and to comply with the final requirement determined by the SRB. Future requirements are subject to ongoing review by the resolution authority.

See “*Regulation—Capital, liquidity and funding requirements*” for additional information.

In this regard, there can be no assurance that the application of the existing regulatory requirements, standards or recommendations will not require the Bank to issue additional securities that qualify as own funds or eligible liabilities, to maintain a greater proportion of its assets in highly-liquid but lower-yielding financial instruments, to liquidate assets, to curtail business or to take any other actions, any of which may have a material adverse effect on the Group’s business, results of operations and/or financial position.

Any failure by the Bank and/or the Group to maintain its Pillar 1 minimum regulatory capital ratios and any Pillar 2 additional capital requirements could result in administrative actions or sanctions (including restrictions on Discretionary Payments, as defined in section “*Regulation – EU Banking Reforms*”), which, in turn, may have a material adverse impact on the Group’s results of operations.

Moreover, it should not be disregarded that new and more demanding additional regulatory requirements, standards or recommendations may be applied in the future, notably once the final Basel III reforms are implemented in the EU. In this regard, the European Commission published on 27 October 2021 a legislative proposal which aims to complete the post-crisis reforms and to faithfully implement the outstanding elements of the Basel III reform in the EU.

All the applicable regulations and the approval of any other regulatory requirements could have an adverse effect on the Group’s activities and operations, and most particularly affect the ability of the Bank to distribute dividends. Therefore, these regulations could have a material adverse effect on the Group’s business, results of operations and/or financial position.

See “*Regulation—Capital, liquidity and funding requirements*” for additional information.

*The Group is subject to potential action by any of its regulators or supervisors, particularly in response to customer complaints.*

As noted above, the business and operations of the Group are subject to increasingly significant rules and regulations that are required to conduct banking and financial services business. These apply to business operations, affect financial returns, include reserve and reporting requirements, and prudential and conduct of

business regulations. These requirements are set by the relevant central banks and regulatory authorities that authorize, regulate and supervise the Group in the jurisdictions in which it operates.

In their supervisory roles, the regulators seek to maintain the safety and soundness of financial institutions with the aim of strengthening the protection of customers and the financial system. The supervisors' continuing supervision of financial institutions is conducted through a variety of regulatory tools, including the collection of information by way of prudential returns, reports obtained from skilled persons, visits to firms and regular meetings with management to discuss issues such as performance, risk management and strategy. In general, these regulators have a more outcome-focused regulatory approach that involves more proactive enforcement and more punitive penalties for infringement. As a result, the Group faces increased supervisory scrutiny (resulting in increasing internal compliance costs and supervision fees), and in the event of a breach of its regulatory obligations the Group is likely to face more stringent regulatory fines. Some of the regulators are focusing intently on consumer protection and on conduct risk and will continue to do so. This has included a focus on the design and operation of products, the behaviour of customers and the operation of markets. Such a focus could result, for example, in pricing regulations that could restrict the ability of the Group to charge certain levels of interest in credit transactions or in regulation that would prevent the Group from bundling products that it offers to its customers. Some of the laws in the relevant jurisdictions in which the Group operates, give the regulators the power to make temporary product intervention rules either to improve a firm's systems and controls in relation to product design, product management and implementation, or to address problems identified with financial products. These problems may potentially cause significant detriment to consumers because of certain product features or governance flaws or distribution strategies. Such rules may prevent institutions from entering into product agreements with customers until such problems have been solved. Some of the regulatory regimes in the relevant jurisdictions in which the Group operates, requires the Group to be in compliance across all aspects of its business, including the training, authorisation and supervision of personnel, systems, processes and documentation. If it fails to comply with the relevant regulations, there would be a risk of an adverse impact on its business from sanctions, fines or other actions imposed by the regulatory authorities. Customers of financial services institutions, including Group's customers, may seek redress if they consider that they have suffered loss as a result of the mis-selling of a particular product, or through incorrect application of the terms and conditions of a particular product. Given the inherent unpredictability of litigation and the evolution of judgements by the relevant authorities, it is possible that an adverse outcome in some matters could harm the reputation of the Group or have a material adverse effect on its operating results, financial condition and prospects arising from any penalties imposed or compensation awarded, together with the costs of defending such an action, thereby reducing its profitability.

*The Group is subject to review by tax authorities, and an incorrect interpretation of tax laws and regulations by the Group may have a material adverse effect on it.*

The preparation of the tax returns of the Group requires the use of estimates and interpretations of complex tax laws and regulations and is subject to review by tax authorities. The Group is subject to the income tax laws of Spain and the other jurisdictions in which it operates. These tax laws are complex and subject to different interpretations by the taxpayer and relevant governmental tax authorities, which are sometimes subject to prolonged evaluation periods until a final resolution is reached. In establishing a provision for income tax expense and filing returns, the Group must make judgements and interpretations about the application of these inherently complex tax laws. If the judgement, estimates and assumptions the Group uses in preparing its tax returns are subsequently found to be incorrect, there could be a material adverse effect on Group's results of operations. In some jurisdictions, the interpretations of the tax authorities are unpredictable and frequently involve litigation, which introduces further uncertainty and risk as to tax expense.

*The Group may not be able to detect or prevent money laundering and other financial crime activities fully or on a timely basis, which could expose it to additional liability and could have a material adverse effect on the Group.*

The Group is required to comply with applicable anti-money laundering and combating the financing of terrorism ("AML/CFT"), anti-bribery and corruption, sanctions and other laws and regulations (collectively, financial crime compliance ("FCC") regulations). These laws and regulations require the Group, among other things, to conduct full customer due diligence (including sanctions and politically-exposed person screening), keep its customer, account and transaction information up to date and have FCC policies and procedures in place detailing what is required from those responsible. The Group is also required to conduct FCC training for its employees and to report suspicious transactions and activity to appropriate law enforcement following full investigation by Group's local FCC team.

Financial crime continues to be the subject of enhanced regulatory scrutiny and supervision by regulators globally. FCC regulations are increasingly complex and detailed. Key standard-setting and regulatory bodies continue to provide guidelines to strengthen the interaction and cooperation between prudential and AML or combating the financing of terrorism (“CFT”) supervisors. Compliance with these laws and regulations requires automated systems, sophisticated monitoring and skilled compliance personnel.

For example, in December 2022 Santander UK paid a £ 107.8 million (€127 million) financial penalty to settle the Financial Conduct Authority (“FCA”) enforcement investigation into the anti-money laundering systems and controls in the Business Banking division in the period between 31 December 2012 and 18 October 2017. This settlement concluded the FCA’s investigation.

The Group maintains updated policies and procedures aimed at detecting and preventing the use of its banking network for money laundering and other financial crime related activities. However, emerging technologies, such as cryptocurrencies and innovative payment methods, could limit Group’s ability to track the movement of funds. The ability of the Group to comply with the legal requirements depends on its ability to improve detection and reporting capabilities and reduce variation in control processes and oversight accountability. These require implementation and embedding within its business effective controls and monitoring, which in turn requires on-going changes to systems and operational activities. Financial crime is continually evolving and, as noted, is subject to increasingly stringent regulatory oversight and focus. This requires proactive and adaptable responses from the Group so that the Group is able to deter threats and criminality effectively. As a global bank, the Group is particularly exposed to this risk. Even known threats can never be fully eliminated, and there will be instances where the Group may be used by other parties to engage in money laundering and other illegal or improper activities. In addition, the Group relies heavily on its employees to assist the Group by spotting such activities and reporting them, and its employees have varying degrees of experience in recognizing criminal tactics and understanding the level of sophistication of criminal organisations. Where the Group outsources any of its customer due diligence, customer screening or anti financial crime operations, it remains responsible and accountable for full compliance and any breaches. If the Group is unable to apply the necessary scrutiny and oversight of third parties to whom it outsources certain tasks and processes, there remains a risk of regulatory breach.

If the Group is unable to fully comply with applicable laws, regulations and expectations, regulators and relevant law enforcement agencies have the ability and authority to impose significant fines and other penalties on the Group, including requiring a complete review of its business systems, day-to-day supervision by external consultants and ultimately the revocation of Group’s banking licence.

The reputational damage to the business of the Group and global brand would be severe if it were found to have breached FCC requirements. Its reputation could also suffer if the Group is unable to protect its customers’ bank products and services from being used by criminals for illegal or improper purposes.

The Brazilian Federal Public Prosecutor’s Office, or “MPF,” has charged one of the Group’s officers in connection with the alleged bribery of a Brazilian tax auditor to secure favourable decisions in tax cases resulting in a claimed R\$83 million (approximately US\$15 million) benefit to the Group. On 23 October 2018, the officer was formally indicted and asked to present his defence. On 5 November 2018 the officer in question presented his defence. The proceeding is currently in course. The Group is not a party to these proceedings. The Group has voluntarily provided information to the Brazilian authorities and have relinquished the benefit of certain tax credits to which the allegations relate in order to show good faith.

In addition, while the Group reviews its relevant counterparties’ internal policies and procedures with respect to such matters, it expects its relevant counterparties to maintain and properly apply their own appropriate compliance procedures and internal policies. Such measures, procedures and internal policies may not be completely effective in preventing third parties from using its (and its relevant counterparties’) services as a conduit for illicit purposes (including illegal cash operations) without the Group’s (and its relevant counterparties’) knowledge. If the Group is associated with, or even accused of being associated with, breaches of FCC requirements, the Group’s reputation could suffer and/or it could become subject to fines, sanctions and/or legal enforcement (including being added to ‘watch lists’ that would prohibit certain parties from engaging in transactions with the Group), any one of which could have a material adverse effect on its operating results, financial condition and prospects.

Any such risks could have a material adverse effect on the Group’s operating results, financial condition and prospects.

See – “*The Group is subject to extensive regulation and regulatory and governmental oversight which could adversely affect its business, operations and financial condition*”.

*Changes in taxes and other assessments may adversely affect the Group.*

The legislatures and tax authorities in the tax jurisdictions in which the Group operates regularly enact reforms to the tax and other assessment regimes to which it and its customers are subject to. Such reforms include changes in tax rates and, occasionally, enactment of temporary taxes, the proceeds of which are earmarked for designated governmental purposes.

The effects of these changes and any other changes that result from enactment of additional tax reforms cannot be quantified and there can be no assurance that any such reforms would not have an adverse effect upon the business of the Group.

### **Credit Risks.**

*The credit quality of the loan portfolio of the Group may deteriorate and the Group’s loan loss reserves could be insufficient to cover its loan losses, which could have a material adverse effect on the Group.*

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent to a wide range of the businesses of the Group. Non-performing or low credit quality loans have in the past negatively impacted the Group’s results of operations and could do so in the future. In particular, the amount of the reported credit impaired loans of the Group may increase in the future as a result of growth in the Group’s total loan portfolio, including as a result of loan portfolios that the Group may acquire in the future (the credit quality of which may turn out to be worse than it had anticipated), or factors beyond the Group’s control, such as adverse changes in the credit quality of its borrowers and counterparties or a general deterioration in economic conditions in the regions where the Group operates or in global economic and political conditions, including as a result of the war in Ukraine or a prolonged covid-19 pandemic with the emergence of variants resistant to existing vaccines. If the Group was unable to control the level of its credit impaired or poor credit quality loans, this could have a material adverse effect on the Group.

The loan loss reserves of the Group are based on its current assessment of and expectations concerning various factors affecting the quality of its loan portfolio. These factors include, among other things, the financial condition of the borrowers of the Group, repayment abilities and repayment intentions, the realizable value of any collateral, the prospects for support from any guarantor, government macroeconomic policies, interest rates and the legal and regulatory environment. Because many of these factors are beyond the Group’s control and there is no infallible method for predicting loan and credit losses, the Group cannot assure that its current or future loan loss reserves will be sufficient to cover actual losses. If the Group’s assessment of and expectations concerning the above mentioned factors differ from actual developments, if the quality of its total loan portfolio deteriorates, for any reason, or if the future actual losses exceed the estimates of expected losses of the Group, it may be required to increase its loan loss reserves, which may adversely affect the Group. Additionally, in calculating the Group’s loan loss reserves, the Group employs qualitative tools and statistical models which may not be reliable in all circumstances and which are dependent upon data that may not be complete. For further details regarding the risk management policies of the Group, see – “*Failure to successfully implement and continue to improve the risk management policies of the Group, procedures and methods, including its credit risk management system, could materially and adversely affect it, and the Group may be exposed to unidentified or unanticipated risks*”.

On 31 December 2022, net loans and advances to customers of the Group amounted to €1,036,004 million (compared to €972,682 million as of 31 December 2021).

The loan portfolio of the Group is mainly located in Europe (in particular, Spain and the UK), North America (in particular, the United States) and South America (in particular, Brazil). At 31 December 2022, Europe accounted for 57 per cent. of the Group’s total loan portfolio (Spain accounted for 25 per cent. of its total loan portfolio and the UK, where the loan portfolio consists primarily of residential mortgages, accounted for 24 per cent.), North America accounted for 17 per cent. (of which the United States represents 13 per cent. of its total loan portfolio), South America accounted for 14 per cent. (of which Brazil represents 8 per cent. of its total loan portfolio) and the Digital Consumer Bank segment (primarily Europe) accounted for 12 per cent.

Mortgage loans are one of the Group’s principal assets, comprising 44 per cent. of its net loans and advances as of 31 December 2022, mainly located in Spain and the UK. 81 per cent of such mortgage loans are residential. If Spain or the UK experience situations of economic stagnation, persistent housing oversupply, decreased

housing demand, rising unemployment levels, subdued earnings growth, greater pressure on disposable income, a decline in the availability of mortgage finance or continued global markets volatility, for instance, home prices could decline, while mortgage delinquencies, forbearances and the Group's NPL ratio could increase, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations. At 31 December 2022, the NPL ratio of residential mortgage loans for the Group in Spain and the UK was 1.62 per cent. and 0.98 per cent., respectively.

At 31 December 2022 the total Group NPL ratio stood at 3.08 per cent. as compared to 3.16 per cent. at 31 December 2021. Coverage as of 31 December 2022 was 68 per cent. as compared to 71 per cent. a year earlier.

Impairment on financial assets not measured at fair value through profit or loss (net) of the Group in 2022 was €10,863 million (mainly related to loans and advances to customers), a 47 per cent. increase as compared to €7,407 million in 2021 mainly related to releases recorded in the UK and the United States in 2021 and macro provisions in 2022 resulting from a potential macroeconomic slowdown.

At 31 December 2022, the gross amount of the Group's refinancing and restructuring operations was €34,173 million (3 per cent. of total gross loans and credits), of which €9,715 million have real estate collateral. At the same date, the net amount of non-current assets held for sale amounted €3,453 million; €3,101 million were foreclosed assets.

*The value of the collateral securing the loans of the Group may not be sufficient, and the Group may be unable to realize the full value of the collateral securing its loan portfolio.*

The value of the collateral securing the loan portfolio of the Group may fluctuate or decline due to factors beyond its control, including as a result of macroeconomic factors affecting Europe, North American countries and South American countries, the war in Ukraine or a prolonged covid-19 pandemic with the emergence of variants resistant to existing vaccines. The value of the collateral securing its loan portfolio may be adversely affected by force majeure events, such as natural disasters (including as a result of climate change), particularly in locations where a significant portion of its loan portfolio is composed of real estate loans. The Group may also not have sufficiently recent information on the value of collateral, which may result in an inaccurate assessment for impairment losses of its loans secured by such collateral. If any of the above were to occur, the Group may need to make additional provisions to cover actual impairment losses of its loans, which may materially and adversely affect its results of operations and financial condition.

At 31 December 2022, 44 per cent. of the Group's loans and advances to customers have property collateral while 22 per cent. have other types of collateral (securities, pledges and others).

In addition, auto industry technology changes, accelerated by environmental rules, could affect the auto consumer business of the Group in the EU and the United States, particularly residual values of leased vehicles, which could have a material adverse effect on its operating results, financial condition and prospects.

*The Group is subject to counterparty risk in its banking business.*

The Group is exposed to counterparty risk in addition to credit risks associated with lending activities. Counterparty risk may arise from, for example, investing in securities of third parties, entering into derivative contracts under which counterparties have obligations to make payments to the Group or executing securities, futures, currency or commodity trades from proprietary trading activities that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, clearing houses or other financial intermediaries.

The Group routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual funds, hedge funds and other institutional clients. Defaults by, and even rumours or questions about the solvency of, certain financial institutions and the financial services industry generally have led to market-wide liquidity problems and could lead to losses or defaults by other institutions. Many of the routine transactions the Group enters into expose it to significant credit risk in the event of default by one of its significant counterparties.

#### ***Operational and technology risks.***

*Any failure to improve or upgrade the information technology infrastructure and information management systems of the Group in an effective, timely and cost-effective manner including in response to new or*

*modified cybersecurity and data privacy laws, rules and regulations, could have a material adverse effect on the Group.*

The ability of the Group to remain competitive depends in part on its ability to upgrade its information technology in an effective, timely and cost-effective manner. It must continually make significant investments in, and improvements to, the information technology infrastructure and information management systems of the Group in order to meet the needs of its customers. The Group cannot guarantee that in the future it will be able to maintain the level of capital expenditures necessary to support the continuous improvement and upgrading of its information technology infrastructure and information management systems. To the extent that the Group is dependent on any particular technology or technological solution, it may be harmed if such technology or technological solution becomes non-compliant with existing industry standards or applicable laws, rules or regulations, fails to meet or exceed the capabilities of its competitors' equivalent technologies or technological solutions, becomes increasingly expensive to service, retain and update, becomes subject to third party claims of intellectual property infringement, misappropriation or other violation, or malfunctions or functions in a way the Group did not anticipate. Additionally, new technologies and technological solutions are continually being released. As such, it is difficult to predict the problems the Group may encounter in improving its technologies' functionality. There is no assurance that the Group will be able to successfully adopt new technology as critical systems and applications become obsolete and better ones become available. Any failure to effectively improve or upgrade the information technology infrastructure and information management systems in an effective, timely and cost-efficient manner could have a material adverse effect on the Group.

*Data breaches and other security incidents with respect to the Group or its third-party vendors' systems could adversely affect the Group's business or reputation, and create significant legal, regulatory or financial exposure.*

Like other financial institutions, in conducting the Group's banking operations, the Group receives, manages, holds, transmits and otherwise processes certain proprietary and sensitive or confidential information, including personal information of customers and employees as well as a large number of assets. Accordingly, the business of the Group relies on its ability to process a large number of transactions efficiently and accurately, and on its ability to rely on its digital technologies, computer and email services, software and networks, as well as on the secure storage, transmission and otherwise processing of confidential, sensitive or personal data and other information using the computer systems and networks of the Group or those of its third party vendors. The proper and secure functioning of its financial controls, accounting and other data collection and processing systems is critical to its business and to its ability to compete effectively. Data breaches, security incidents and data losses can result from, among other things, inadequate personnel, inadequate or failed internal control processes and systems, or external events or actors that interrupt normal business operations. The Group also faces the risk that the design of its or its third-party vendors' cybersecurity controls and procedures prove to be inadequate or are circumvented such that its data or client records are incomplete, not recoverable or not securely stored. Any material disruption or slowdown of the systems of the Group could cause information, including data related to customer requests, to be lost or to be delivered to its clients with delays or errors, which could reduce demand for its services and products, produce customer claims and materially and adversely affect the Group.

Although the Group works with its clients, vendors, service providers, counterparties and other third parties to develop secure data and information processing, collection, authentication, management, usage, storage and transmission capabilities and to ensure the eventual destruction of sensitive and confidential information, including personal information, to prevent against information security risk, the Group routinely manages personal, confidential and proprietary information by electronic means, and the Group, its third-party vendors or other third parties with which the Group does business may be the target of attempted cyberattacks or subject to other information security incidents or breaches. This is especially applicable in the current global environment, with the war in Ukraine resulting in an increased risk of cyberattacks, and other disruptions in response to, or retaliation for, the sanctions and costs imposed on Russia and certain other countries directly or indirectly involved in the war. Additionally the shift to remote work policies for a significant portion of the Group's workforce, as they access the Group's secure networks remotely and its customers' increased reliance on digital banking products and other digital services, including mobile payment products, has also increased the risk of cyberattacks (see –“*The global covid-19 pandemic has materially impacted the Group's business, and the continuance of this pandemic or any future outbreak of any other highly contagious diseases or other public health emergency, could materially and adversely impact its business, financial condition, liquidity and results of operations*”). If the Group cannot maintain effective and secure electronic data and information

(including personal information), management and processing systems or if it fails to maintain complete physical and electronic records, this could result in disruptions to its operations, litigation or claims from customers, regulators, employees and other third parties, as well as violations of applicable privacy and other laws, rules or regulations, regulatory sanctions and serious reputational and financial harm to the Group.

Although the Group takes protective measures and monitor and develop its systems to protect its technology infrastructure, data and information from misappropriation or corruption, the Group's and its third-party vendors' systems, software and networks nevertheless may be vulnerable to breaches, disruptions, failures or other security incidents caused by, among other things, unauthorised access or misuse, malware and ransomware affecting the Group's services and end-user technologies, social engineering and phishing attacks, denial-of-service attacks, misconduct, fraud, and other events that could have a serious impact on the Group. Although the Group has procedures and controls in place to safeguard personal and other confidential or sensitive information in its possession, the Group has been and continue to be subject to a range of cyberattacks, such as denial of service, malware and phishing attacks. While the Group generally performs cybersecurity due diligence on its key vendors, because it does not control its vendors and its ability to monitor their cybersecurity is limited, the Group cannot ensure the cybersecurity measures they take will be sufficient to protect any information it shares with them. Due to applicable laws and regulations or contractual obligations, the Group may be held responsible for security breaches, cyberattacks or other similar incidents attributed to its vendors as they relate to the information the Group share with them. Moreover, it is not always possible to deter or prevent employee misconduct, and the precautions the Group takes to detect and prevent this activity may not always be effective.

In addition, the Group may also be impacted by cyberattacks against national critical infrastructures of the countries where it operates, such as telecommunications networks. The Group's information technology systems are dependent on such national critical infrastructure and any cyberattack against such critical infrastructure could negatively affect its ability to service its customers. As the Group does not operate such national critical infrastructure, it has limited ability to protect its information technology systems from the adverse effects of a cyberattack.

The Group has seen in recent years the information technology and computer systems of companies and organisations being increasingly targeted, and the techniques used to obtain unauthorised, improper or illegal access to information technology and computer systems have become increasingly complex and sophisticated. Furthermore, such techniques change frequently and are often not recognised or detected until after they have been launched and can originate from a wide variety of sources, including not only cyber criminals, but also activists and terrorists, nation states, nation state-supported actors and others. As attempted attacks continue to evolve in scope and sophistication, the Group may incur significant costs in order to modify or enhance its protective measures against such attacks, or to investigate or remediate any vulnerability or resulting breach, or in communicating cyberattacks to its customers, affected individuals or regulators, as applicable.

If the Group or its third-party vendors fall victim to successful cyberattacks, penetrations, compromises, breaches or circumventions of the Group's information technology systems or experience other security incidents in the future, the Group may incur substantial costs and suffer other negative consequences, such as disruption to its operations, misappropriation of personal, proprietary, confidential or sensitive information, remediation costs (including liabilities for stolen assets or information, repairs of system damage, among others), increased cybersecurity protection costs, lost revenues arising from the unauthorised use of personal, proprietary, confidential or sensitive information or the failure to retain or attract its customers following an operational or security incident, litigation and legal risks (including regulatory action, reporting obligations, investigation, fines and penalties), increased insurance premiums, reputational damage affecting its customers' and the investors' confidence, as well as damages to the Group's competitiveness, stock price and long-term shareholder value. In addition, the Group's remediation efforts may not be successful, and it may not have adequate insurance to cover these losses. Moreover, even when a failure of or interruption in the Group's or its third-party vendors' systems or facilities is resolved in a timely manner or an attempted cyberattack, data breach or security incident is successfully avoided or thwarted, substantial resources and management attention are expended in doing so, and to successfully avoid or resolve any such incidents, the Group may be required to take actions that could adversely affect customer satisfaction or retention, as well as harm its reputation.

*The Group relies on third parties and affiliates for important products and services.*

Third party vendors and certain affiliated companies provide key components to the business infrastructure of the Group such as loan and deposit servicing systems, back office and business process support and software,



information technology production and support, internet connections and network access, including cloud based services, as well as those of the Group's service providers. Relying on these third parties and affiliated companies can be a source of operational and regulatory risk to the Group, including with respect to security breaches affecting such parties. The Group is also subject to risk with respect to security breaches affecting the vendors and other parties that interact with these service providers. As the interconnectivity of the Group with these third parties and affiliated companies increases, the Group increasingly faces the risk of operational failure with respect to their systems. The Group may be required to take steps to protect the integrity of its operational systems, thereby increasing its operational costs and potentially decreasing customer satisfaction.

In addition, any problems caused by these third parties or affiliated companies, including as a result of them not providing the Group their services for any reason, or performing their services poorly, could adversely affect its ability to deliver products and services to customers and otherwise conduct its business, which could lead to reputational damage and regulatory investigations and intervention. While the Group has diversified providers for the main services and keeps strict and close monitoring on them, in some instances, replacing these third-party vendors could also entail significant delays and expense. Further, the operational and regulatory risk that the Group faces as a result of these arrangements may be increased to the extent that it restructures such arrangements. Any restructuring could involve significant expense to the Group and entail significant delivery and execution risk which could have a material adverse effect on its business, operations and financial condition.

### ***Liquidity and Funding risks.***

*Liquidity and funding risks are inherent in the Group's business and could have a material adverse effect on it.*

Liquidity risk is the risk that the Group either does not have sufficient financial resources available to meet its obligations as they are due or can only secure them at excessive cost. This risk is inherent in any banking business and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation, including as a result of the war in Ukraine or new outbreaks of the covid-19 pandemic. While the Group has in place liquidity management processes to mitigate and control these risks as well as an organisational model based on autonomous subsidiaries in terms of capital and liquidity which limits the possibility of contagion between the units of the Group, systemic market factors make it difficult to eliminate these risks completely. Constraints in the supply of liquidity, including in inter-bank lending, could materially and adversely affect the cost of funding of the Group's business, and extreme liquidity constraints may affect its current operations and its ability to fulfil regulatory liquidity requirements, as well as limit growth possibilities.

The cost of the Group to obtain funding is directly related to prevailing interest rates and to its credit spreads. Increases in interest rates, such as those announced throughout 2022 by the ECB, the Bank of England and the Federal Reserve, and/or in its credit spreads can significantly increase the cost of its funding. Credit spreads variations are market-driven and may be influenced by market perceptions of creditworthiness of the Group. Changes to interest rates and in the credit spreads of the Group may occur frequently and could be unpredictable and highly volatile.

The Group relies, and will continue to rely, primarily on retail deposits to fund lending activities. The ongoing availability of this type of funding is sensitive to a variety of factors beyond the Group's control, such as general economic conditions and the confidence of retail depositors in the economy and in the financial services industry, and the availability and extent of deposit guarantees, as well as competition for deposits between banks or with other products, such as mutual funds. Any of these factors could increase the amount of retail deposit withdrawals in a short period of time, thereby reducing the ability of the Group to access retail deposit funding on appropriate terms, or at all, in the future. If these circumstances were to arise, this could have a material adverse effect on the operating results of the Group, financial condition and prospects.

Central banks took extraordinary measures to increase liquidity in the financial markets as a response to the financial crisis and the covid-19 pandemic. In Europe, the ECB's pandemic emergency purchase programme ("PEPP") was finalised by the end of March 2022, although maturing principal payments are expected to be repurchased until at least at the end of 2024. If these facilities, which are progressively being reduced, were to be rapidly removed, this could have an adverse effect on the ability of the Group to access liquidity and on the Group's funding costs.

Additionally, the activities of the Group could be adversely impacted by liquidity tensions arising from generalised drawdowns of committed credit lines to the customers of the Group.

The Issuer cannot assure that in the event of a sudden or unexpected shortage of funds in the banking system, the Group will be able to maintain levels of funding without incurring high funding costs, a reduction in the term of funding instruments or the liquidation of certain assets. If this were to happen, the Group could be materially adversely affected.

Finally, the implementation of internationally accepted liquidity ratios might require changes in business practices that affect the profitability of the Group. The liquidity coverage ratio (“**LCR**”) is a liquidity standard that measures if banks have sufficient high-quality liquid assets to cover expected net cash outflows over a 30-day liquidity stress period. At 31 December 2022, the LCR ratio of the Group was 152 per cent., above the 100 per cent. minimum requirement. The net stable funding ratio (“**NSFR**”) provides a sustainable maturity structure of assets and liabilities such that banks maintain a stable funding profile in relation to their activities. At the end of 2022, the NSFR ratio of the Group stood at 121 per cent. for the Group and over 100 per cent. for all of the Group’s main subsidiaries.

*Credit, market and liquidity risk may have an adverse effect on the credit ratings of the Group and its cost of funds. Any downgrade in the credit rating of the Group would likely increase its cost of funding, require the Group to post additional collateral or take other actions under some of its derivative and other contracts and adversely affect its interest margins and results of operations.*

Credit ratings affect the cost and other terms upon which the Group is able to obtain funding. Rating agencies regularly evaluate the Group, and their ratings of its debt are based on a number of factors, including its financial strength and conditions affecting the financial services industry. In addition, due to the methodology of the main rating agencies, the credit rating of the Group is affected by the rating of Spanish sovereign debt. If Spain’s sovereign debt is downgraded, the credit rating of the Group would also likely be downgraded.

Any downgrade in the Group’s debt credit ratings would likely increase its borrowing costs and require the Group to post additional collateral or take other actions under some of its derivative and other contracts, and could limit the Group’s access to capital markets and adversely affect its commercial business. For example, a ratings downgrade could adversely affect the ability of the Group to sell or market some of its products, engage in certain longer-term and derivatives transactions and retain the Group’s customers, particularly customers who need a minimum rating threshold in order to invest. In addition, under the terms of certain of the derivative contracts and other financial commitments of the Group, the Group may be required to maintain a minimum credit rating or terminate such contracts or require the posting of collateral. Any of these results of a ratings downgrade could reduce the liquidity of the Group and have an adverse effect on it, including on its operating results and financial condition.

The Group has the following ratings by the major rating agencies as of the report dates indicated below:

Rating agency	Long term	Short term	Last report date	Outlook
<b>Banco Santander, S.A.</b>				
Fitch Ratings <sup>(1)</sup>	A-	F2	December 2022	Stable
Moody’s <sup>(2)</sup>	A2	P-1	January 2023	Stable
Standard & Poor’s <sup>(3)</sup>	A+	A-1	July 2022	Stable
DBRS <sup>(4)</sup>	A (High)	R-1 (Medium)	October 2022	Stable
<b>Santander UK plc</b>				
Fitch Ratings <sup>(1)</sup>	A+	F1	January 2023	Stable
Moody’s <sup>(2)</sup>	A1	P-1	November 2022	Negative
Standard & Poor’s <sup>(3)</sup>	A	A-1	September 2022	Stable

Rating agency	Long term	Short term	Last report date	Outlook
<b>Banco Santander (Brasil), S.A.</b>				
Moody's <sup>(2)</sup>	Ba1	-	February 2023	Stable
Standard & Poor's <sup>(3)</sup>	BB-	B	February 2023	Stable

- (1) Fitch Ratings Ireland Limited (Fitch Ratings).  
(2) Moody's Investor Service Spain, S.A. (Moody's).  
(3) S&P Global Ratings Europe Limited (Standard & Poor's).  
(4) DBRS Ratings Limited (DBRS).

The Group conducts substantially all of its material derivative activities through Banco Santander and Santander UK. The Group estimates that as of 31 December 2022, if all the rating agencies were to downgrade Banco Santander's long-term senior debt ratings by one notch the Group would be required to post up to €155 million in additional collateral pursuant to derivative and other financial contracts. A hypothetical two-notch downgrade would result in a further requirement to post up to €350 million in additional collateral. The Group estimates that as of 31 December 2022, if all the rating agencies were to downgrade Santander UK's long-term credit ratings by one notch, and thereby trigger a short-term credit rating downgrade, this could result in contractual outflows from Santander UK's total liquid assets of £ 1.4 billion of cash and additional collateral that Santander UK would be required to post under the terms of secured funding and derivatives contracts. A hypothetical two-notch downgrade would result in a further outflow of £ 0.7 billion of cash and collateral under secured funding and derivatives contracts.

While certain potential impacts of these downgrades are contractual and quantifiable, the full consequences of a credit rating downgrade are inherently uncertain, as they depend on numerous dynamic, complex and inter-related factors and assumptions, including market conditions at the time of any downgrade, whether any downgrade of the Group's long-term credit rating precipitates downgrades to its short-term credit rating, and assumptions about the potential behaviours of various customers, investors and counterparties. Actual outflows could be higher or lower than the preceding hypothetical examples, depending upon certain factors including which credit rating agency downgrades the credit rating of the Group, any management or restructuring actions that could be taken to reduce cash outflows and the potential liquidity impact from loss of unsecured funding (such as from money market funds) or loss of secured funding capacity. Although unsecured and secured funding stresses are included in the stress testing scenarios of the Group and a portion of its total liquid assets is held against these risks, a credit rating downgrade could still have a material adverse effect on the Group.

In addition, if the Group were required to cancel its derivatives contracts with certain counterparties and were unable to replace such contracts, the market risk profile of the Group could be altered.

There can be no assurance that the rating agencies will maintain the current ratings or outlooks. In general, the future evolution of the Group's ratings is linked, to a large extent, to the general macroeconomic outlook which includes the impact of the war in Ukraine and the covid-19 pandemic (including, for example, new variants, new lockdowns, etc.) on the asset quality, profitability and capital of the Group. Failure to maintain favourable ratings and outlooks could increase the cost of funding of the Group and adversely affect interest margins, which could have a material adverse effect on the Group.

### **Market Risks.**

*The Group's financial results are constantly exposed to market risk. The Group is subject to fluctuations in interest rates and other market risks, which may materially and adversely affect the Group and its profitability.*

The Group's financial results are constantly exposed to market risk. In 2022, inflationary pressures, increases in the prices of energy, oil, gas and other commodities, the war in Ukraine and the lingering effects of the covid-19 pandemic caused and could continue to cause high market volatility which could materially and adversely affect the Group and its trading and banking book.

Economic activities exposed to market risk include (i) transactions where risk is assumed as a consequence of potential changes in interest rates, inflation rates, exchange rates, stock prices, credit spreads, commodity prices, volatility and other market factors; (ii) the liquidity risk from the Group's products and markets; and (iii) the balance sheet liquidity risk.

As described below, market risk affects (i) the Group's interest income / (charges); (ii) the market value of the Group's assets and liabilities, in particular of its securities holdings, loans and deposits and derivatives transactions; and (iii) other areas of the Group's business such as the volume of loans originated or credit spreads. The performance of financial markets may cause changes in the value of investment and trading portfolios of the Group. The volatility of world equity markets due to the continued economic uncertainty and sovereign debt crisis has had a particularly strong impact on the financial sector. Continued volatility may affect the value of the Group's investments in equity securities and, depending on their fair value and future recovery expectations, could become a permanent impairment which would be subject to write-offs against the Group's results.

Market risk could include unexpected or unpredictable risks related to periods in which the market does not calculate prices efficiently (for example, during market interruptions or shocks).

#### *Variations in the interest income/ (charges) of the Group*

Interest rates are sensitive to many factors beyond the Group's control, including increased regulation of the financial sector, monetary policies and domestic and international economic and political conditions. Variations in interest rates could affect the interest earned on the assets and the interest paid on the borrowings of the Group, thereby affecting its interest income / (charges), which comprises the majority of its revenue, reducing the growth rate of the Group and potentially resulting in losses. In addition, costs in which the Group incurs as it implements strategies to reduce interest rate exposure could increase in the future (which, in turn, will impact the results of the Group).

Due to the historically low interest rate environment in the eurozone, in the UK and in the United States in recent years, the rates on many of the interest-bearing deposit products of the Group were priced at or near zero or negative, limiting its ability to further reduce rates and thus negatively impacting its margins and the Group's results of operations.

Throughout 2022, central banks, including the ECB, the Bank of England and the Federal Reserve, increased interest rates to contain inflation and further increases are expected in the coming months.

Increases in interest rates may reduce the volume of loans that the Group originates. Sustained high interest rates have historically discouraged customers from borrowing and have resulted in increased delinquencies in outstanding loans and deterioration in the quality of assets. Increases in interest rates may reduce the value of the financial assets of the Group and may reduce gains or require the Group to record losses on sales of its loans or securities. Additionally, a shrinking yield premium between short-term and long-term market interest rates coupled with inflation, could adversely affect the Group's business and results of operations.

At 31 December 2022, the risk on net interest income over a one year period, measured as the sensitivity to parallel changes in the worst-case scenario of  $\pm 100$  basis points, (i) was positive in Europe (i.e. a decrease in interest rates would potentially produce a decrease in net interest income) and mainly in the euro, at €1,009 million, the British pound at €191 million, the Polish zloty, at €64 million; and the US dollar, at €51 million; (ii) was positive in North America (i.e. a decrease in interest rates would potentially produce a decrease in net interest income) and the risk was mainly located in the United States (€151 million); and (iii) was negative in South America (i.e. an increase in interest rates would potentially produce a decrease in net interest income) and was mainly found in Chile (€72 million) and Brazil (€169 million).

#### *Variations in the market value of the assets and liabilities of the Group*

The market risk in relation to the change in the market value of the assets and liabilities of the Group refers to the loss of value of assets or increase in the value of liabilities due to fluctuations in their prices in the markets where those assets or liabilities are traded, or even if not traded, in the value that a third party outside the Group would be willing to offer in a hypothetical transaction.

The standard methodology that the Group applies for risk management is Value at Risk (VaR), which measures the maximum expected loss within a certain confidence level and time frame.

In relation to structural balance sheet risks:

- At 31 December 2022, the maximum expected loss in the value of assets and liabilities due to variations in interest rate was €304.5 million (€287.8 million and €345.5 million at 31 December 2021 and 2020, respectively), measured with a VaR confidence level of 99 per cent. and a temporary horizon of one day.
- At 31 December 2022, the maximum expected loss in the value of assets and liabilities due to variations in exchange rate was €461.0 million (€655.2 million and €502.6 million at 31 December 2021 and 2020, respectively), measured with a VaR confidence level of 99 per cent. and a temporary horizon of one day.
- At 31 December 2022, the maximum expected loss in the value of assets and liabilities due to variations in equity portfolio was €195.4 million (€309.1 million and €318.5 million at 31 December 2021 and 2020, respectively), measured with a VaR confidence level of 99 per cent. and a temporary horizon of one day.

In relation to the trading portfolio, the Santander Corporate & Investment Banking segment VaR closed December 2022 with €11.6 million.

The Group is also exposed to foreign exchange rate risk as a result of mismatches between assets and liabilities denominated in different currencies. Fluctuations in the exchange rate between currencies may negatively affect the earnings and value of the assets and securities of the Group.

If any of these risks were to materialize, net interest income or the market value of the Group's assets and liabilities could suffer a material adverse impact.

*The Group is subject to market, operational and other related risks associated with its derivative transactions that could have a material adverse effect on the Group.*

The Group enters into derivative transactions for trading purposes as well as for hedging purposes. The Group is subject to market, credit and operational risks associated with these transactions, including basis risk (the risk of loss associated with variations in the spread between the asset yield and the funding and/or hedge cost) and credit or default risk (the risk of insolvency or other inability of the counterparty to a particular transaction to perform its obligations thereunder, including providing sufficient collateral).

Market practices and documentation for derivative transactions differ by country. In addition, the execution and performance of these transactions depend on the ability of the Group to maintain adequate control and administration systems. Moreover, its ability to adequately monitor, analyse and report derivative transactions continues to depend, largely, on its information technology systems. These factors further increase the risks associated with these transactions and could have a material adverse effect on the Group.

At 31 December 2022, the notional value of the trading derivatives in the books of the Group amounted to €6,463,470 million (with a fair value of €67,002 million of debit balance and €64,891 million of credit balance).

At 31 December 2022, the nominal value of the hedging derivatives in the books of the Group within its financial risk management strategy and with the aim of reducing asymmetries in the accounting treatment of its operations amounted to €386,843 million (with fair value of €8,069 million in assets and €9,228 million in liabilities).

*Market conditions have resulted and could result in material changes to the estimated fair values of the Group's financial assets. Negative fair value adjustments could have a material adverse effect on its operating results, financial condition and prospects.*

In the past, financial markets have been subject to significant stress resulting in steep falls in perceived or actual financial asset values, particularly due to volatility in global financial markets and the resulting widening of credit spreads, including as a result of the war in Ukraine or the covid-19 pandemic. The Group has material exposures to securities, loans and other investments that are recorded at fair value and are therefore exposed to potential negative fair value adjustments. Asset valuations in future periods, reflecting then-prevailing market conditions, may result in negative changes in the fair values of the financial assets of the Group and these may also translate into increased impairments. In addition, the value ultimately realised by the Group on disposal may be lower than the current fair value. Any of these factors could require the Group to record negative fair value adjustments, which may have a material adverse effect on its operating results, financial condition or prospects.

In addition, to the extent that fair values are determined using financial valuation models, such values may be inaccurate or subject to change, as the data used by such models may not be available or may become unavailable due to changes in market conditions, particularly for illiquid assets, and particularly in times of economic instability. In such circumstances, its valuation methodologies require the Group to make assumptions, judgements and estimates in order to establish fair value, and reliable assumptions are difficult to make and are inherently uncertain and valuation models are complex, making them inherently imperfect predictors of actual results. Any consequential impairments or write-downs could have a material adverse effect on the operating results, financial condition and prospects of the Group.

***Risks related to the industry of the Group.***

*Goodwill impairments may be required in relation to acquired businesses.*

The Group has made business acquisitions in recent years and may make further acquisitions in the future. It is possible that the goodwill which has been attributed, or may be attributed, to these businesses may have to be written-down if Group's valuation assumptions are required to be reassessed as a result of any deterioration in their underlying profitability, asset quality and other relevant matters. Impairment testing in respect to goodwill is performed annually, or more frequently if there are impairment indicators present, and comprises a comparison of the carrying amount of the cash-generating unit with its recoverable amount. Goodwill impairment does not, however, affect the regulatory capital of the Group. In 2020, considering the economic and business environment resulting from the covid-19 pandemic, the Group recognised an impairment of goodwill of €10,100 million (of which €6,101 million correspond to Santander UK, €1,192 million to Santander Bank Polska, €1,177 million to Santander Bank, National Association, €1,153 million to Santander Consumer USA, and €277 million to Santander Consumer Nordics). In 2021 the Group recognised an impairment of goodwill of €6 million while no impairment was recognised in 2022. There can be no assurances that the Group will not have to write down the value attributed to goodwill in the future, which would adversely affect the Group's results and net assets.

*Changes in the pension liabilities and obligations of the Group could have a material adverse effect on it.*

The Group provides retirement benefits for many of its former and current employees through a number of defined benefit pension plans. The Group calculates the amount of its defined benefit obligations using actuarial techniques and assumptions, including mortality rates, the rate of increase of salaries, discount rates, inflation, the expected rate of return on plan assets, and others. The accounting and disclosures are based on IFRS-IASB and on those other requirements defined by the local supervisors. Given the nature of these obligations, changes in the assumptions that support valuations, including market conditions, can result in actuarial losses which would in turn impact the financial condition of the pension funds of the Group. Because pension obligations are generally long term obligations, fluctuations in interest rates have a material impact on the projected costs of its defined benefit obligations and therefore on the amount of pension expense that it accrues.

Any increase in the current size of the funding deficit in the defined benefit pension plans of the Group could result in the Group having to make increased contributions to reduce or satisfy the deficits, which would divert resources from use in other areas of its business. Any such increase may be due to certain factors over which the Group has no or limited control. Increases in its pension liabilities and obligations could have a material adverse effect on its business, financial condition and results of operations.

At 31 December 2022, the provision for pensions and other obligations of the Group amounted to €3,342 million.

*The Group depends in part on dividends and other funds from subsidiaries.*

Some of the operations of the Group are conducted through its financial services subsidiaries. As a result, its ability to pay dividends, to the extent the Group decides to do so, depends in part on the ability of its subsidiaries to generate earnings and to pay dividends to the Group. Payment of dividends, distributions and advances by the subsidiaries of the Group will be contingent upon their earnings and business considerations and is or may be limited by legal, regulatory and contractual restrictions. For instance, the repatriation of dividends from its Argentine subsidiaries have been subject to certain restrictions. Additionally, the right of the Group to receive any assets of any of its subsidiaries as an equity holder of such subsidiaries upon their liquidation or reorganisation will be effectively subordinated to the claims of its subsidiaries' creditors, including trade creditors. The Group also has to comply with increased capital requirements, which could result in the imposition of restrictions or prohibitions on "discretionary payments" including the payment of dividends and

other distributions to the Group by its subsidiaries. In 2020, given the uncertainty about the economic impact of the covid-19 pandemic, the ECB, the Prudential Regulation Authority of the UK and the Federal Reserve of the United States, imposed limitations on the distribution of dividends which were in force until the third quarter of 2021. Once the economic projections confirmed the economic recovery and the reduction in the levels of uncertainty, the suspension of dividend distributions was lifted. The supervisors will now assess the capital and dividend distribution plans for each entity as part of their regular supervisory process and make individualised recommendations.

To the extent that these recommendations, or other similar measures that may be taken by supervisory authorities from other regions, are applied by some of the subsidiaries of the Group, it could have a material adverse effect on its business, financial condition and results of operations.

At 31 December 2022, dividend income for Banco Santander, S.A. represented 58 per cent. of its total income.

*Increased competition, including from non-traditional providers of banking services such as financial technology providers, and industry consolidation may adversely affect the results of operations of the Group.*

The Group faces substantial competition in all parts of its business, including in payments, in originating loans and in attracting deposits. The competition in originating loans comes principally from other domestic and foreign banks, mortgage banking companies, consumer finance companies, insurance companies and other lenders and purchasers of loans.

In addition, there has been a trend towards consolidation in the banking industry, which has created larger banks with which the Group must now compete. There can be no assurance that this increased competition will not adversely affect its growth prospects, and therefore its operations. The Group also faces competition from non-bank competitors, such as brokerage companies, department stores (for some credit products), leasing and factoring companies, mutual fund and pension fund management companies and insurance companies.

Non-traditional providers of banking services, such as internet based e-commerce providers, mobile telephone companies and internet search engines may offer and/or increase their offerings of financial products and services directly to customers. These non-traditional providers of banking services currently have an advantage over traditional providers because they are not subject to banking regulation. Several of these competitors may have long operating histories, large customer bases, strong brand recognition and significant financial, marketing and other resources. They may adopt more aggressive pricing and rates and devote more resources to technology, infrastructure and marketing.

New competitors may enter the market or existing competitors may adjust their services with unique product or service offerings or approaches to providing banking services. If the Group is unable to successfully compete with current and new competitors, or if it is unable to anticipate and adapt its offerings to changing banking industry trends, including technological changes, its business may be adversely affected. In addition, the failure of the Group to effectively anticipate or adapt to emerging technologies or changes in customer behaviour, including among younger customers, could delay or prevent its access to new digital-based markets, which would in turn have an adverse effect on its competitive position and business. Furthermore, the widespread adoption of new technologies, including distributed ledger, artificial intelligence and/or biometrics, to provide services such as digital currencies, cryptocurrencies and payments, could require substantial expenditures to modify or adapt the existing products and services of the Group as it continues to grow its internet and mobile banking capabilities. Its customers may choose to conduct business or offer products in areas that may be considered speculative or risky. Such new technologies and mobile banking platforms in recent years could negatively impact the value of the investments of the Group in bank premises, equipment and personnel for its branch network. The persistence or acceleration of this shift in demand towards internet and mobile banking may necessitate changes to its retail distribution strategy, which may include closing and/or selling certain branches and restructuring the remaining branches and work force of the Group. These actions could lead to losses on these assets and may lead to increased expenditures to renovate, reconfigure or close a number of its remaining branches or to otherwise reform its retail distribution channel. Furthermore, if the Group fails to swiftly and effectively implement such changes to its distribution strategy could have an adverse effect its competitive position. As part of these restructuring processes, in 2021 the Group faced costs for a net impact of -€530 million, mainly in the UK and Portugal, while no restructuring costs were accounted for in 2022.

In particular, the Group faces the challenge to compete in an ecosystem where the relationship with the consumer is based on access to digital data and interactions. This access is increasingly dominated by digital

platforms who are already eroding its results in very relevant markets such as payments. This privileged access to data can be used as a leverage to compete with the Group in other adjacent markets and may reduce its operations and margins in core businesses such as lending or wealth management. The alliances that its competitors are starting to build with large technology firms can make it more difficult for the Group to successfully compete with them and could adversely affect it.

Increasing competition could also require that the Group increases its rates offered on deposits or lower the rates it charges on loans, which could also have a material adverse effect on the Group, including its profitability. It may also negatively affect its business results and prospects by, among other things, limiting its ability to increase its customer base and expand its operations and increasing competition for investment opportunities.

If the customer service levels of the Group were perceived by the market to be materially below those of its competitor financial institutions, the Group could lose existing and potential business. If the Group is not successful in retaining and strengthening customer relationships, it may lose market share, incur losses on some or all of its activities or fail to attract new deposits or retain existing deposits, which could have a material adverse effect on the Group's operating results, financial condition and prospects.

*If the Group is unable to manage the growth of its operations, to integrate successfully its inorganic growth, or to execute successfully any of its strategic actions this could have an adverse impact on its profitability.*

The Group allocates management and planning resources to develop strategic plans for organic growth, and to identify possible acquisitions and disposals and areas for restructuring its businesses. From time to time, the Group evaluates acquisition and partnership opportunities that it believes offer additional value to its shareholders and are consistent with its business strategy. However, the Group may not be able to identify suitable acquisition or partnership candidates, and its ability to benefit from any such acquisitions and partnerships will depend in part on its successful integration of those businesses. Any such integration entails significant risks such as unforeseen difficulties in integrating operations and systems, unexpected liabilities or contingencies relating to the acquired businesses, including legal claims and delivery and execution risks. The Group can give no assurances that its expectations with regards to integration and synergies will materialize. It also cannot provide assurance that the Group will, in all cases, be able to manage its growth effectively or deliver its strategic growth objectives. Challenges that may result from its strategic growth decisions include the ability of the Group to:

- manage efficiently the operations and employees of expanding businesses;
- maintain or grow its existing customer base;
- assess the value, strengths and weaknesses of investment or acquisition candidates, including local regulation that can reduce or eliminate expected synergies;
- finance strategic investments or acquisitions;
- align its current information technology systems adequately with those of an enlarged group;
- apply its risk management policy effectively to an enlarged group; and
- manage a growing number of entities without over-committing management or losing key personnel.

Any failure to manage growth effectively or to execute successfully any of the Group's strategic actions could have a material adverse effect on its operating results, financial condition and prospects. In addition, any acquisition or venture could result in the loss of key employees and inconsistencies in standards, controls, procedures and policies.

Moreover, the success of the acquisition or venture will at least in part be subject to a number of political, economic and other factors that are beyond the control of the Group. Any of these factors, individually or collectively, could have a material adverse effect on the Group.

*The Group may not effectively manage risks associated with the replacement or reform of benchmark indices.*



Interest rate, equity, foreign exchange rate and other types of indices which are deemed to be “benchmarks”, including those in widespread and long-standing use, have been the subject of ongoing international, national and other regulatory scrutiny and initiatives and proposals for reform.

On 5 March 2021, the U.K. Financial Conduct Authority (the “FCA”), which regulates the London interbank offered rate (LIBOR), published an announcement to confirm the dates immediately after which all LIBOR settings would either cease to be provided by any administrator or no longer be representative. The FCA announced that on 31 December 2021 all tenors would cease to be provided by any administrator except for the overnight, 1-, 3-, 6- and 12-month USD LIBOR tenors, which will be discontinued on 30 June 2023.

In March 2022, the U.S. Congress passed the Adjustable Interest Rate (LIBOR) Act (the “LIBOR Act”). This legislation establishes a uniform process, on a nationwide basis, for replacing LIBOR in existing contracts the terms of which do not contain fallback provisions by automatically replacing LIBOR, on the LIBOR replacement date (expected to be the first London banking day after 30 June 2023), with the “Board-selected benchmark replacement”. On 16 December 2022, the Federal Reserve Board adopted a final rule that implements the LIBOR Act and identifies these benchmark replacements, which differ for different contracts, but are all based on SOFR.

The Group has focused and continues to focus on making all the contractual, commercial, operational and technological changes necessary to address relevant pending milestones.

These and other reforms have caused and may in the future cause benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences introduce a number of risks for the Group. These risks include (i) legal risks arising from potential changes required to documentation for new and existing transactions; (ii) risk management, financial and accounting risks arising from market risk models and from valuation, hedging, discontinuation and recognition of financial instruments linked to benchmark rates; (iii) business risk of a decrease in revenues of products linked to indices that will be replaced; (iv) pricing risks arising from how changes to benchmark indices could impact pricing mechanisms on some instruments; (v) operational risks arising from the potential requirement to adapt IT systems, trade reporting infrastructure and operational processes; (vi) conduct risks arising from the potential impact of communication with customers and engagement during the transition period and inquiries, reviews or other actions from regulators regarding the Group’s preparation, readiness and transition plans and (vii) litigation risks and risks relating to other disputes and actions with clients, counterparties, investors and other parties regarding the existing products of the Group and services, which could adversely impact its profitability. The implementation of alternative benchmark rates may have a material adverse effect on the business, results of operations, financial condition and prospects of the Group. The Group may also be adversely affected if the change restricts its ability to provide products and services or if it necessitates the development of additional IT systems.

### ***Risk Management.***

*Failure to successfully implement and continue to improve the risk management policies, procedures and methods of the Group, including its credit risk management systems, could materially and adversely affect the Group, and it may be exposed to unidentified or unanticipated risks.*

Risk management is a central part of the activities of the Group. The Group seeks to manage and control its risk exposure through a forward-looking management model, based on robust governance and advanced tools, supported by a risk culture that permeates the organisation. While the Group’s management model uses a broad and diversified set of risk monitoring, control and mitigation techniques, such management model may not be fully effective at mitigating its risk exposure in all economic market environments or against all types of risk, including risks that it may fail to identify or anticipate.

Some of the tools and metrics of the Group for managing risk are based on its use of observed historical market behaviour. The Group applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the Group did not anticipate or correctly evaluate in its statistical models. This would limit its ability to manage its risks. Thus, the losses of the Group thus could be significantly higher than the historical measures indicate. In addition, its statistical models may not take all risks into account or measure emerging risks correctly.

The Group’s approach to managing risks could prove insufficient, exposing it to material unanticipated losses. The Group could face adverse consequences as a result of decisions, which may lead to actions by management,

based on models that are poorly developed, implemented or used, or as a result of the modelled outcome being misunderstood or the use of such information for purposes for which it was not designed. If existing or potential customers or counterparties believe the risk management of the Group is inadequate, they could take their business elsewhere or seek to limit their transactions with it. Any of these factors could have a material adverse effect on the reputation, operating results, financial condition and prospects of the Group.

As a retail bank, one of the main types of risks inherent to the business of the Group is credit risk. For example, an important feature of its credit risk management system is to employ an internal credit rating system to assess the particular risk profile of individual customers and SMEs. As this process involves detailed analyses of the customer, taking into account both quantitative and qualitative factors, it is subject to human or IT systems errors. In exercising their judgement on the customers' current or future credit risk behaviour of the Group, its management models may not always be able to assign an accurate credit rating, which may result in a higher exposure to credit risks than indicated by the Group's risk rating system.

Some of the models and other analytical and judgement-based estimations the Group uses in managing risks are subject to review by, and require the approval of, regulators. If models do not comply with all their expectations, regulators may require the Group to make changes to such models, may approve them with additional capital requirements or it may be precluded from using them. Any of these possible situations could limit the ability of the Group to expand its businesses or have a material impact on its financial results

Failure to effectively implement, consistently monitor or continuously improve the credit risk management system of the Group may result in an increase in the level of non-performing loans and a higher risk exposure for the Group, which could have a material adverse effect on it.

The board of directors of the Group is responsible for the approval of the Group's general policies and strategies, and in particular for the corporate risk framework. In addition to the executive committee, which maintains a special focus on risk, the board has a specific risk supervision, regulation and compliance committee.

### **Model Risk.**

*The Group relies on models for many of its decisions. Their inaccurate or incorrect use could have a material adverse effect on the Group.*

The Group uses models for approval (scoring/rating), capital calculation, behaviour, provisions, market risk, operational risk, compliance and liquidity. A model is a system, approach or quantitative method that applies statistical, economic, financial or mathematical theories, techniques or hypotheses to transform input data into quantitative estimates and forecasts. It involves simplified representations of real world relationships between characteristics, values and observed assumptions that allows the Group to focus on specific aspects.

Model risk is the negative consequence of decisions based on inaccurate, improper or incorrect use of models. Sources of model risk include (i) incorrect or incomplete data in the model itself or the modelling method used in systems; and (ii) incorrect use or implementation of the model.

Model risk can cause financial loss, erroneous commercial and strategic decision-making or damage to the Group's transactions any of which could have a material adverse effect on its operating results, financial condition and prospects. In addition, the Group's models and the underlying methodologies are subject to scrutiny from its supervisors, who could identify potential weaknesses or deficiencies that may result in enforcement actions, including sanctions, fines and/or the imposition of stricter capital requirements, as well as mandates and recommendations with respect to the methodologies underlying its models, which could also lead the Group to more onerous or inefficient capital consumptions.

Unprecedented movement in economic and market drivers related to external events such as the war in Ukraine and the covid-19 pandemic required monitoring and adjustment of financial models (including credit loss models, capital models, traded risk models and models used in the asset/liability management process) to comply with the guidance and recommendations of standard setters, regulators and supervisors, particularly for credit loss models. It also resulted in the use of mitigants for model limitations, such as adjustments to model outputs to reflect consideration of management judgment. The performance and usage of models was and may continue to be impacted by the consequences of external events. In addition, data obtained during these external events may not be representative and may distort the calibration of the models in the future, which could have a material adverse effect on the Group.

In addition, the fair value of the Group's financial assets, determined using financial valuation models, may be inaccurate or subject to change and, as a consequence, the Group may have to register impairments or write-downs that could have a material adverse effect on its operating results, financial condition and prospects. See –“Market conditions have resulted and could result in material changes to the estimated fair values of the Group's financial assets. Negative fair value adjustments could have a material adverse effect on its operating results, financial condition and prospects”.

**General risks.**

**Risks related to the industry of the Group.**

*Climate change can create transition risks, physical risks, and other risks that could adversely affect the Group.*

There is an increasing focus over the risks of climate change and related environmental sustainability matters. Climate change may imply two primary drivers of financial risk that could adversely affect the Group:

- Transition risks associated with the move to a low-carbon economy, both at idiosyncratic and systemic levels, such as through policy, regulatory and technological changes and business and consumer preferences, which could increase the Group's expenses and impact its strategies.
- Physical risks related to discrete events, such as flooding and wildfires, and extreme weather impacts and longer-term shifts in climate patterns, such as extreme heat, sea level rise and more frequent and prolonged drought, which could result in financial losses that could impair asset values and the creditworthiness of the Group's customers. Such events could disrupt the Group's operations or those of its customers or third parties on which the Group relies and does business with, including through direct damage to assets and indirect impacts from supply chain disruption and market volatility

These primary drivers could materialize, among others, in the following financial risks:

- Credit risks: Physical climate change could lead to increased credit exposure. Additionally, companies with business models not aligned with the transition to a low-carbon economy may face a higher risk of reduced corporate earnings and business disruption due to new regulations or market shifts.
- Market and liquidity risks: Market changes in the most carbon-intensive sectors could affect energy and commodity prices, corporate bonds, equities and certain derivatives contracts. Increasing frequency of severe weather events could affect macroeconomic conditions, weakening fundamental factors such as economic growth, employment and inflation. Companies could face liquidity risks derived from cash outflows to improve their reputation in the market or solve climate-related problems.
- Operational risks: Severe weather events could directly impact business continuity and both of the customers and the operations of the Group.
- Regulatory compliance risks: Increased regulatory compliance risk may result from the increasing focus, pace, breadth and depth of regulatory expectations requiring implementation in short timeframes across multiple jurisdictions and from changes in public policy, laws and regulations in connection with climate change and related environmental sustainability matters.
- Conduct risks: Conduct risks could develop in association with the increasing demand for “green” products where there are differing and developing standards or taxonomies.
- Reputational risk: The Group's reputation and client relationships may be damaged as a result of its practices, disclosures and decisions related to climate change and the environment, or to the practices or involvement of its clients, vendors or suppliers in certain industries or projects associated with causing or exacerbating climate change. Furthermore, parties who may suffer losses from the effects of climate change may seek compensation from those they hold responsible such as state entities, regulators, investors and lenders.

As climate risk is interconnected with all key risk types, the Group has developed and continues to enhance processes to embed climate risk considerations into its core processes and risk management cycle; however,

because the timing and severity of climate change may not be predictable, and is rapidly evolving, the Group's risk management strategies may not be effective in mitigating climate risk exposure. Additionally, the Group may become subject to new or heightened regulatory requirements relating to climate change, which may result in increased regulatory, compliance or other costs. As the risks, perspective and focus of regulators, shareholders, employees, and other stakeholders regarding climate change are evolving rapidly, it can be difficult to assess the ultimate impact on the Group of climate change-related risks, compliance risks, and uncertainties.

The Group periodically discloses information such as emissions and other climate-related performance data, statistics, metrics and/or targets. If the Group lacks robust and high-quality climate-related procedures, controls and data, the Group may not be able to disclose reliable climate-related information. In addition, because the climate-related information is based on current expectations and future estimates about the Bank's and third-parties' operations and businesses and addresses matters that are uncertain to varying degrees, the Group may not be able to meet its estimates, targets or commitments or it may not be able to achieve them within the timelines it announces. Actual or perceived shortcomings with respect to these emissions and other climate-related initiatives and reporting could result in litigation or regulatory enforcement and impact its ability to hire and retain employees, increase its customer base, and attract and retain certain types of investors.

Any of the conditions described above, or the Group's failure to identify other climate-related risks could have a material adverse effect on the business, financial condition and results of operations of the Group.

*The financial problems faced by its customers could adversely affect the Group.*

Potential market turmoil and economic recession could materially and adversely affect the liquidity, credit ratings, businesses and/or financial conditions of the customers of the Group, which could in turn increase its non-performing loan ratios, impair its loan and other financial assets and result in decreased demand for borrowings and deposits in general. In addition, the customers of the Group may further significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect its fee and commission income. Any of the conditions described above could have a material adverse effect on the business, financial condition and results of operations of the Group.

*The ability of the Group to maintain its competitive position depends, in part, on the success of new products and services the Group offers to its customers and on its ability to offer products and services that meet the customers' needs during the whole life cycle of the products or services. The Group's failure to manage various risks it faces as it expands its range of products and services that could have a material adverse effect on the Group.*

The success of the operations and profitability of the Group depend, in part, on the success of new products and services it offers to its customers and on its ability to offer products and services that meet their needs during their entire life cycle. However, customers' needs or desires may change over time, and such changes may render the products and services of the Group obsolete, outdated or unattractive, and it may not be able to develop new products that meet its customers' changing needs. The success of the Group is also dependent on its ability to anticipate and leverage new and existing technologies that may have an impact on products and services in the banking industry. Technological changes may further intensify and complicate the competitive landscape and influence customer behaviour. If the Group cannot respond in a timely fashion to the changing needs of its customers, it may lose existing or potential customers, which could in turn materially and adversely affect the Group. In addition, the cost of developing products is likely to affect its results of operations.

As the Group expands the range of its products and services, some of which may be at an early stage of development in the markets of certain regions where the Group operates, it will be exposed to new and potentially increasingly complex risks, such as the conduct risk in the relationship with customers, and development expenses. The employees and risk management systems of the Group, as well as its experience and that of its partners may not be sufficient to enable the Group to properly manage such risks. Any or all of these factors, individually or collectively, could have a material adverse effect on the Group.

While the Group has successfully increased its customer service levels in recent years, should these levels ever be perceived by the market to be materially below those of its competitor financial institutions, the Group could lose existing and potential new business. If the Group is not successful in retaining and strengthening customer relationships, it may lose market share, incur losses on some or all of its activities or fail to attract new deposits or retain existing deposits, which could have a material adverse effect on its operating results, financial condition and prospects.

*The Group relies on recruiting, retaining and developing appropriate senior management and skilled personnel.*

The continued success of the Group depends in part on the continued service of key members of its senior executive team and other key employees. The ability to continue to attract, train, motivate and retain highly qualified and talented professionals is a key element of the strategy of the Group. The successful implementation of this strategy and culture depends on the availability of skilled and appropriate management, both at the Group's head office and in each of its business units. If the Group or one of its business units or other functions fails to staff its operations appropriately, or loses one or more of its key senior executives or other key employees and fails to replace them in a satisfactory and timely manner, its business, financial condition and results of operations, including control and operational risks, may be adversely affected.

The Group's ability to attract and retain qualified employees is affected by perceptions of its culture, social and corporate governance policies and management, its profile in the markets in which the Group operates and the professional opportunities it offers.

In addition, the financial industry has and may continue to experience more stringent regulation of employee compensation, which could have an adverse effect on the ability of the Group to hire or retain the most qualified employees. If the Group fails or is unable to attract and appropriately train, motivate and retain qualified professionals, its business may also be adversely affected.

*Damage to the reputation of the Group could cause harm to its business prospects.*

Maintaining a robust risk management framework based on robust ethical principles and corporate values is critical to protect the Group's reputation and the Group's brand, attract and retain customers, investors and employees and conduct business transactions with counterparties. Damage to the reputation of the Group can therefore cause significant harm to its business and prospects. Harm to such reputation can arise from numerous sources, including, among others, employee misconduct, including the possibility of fraud perpetrated by the employees of the Group, litigation or regulatory enforcement, failure to deliver minimum standards of service and quality, negative perceptions regarding the Group's ability to maintain the security of its technology systems and protect customer data (including as a result of a cybersecurity incident), dealing with sectors that are not well perceived by the public (weapons industries or embargoed countries, for example), dealing with customers in sanctions lists, rating downgrades, significant variations in the share price of the Group throughout the year, compliance failures, unethical behaviour, actual or alleged conduct in any number of activities, including lending practice, sales and marketing, corporate governance and corporate culture, and the activities of customers and counterparties, including activities that negatively affect the environment. Further, negative publicity regarding the Group may result in harm to its prospects.

Actions by the financial services industry generally or by certain members of, or individuals in, the industry can also affect the reputation of the Group. For example, the role played by financial services firms in the financial crisis and the seeming shift toward increasing regulatory supervision and enforcement has caused public perception of the Group and others in the financial services industry to decline.

Additionally, the Group could suffer significant reputational harm that could affect its business, results of operations and prospects from any negative perceptions regarding topics related to environmental, social and corporate governance policies. There has been increased focus by customers, shareholders, investor advocacy groups, employees, regulators and other stakeholders on these topics, and the Group's policies, practices and disclosures in these areas could come under scrutiny. Governments may implement new or additional regulations and standards or investors, customers and other stakeholders may impose new expectations or focus investments in ways that cause significant shifts in disclosure, consumption and behaviours that may have negative impacts on the Group's business. If regulators or stakeholders consider the Group's efforts to be ineffective, inadequate or unsatisfactory, whether real or perceived, it could harm its reputation, business and prospects and the Group could be subject to enforcement, other supervisory actions or other harm.

The Group could also suffer significant reputational harm if it fails to identify and manage potential conflicts of interest properly. The failure, or perceived failure, to adequately address conflicts of interest could affect the willingness of clients to deal with the Group or could give rise to litigation or enforcement actions against the Group, which could have an adverse effect on its operating results, financial condition and prospects.

The Group may be the subject of misinformation and misrepresentations deliberately propagated to harm its reputation or for other deceitful purposes, or by profiteering short sellers seeking to gain an illegal market

advantage by spreading false information about the Group. There can be no assurance that it will effectively neutralize and contain a false information that may be propagated regarding the Group, which could have an adverse effect on its operating results, financial condition and prospects.

*The Group engages in transactions with its subsidiaries or affiliates that others may not consider to be on an arm's-length basis.*

The Group and its affiliates have entered into a number of services agreements pursuant to which it renders services, such as administrative, accounting, finance, treasury, legal services and others.

Spanish and United States law provide for several procedures designed to ensure that the transactions entered into with or among the financial subsidiaries and/or affiliates of the Group do not deviate from prevailing market conditions for those types of transactions.

The Bank is likely to continue to engage in transactions with its affiliates. Future conflicts of interests may arise between the Group and any of its affiliates, or among its affiliates, which may not be resolved in its favour.

### ***Reporting and control risks.***

*Changes in accounting standards could impact reported earnings.*

The accounting standard setters and other regulatory bodies periodically change the financial accounting and reporting standards that govern the preparation of the consolidated financial statements of the Group. These changes can materially impact how the Group records and reports its financial condition and results of operations, as well as affect the calculation of its capital ratios. In some cases, the Group could be required to apply a new or revised standard retroactively, resulting in the restatement of prior period financial statements.

*The financial statements of the Group are based in part on assumptions and estimates which, if inaccurate, could cause material misstatement of the results of its operations and financial position.*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The accounting policies deemed critical to the results and financial position of the Group, based upon materiality and significant judgements and estimates, include impairment of loans and advances, goodwill impairment, valuation of financial instruments, deferred tax assets provision and pension obligation for liabilities.

If the judgement, estimates and assumptions the Group uses in preparing its consolidated financial statements are subsequently found to be incorrect, there could be a material effect on its results of operations and a corresponding effect on its funding requirements and capital ratios.

*Disclosure controls and procedures over financial and non-financial reporting may not prevent or detect all errors or acts of fraud.*

Disclosure controls and procedures, including internal controls over financial and non-financial reporting (including climate-related reporting), are designed to provide reasonable assurance that information required to be disclosed by the company in reports filed or submitted under the US Securities Exchange Act of 1934 (the “**Exchange Act**”) is accumulated and communicated to management, and recorded, processed, summarised and reported within the time periods specified in the US Securities and Exchange Commission’s rules and forms.

These disclosure controls and procedures have inherent limitations which include the possibility that judgements in decision-making can be faulty and that breakdowns occur because of errors or mistakes. Additionally, controls can be circumvented by any unauthorised override of the controls. Consequently, the businesses of the Group are exposed to risk from potential non-compliance with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions, civil claims and serious reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of ‘rogue traders’ or other employees. It is not always possible to deter employee misconduct and the precautions the Group takes to prevent and detect this activity may not always be effective. Accordingly,

because of the inherent limitations in the control system, misstatements due to error or fraud may occur and not be detected.

## **Risks in relation to the Instruments.**

### **3. General risks relating to the Instruments.**

*Risks related to early intervention and resolution - Law 11/2015 enables a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under Law 11/2015 could materially affect the value of any debt securities.*

The BRRD (as defined in the Terms and Conditions) (which has been implemented in Spain through Law 11/2015, of 18 June, on the Recovery and Resolution of Credit Institutions and Investment Firms (“**Law 11/2015**”) and Royal Decree 1012/2015, of 6 November, implementing Law 11/2015 (“**Royal Decree 1012/2015**”)) is designed to provide authorities with tools to intervene in unsound or failing credit institutions or investment firms (“**institutions**”) to ensure the continuity of the institution’s critical financial and economic functions while minimising the impact of an institution’s failure on the economy and financial system. The BRRD further provides that any extraordinary public financial support through additional financial stabilisation tools is only to be used by a Member State as a last resort, after having assessed the resolution tools set out below to the maximum extent possible while maintaining financial stability.

In accordance with Article 20 of Law 11/2015, an institution will be considered as failing or likely to fail in any of the following circumstances: (i) it is, or is likely in the near future to be, in significant breach of its solvency or any other requirements necessary for maintaining its authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances). The determination that an institution is no longer viable may depend on a number of factors which may be outside of that institution’s control.

As provided in the BRRD, Law 11/2015 contains four resolution tools and powers which may be used alone or in combination where the Relevant Resolution Authority (as defined below) considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest.

The four resolution tools are: (i) sale of business - which enables resolution authorities to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the institution to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer impaired or problematic assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in by which the Relevant Resolution Authority may exercise the Spanish Bail-in Power (as defined below). This includes the ability of the Relevant Resolution authority to write down (including to zero) and/or to convert into equity or other securities or obligations (which equity, securities or obligations could also be subject to any future application of the Spanish Bail-in Power) certain unsecured debt claims (including Ordinary Senior Instruments and Senior Non Preferred Instruments) and subordinated obligations (including Subordinated Instruments).

The “**Spanish Bail-in Power**” is any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with any laws, regulations, rules or requirements in effect in Spain, relating to the transposition of the BRRD (including the BRRD II, as defined in the Terms and Conditions), as amended from time to time, including, but not limited to (i) Law 11/2015, as amended from time to time, (ii) Royal Decree 1012/2015, as amended from time to time, (iii) the SRM Regulation, as amended from time to time (including the SRM Regulation II, as defined in the Terms and Conditions), and (iv) any other instruments, rules or standards made in connection with either (i), (ii) or (iii), pursuant to which any obligations of an institution can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such institution or any other person (or suspended for a temporary period).

In accordance with Article 48 of Law 11/2015 (and subject to any exclusions that may be applied by the Relevant Resolution Authority under Article 43 of Law 11/2015), in the case of any application of the Spanish Bail-in Power, the sequence of any resulting write-down or conversion by the Relevant Resolution Authority

shall be as follows: (i) CET1 instruments; (ii) the principal amount of Additional Tier 1 Instruments (as defined in the Terms and Conditions); (iii) the principal amount of Tier 2 Instruments (as defined in the Terms and Conditions); (iv) the principal amount of other subordinated claims that do not qualify as Additional Tier 1 Capital or Tier 2 Capital (as defined in the Terms and Conditions); and (v) the principal or outstanding amount of the other bail-inable liabilities prescribed in Article 41 of Law 11/2015. Any application of the Spanish Bail-in Power under the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings (with “non-preferred” senior claims subject to the Spanish Bail-in Power after any subordinated claims against the Bank but before the other senior claims against the Bank).

In addition to the Spanish Bail-in Power, the BRRD, Article 38 of Law 11/2015 and the SRM Regulation provide for the Relevant Resolution Authority to have the further power to permanently write-down (including to zero) or convert into equity capital instruments (such as the Tier 2 Subordinated Instruments) and certain internal eligible liabilities at the point of non-viability of an institution or a group of which the institution forms part (the “**Non-Viability Loss Absorption**”). The point of non-viability of an institution is the point at which the FROB, the Single Resolution Board established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of the Bail-in Power from time to time (each, a “**Relevant Resolution Authority**”) as appropriate, determines that the institution meets the conditions for resolution, or that it will no longer be viable unless the relevant capital instruments are written down or converted into equity, or that extraordinary public support is to be provided and without such support the Relevant Resolution Authority determines that the institution would no longer be viable. The point of non-viability of a group is the point at which the group infringes or there are objective elements to support a determination that the group, in the near future, will infringe its consolidated solvency requirements in a way that would justify action by the Relevant Resolution Authority in accordance with Article 38.3 of Law 11/2015. Non-Viability Loss Absorption may be imposed prior to or in combination with any exercise of the Spanish Bail-in Power or any other resolution tool or power (where the conditions for resolution referred to above are met).

Condition 21 provides for the contractual recognition by the holders of the Instruments (the “**Holders**”) of the Bail-in Power and the Non-Viability Loss Absorption.

Under Article 281 of Spanish Insolvency Act (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*) (as amended, the “**Insolvency Law**”) read in conjunction with Additional Provision 14.3 of Law 11/2015, the Issuer will meet subordinated claims after payment in full of unsubordinated claims, but before distributions to shareholders, in the following order and pro-rata within each class: (i) late or incorrect claims; (ii) contractually subordinated liabilities in respect of principal (except for those under instruments of the Issuer that qualify as Additional Tier 1 Capital or Tier 2 Capital); (iii) interest (including accrued and unpaid interest due on the Instruments, except for interest under Tier 2 Subordinated Instruments); (iv) fines; (v) claims of creditors which are specially related to the Issuer (if applicable) as provided for under the Insolvency Law; (vi) detrimental claims against the Issuer where a Spanish Court has determined that the relevant creditor has acted in bad faith (*rescisión concursal*); (vii) claims arising from contracts with reciprocal obligations as referred to in Articles 156 to 158 and 160 to 167 of the Insolvency Law, wherever the court rules, prior to the administrators’ report of insolvency (*administración concursal*) that the creditor repeatedly impedes the fulfilment of the contract against the interest of the insolvency; (viii) subordinated obligations (*créditos subordinados*) of the Issuer under instruments qualifying as Tier 2 Capital and (ix) subordinated obligations (*créditos subordinados*) of the Issuer under instruments qualifying as Additional Tier 1 Capital.

In addition, second paragraph of Article 48(7) of BRRD, as implemented in Spain through Additional Provision 14.3 of Law 11/2015, clarified that if an instrument is only partly recognised as an own funds instrument (such as the Tier 2 Subordinated Instruments), the whole instrument shall be treated in insolvency as a claim resulting from an own funds instrument and shall rank lower than any claim that does not result from an own funds instrument.

Any application of the Spanish Bail-in Power and the Non-Viability Loss Absorption shall be in accordance with the hierarchy of claims in normal insolvency proceedings (unless otherwise provided by Applicable Banking Regulations (as defined in the Terms and Conditions)). Accordingly, the impact of such application on Holders will depend on the ranking of the relevant Instruments in accordance with such hierarchy, including any priority given to other creditors such as depositors.

In accordance with Article 64.1.(i) of Law 11/2015, the FROB has also the power to alter the amount of interest payable under debt instruments and other eligible liabilities of institutions subject to resolution proceedings and



the date on which the interest becomes payable under the debt instrument (including the power to suspend payment for a temporary period).

The powers set out in the BRRD as implemented through Law 11/2015, Royal Decree 1012/2015 and the SRM Regulation impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Holders of the Instruments may be subject to write-down (including to zero) or conversion into equity on any application of the Bail-in Power, which may result in such Holders losing some or all of their investment. The exercise of any power under Law 11/2015 or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders, the price or value of their investment in the Instruments and/or the ability of the Bank to satisfy its obligations under the Instruments.

There may be limited protections, if any, that will be available to holders of securities subject to the Spanish Bail-in Power or the Non- Viability Loss Absorption of the Relevant Resolution Authority. Accordingly, Holders may have limited or circumscribed rights to challenge any decision of the Relevant Resolution Authority to exercise its Spanish Bail-in Power or the Non- Viability Loss Absorption.

There remains uncertainty as to how or when the Spanish Bail-in Power and/or, in the case of Tier 2 Subordinated Instruments, the Non-Viability Loss Absorption may be exercised and how it would affect the Group and the Instruments. The determination that all or part of the principal amount of the Instruments will be subject to loss absorption is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Bank's control. Although there are proposed pre-conditions for the exercise of the Spanish Bail-in Power or the Non-Viability Loss Absorption, there remains uncertainty regarding the specific factors which the Relevant Resolution Authority would consider in deciding whether to exercise the Spanish Bail-in Power or the Non-Viability Loss Absorption with respect to the financial institution and/or securities issued or guaranteed by that institution. In addition, as the Relevant Resolution Authority will retain an element of discretion, Holders may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such Spanish Bail-in Power and/or, in the case of Tier 2 Subordinated Instruments, the Non-Viability Loss Absorption. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of any such powers may occur which would result in a principal amount write off or conversion to equity.

The uncertainty may adversely affect the value of Holders' investments in the Instruments and the price and trading behaviour of the Instruments may be affected by the threat of a possible exercise of any power under Law 11/2015 (including any early intervention measure before any resolution) or any suggestion of such exercise, even if the likelihood of such exercise is remote. Moreover, the Relevant Resolution Authority may exercise any such power without providing any advance notice to the Holders.

*The Instruments may be redeemed prior to maturity at the option of the Issuer .*

If so specified in the relevant Final Terms, the Instruments may be redeemed at the option of the Issuer, as further described in Condition 5.07. The Issuer may choose to redeem the Instruments at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Instruments.

In addition, the Issuer may, at its option, redeem all, but not some only, of the Instruments, at any time at their early redemption amount, together with accrued but unpaid interest up to (but excluding) the date of redemption, for taxation reasons as further described in Condition 5.02.

In the case of Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments constituting TLAC/MREL-Eligible Instruments, redemption at the option of the Issuer or for taxation reasons will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority (as these terms are defined in the Terms and Conditions) if and as required therefor under Applicable Banking Regulations (as defined in the Terms and Conditions) and may only take place in accordance with Applicable Banking Regulations in force at the relevant time. See more detail in “*The Subordinated Instruments, the Senior Non Preferred Instruments and certain Ordinary Senior Instruments may be redeemed prior to maturity upon the occurrence of a Capital Disqualification Event or a TLAC/MREL Disqualification Event*” below.

Likewise, if the relevant Final Terms specify the “Clean-Up Redemption Option” as being applicable to the Instruments of a specific Series, the Issuer may have the option to redeem (in whole but not in part), on any date that is an Interest Payment Date, a specific Series of Instruments if a specific percentage, as stated in the relevant Final Terms, of the initial aggregate nominal amount of the Instruments of such Series have been

previously redeemed or purchased by, or on behalf of, the Issuer and cancelled, as further described in Condition 5.05.

Early redemption features (including, without limitation, any redemption of the Instruments at the option of the Issuer pursuant to Conditions 5.05 or 5.07 or for taxation reasons pursuant to Condition 5.02) is likely to limit the market value of the Instruments. During any period when the Issuer may redeem Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period or at any time where there is any actual increase in the likelihood that the Issuer will be able to redeem the Instruments early.

It is not possible to predict whether or not a circumstance giving rise to the right to early redeem Instruments for taxation reasons will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Instruments, and if so whether or not the Issuer will elect to exercise such option to redeem the Instruments or any prior consent of the competent authority, if required, will be given. The Issuer may be expected to redeem the Instruments when its cost of borrowing is lower than the interest rate on the Instruments. At those times, as set out above, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Instruments being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*The terms of the Instruments contain very limited covenants and there are no restrictions on the amount or type of further securities or indebtedness which the Bank may incur.*

There is no negative pledge in respect of the Instruments and the Terms and Conditions place no restrictions on the amount or type of debt that the Issuer may issue that ranks senior to the Instruments, or on the amount or type of securities it may issue that rank *pari passu* with the Instruments. The issue of any such debt or securities may reduce the amount recoverable by Holders upon liquidation, dissolution or winding-up of the Issuer and may limit the ability of the Bank to meet its obligations in respect of the Instruments, and result in a Holder losing all or some of its investment in the Instruments.

In addition, the Instruments do not require the Issuer to comply with financial ratios or otherwise limit its ability or that of its subsidiaries to incur additional debt, nor do they limit the Issuer's ability to use cash to make investments or acquisitions, or the ability of the Issuer or its subsidiaries to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect the Issuer's ability to service its debt obligations, including those under the Instruments.

*The Subordinated Instruments, the Senior Non Preferred Instruments and, to the extent so specified in the relevant Final Terms, the Ordinary Senior Instruments, provide for limited events of default. Holders of Instruments may not be able to exercise their rights on an event of default in the event of the adoption of any early intervention or resolution measure under Law 11/2015.*

Holders have no ability to accelerate the maturity of their Subordinated Instruments, Senior Non Preferred Instruments and, to the extent so specified in the relevant Final Terms, the Ordinary Senior Instruments. The terms and conditions of the Subordinated Instruments, the Senior Non Preferred Instruments and, to the extent so specified in the relevant Final Terms, the Ordinary Senior Instruments do not provide for any events of default, except in the case that an order is made by any competent court commencing insolvency proceedings against the Issuer or for its insolvency, winding up or liquidation. Accordingly, in the event that any payment on the Subordinated Instruments, the Senior Non Preferred Instruments or, if applicable, the Ordinary Senior Instruments, as the case may be, is not made when due, each Holder will have a claim only for amounts then due and payable on their Subordinated Instruments, the Senior Non Preferred Instruments and Ordinary Senior Instruments and as provided for in the Terms and Conditions, a right to institute proceedings for the insolvency, winding up, liquidation or dissolution of the Issuer.

As mentioned above, the Issuer may be subject to a procedure of early intervention or resolution pursuant to the BRRD as implemented through Law 11/2015 and Royal Decree 1012/2015. Pursuant to Law 11/2015 the adoption of any early intervention or resolution procedure shall not itself constitute an event of default or entitle any counterparty of the Issuer to exercise any rights it may otherwise have in respect thereof. Any provision providing for such rights shall further be deemed not to apply, although this does not limit the ability of a counterparty to declare any event of default and exercise its rights accordingly where an event of default arises

either before or after the exercise of any such procedure and does not necessarily relate to the exercise of any relevant measure or power which has been applied pursuant to Law 11/2015.

Any enforcement by a Holder of its rights under the Instruments upon the occurrence of an event of default following the adoption of any early intervention or any resolution procedure will, therefore, be subject to the relevant provisions of the BRRD, Law 11/2015 and Royal Decree 1012/2015 in relation to the exercise of the relevant measures and powers pursuant to such procedure, including the resolution tools and powers referred to above (see “*Risks related to early intervention and resolution - Law 11/2015 enables a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under Law 11/2015 could materially affect the value of any debt securities*”).

Any claims on the occurrence of an event of default will consequently be limited by the application of any measures pursuant to the provisions of Law 11/2015 and Royal Decree 1012/2015. There can be no assurance that the taking of any such action would not adversely affect the rights of Holders, the price or value of their investment in the Instruments and/or the ability of the Issuer to satisfy its obligations under the Instruments and the enforcement by a Holder of any rights it may otherwise have on the occurrence of any event of default may be limited in these circumstances.

*The Subordinated Instruments, the Senior Non Preferred Instruments and certain Ordinary Senior Instruments may be redeemed prior to maturity upon the occurrence of a Capital Disqualification Event or a TLAC/MREL Disqualification Event.*

The Issuer may, at its option, redeem all, but not some only, of the Subordinated Instruments, the Senior Non Preferred Instruments or certain Ordinary Senior Instruments where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms and the Tier 2 Subordinated Instruments, at any time at their early redemption amount, together with accrued but unpaid interest up to (but excluding) the date of redemption, upon or following the occurrence of a TLAC/MREL Disqualification Event or (in the case of Tier 2 Subordinated Instruments only) a Capital Disqualification Event (as these terms are defined in the Terms and Conditions).

The early redemption of the Subordinated Instruments, the Senior Non Preferred Instruments or the Ordinary Senior Instruments where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms upon the occurrence of a TLAC/MREL Disqualification Event and the early redemption of the Tier 2 Subordinated Instruments upon the occurrence of a Capital Disqualification Event, as applicable, will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time. Redemption of Tier 2 Subordinated Instruments where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms may be made pursuant to a TLAC/MREL Disqualification Event only after five years from their date of issuance or such other minimum period permitted under Applicable Banking Regulations.

The EU Banking Reforms provide that the redemption of eligible liabilities prior to the date of their contractual maturity is subject to the prior permission of the resolution authority. According to the EU Banking Reforms, such consent will be given only if one of the following conditions is met:

- (i) earlier than or at the same time of such redemption, the institution replaces the eligible liabilities instruments with own funds or eligible liabilities instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
- (ii) the institution has demonstrated to the satisfaction of the resolution authority that the own funds and eligible liabilities of the institution would, following such redemption, exceed the requirements laid down in the CRR, the CRD IV and the BRRD by a margin that the resolution authority in agreement with the competent authority considers necessary, or
- (iii) the institution has demonstrated to the satisfaction of the resolution authority that the partial or full replacement of eligible liabilities with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in CRR and in CRD IV for continuing authorisation.

It is not possible to predict whether or not the Subordinated Instruments, the Senior Non Preferred Instruments or certain Ordinary Senior Instruments will or may qualify as TLAC/MREL-Eligible Instruments (see “*The qualification of the Subordinated Instruments, the Senior Non Preferred Instruments and certain Ordinary Senior Instruments as TLAC/MREL-Eligible Instruments is subject to uncertainty*”) or if any further change in

the laws or regulations of Spain, Applicable Banking Regulations or in the application or official interpretation thereof, or any of the events referred to above, will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Subordinated Instruments, the Senior Non Preferred Instruments or certain Ordinary Senior Instruments, and if so whether or not the Issuer will elect to exercise such option to redeem such Instruments or any prior consent of the Regulator and/or the Relevant Resolution Authority, if required, will be given.

Early redemption features (including any redemption of the Instruments pursuant to Condition 5.03 or pursuant to Condition 5.04) are likely to limit the market value of the Instruments. During any period when the Issuer may redeem the Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period or at any time where there is any actual increase in the likelihood that the Issuer will be able to redeem the Instruments early. The Issuer may be expected to redeem the Instruments when its cost of borrowing is lower than the interest rate on the Instruments. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Instruments being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*The qualification of the Subordinated Instruments, the Senior Non Preferred Instruments and certain Ordinary Senior Instruments as TLAC/MREL-Eligible Instruments is subject to uncertainty.*

The Subordinated Instruments, the Senior Non Preferred Instruments and certain Ordinary Senior Instruments may be intended to be TLAC/MREL-Eligible Instruments (as defined in the Terms and Conditions) under the Applicable Banking Regulations. However, the EU Banking Reforms were implemented recently in the Kingdom of Spain and there is uncertainty as to how they will be interpreted and applied and the Issuer cannot provide any assurance that the Subordinated Instruments, the Senior Non Preferred Instruments and certain Ordinary Senior Instruments will or may be (or thereafter remain) TLAC/MREL-Eligible Instruments.

If for any reasons the Subordinated Instruments, the Senior Non Preferred Instruments and the Ordinary Senior Instruments where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms are not TLAC/MREL-Eligible Instruments or if they initially are TLAC/MREL-Eligible Instruments and subsequently become ineligible due to a change in Spanish law or Applicable Banking Regulations, then a TLAC/MREL Disqualification Event (as defined in the Terms and Conditions) will occur, with the consequences indicated in the Terms and Conditions. See “*The Subordinated Instruments, the Senior Non Preferred Instruments and certain Ordinary Senior Instruments may be redeemed prior to maturity upon the occurrence of a Capital Disqualification Event or a TLAC/MREL Disqualification Event*” and “*—The Instruments may be subject to substitution and/or variation without Holder consent*”.

*The Instruments may be subject to substitution and/or variation without Holder consent.*

Subject as provided herein, in particular to the provisions of Condition 8, if a Capital Disqualification Event, a TLAC/MREL Disqualification Event or a circumstance giving rise to the right to early redeem the Instruments for taxation reasons, occurs, the Issuer may, at its option, and without the consent or approval of the Holders, elect either (i) to substitute all (but not some only) of the Instruments or (ii) to modify the terms of all (but not some only) of such Instruments, in each case so that they are substituted for, or varied to, become, or remain Qualifying Instruments. While Qualifying Instruments generally must contain terms that are materially no less favourable to Holders as the original terms of the Instruments, there can be no assurance that the terms of any Qualifying Instruments will be viewed by the market as equally favourable, or that the Qualifying Instruments will trade at prices that are equal to the prices at which the Instruments would have traded on the basis of their original terms. In the case of Instruments where the relevant Final Terms specify English law as the governing law (the “**English law Instruments**”), any change in the governing law of such Instruments from English law to Spanish law, so that the Instruments become again or remain Qualifying Instruments, shall be deemed not to be materially less favourable to the interests of the Holders of Instruments.

Further, prior to the making of any such substitution or variation, the Issuer shall not be obliged to have regard to the tax position of individual Holders or to the tax consequences of any such substitution or variation for individual Holders. No Holder shall be entitled to claim, whether from the Issue and Paying Agent, the Issuer, or any other person, any indemnification or payment in respect of any tax consequence of any such substitution or variation upon individual Holders of Instruments.

*The terms of the Instruments may contain a waiver of set-off rights.*

The Terms and Conditions provide that, if so specified in the relevant Final Terms, Holders of Instruments waive any set-off, netting or compensation rights against any right, claim, or liability the Issuer has, may have or acquire against any Holder, directly or indirectly, howsoever arising. As a result, Holders will not at any time be entitled to set-off the Issuer's obligations under the Instruments against obligations owed by them to the Issuer.

*Risks relating to the Commissioner.*

Prospective investors should note that where the Syndicate of Holders of the Instruments is specified as applicable in the relevant Final Terms, the Commissioner (which owes certain obligations to the Syndicate of Holders of Instruments) will be appointed by the Issuer and that it may be an employee or officer of the Issuer.

*Potential conflicts of interest between the investor and the Calculation Agent.*

Potential conflicts of interest may arise between the Calculation Agent, if any, for a Tranche of Instruments and the Holders (including where a Dealer acts as a calculation agent), including with respect to certain determinations that such Calculation Agent may make pursuant to the Terms and Conditions of the Instruments.

*Because the Global Instruments or the Global Registered Instruments, as applicable, are held by or on behalf of Euroclear, Clearstream, Luxembourg or CMU, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.*

Instruments issued under the Programme may be represented by one or more Global Instruments or Global Registered Instruments, as applicable. Global Instruments will be deposited with a Common Depositary or Common Safekeeper, as applicable, for Euroclear and Clearstream, Luxembourg or, in the case of Global Instruments to be cleared through the CMU, deposited with a sub-custodian for the CMU. Global Registered Instruments which are held in Euroclear and Clearstream, Luxembourg will be registered (i) if the Global Registered Instrument is not to be held under the NSS, in the name of nominees for Euroclear and Clearstream, Luxembourg or a common nominee for both or (ii) if the Global Registered Instrument is to be held under the NSS, in the name of a nominee of the Common Safekeeper. Global Registered Instruments that are cleared through the CMU will be registered in the name of the HKMA as operator of the CMU and deposited with a sub-custodian for the CMU. Except in the circumstances described in the relevant Global Instrument or Global Registered Instrument, as applicable, investors will not be entitled to receive Instruments in definitive form. Euroclear, Clearstream, Luxembourg or the CMU will maintain records of the beneficial interests in the Global Instruments or Global Registered Instruments, as applicable. While the Instruments are represented by one or more Global Instruments or Global Registered Instruments, as applicable, investors will be able to trade their beneficial interests only through Euroclear, Clearstream, Luxembourg or the CMU.

While the Instruments are represented by one or more Global Instruments or Global Registered Instruments, as applicable, the Issuer will discharge its payment obligations under the Instruments by making payments to the Common Depositary (in the case of CGN) or paying agent (in the case of a NGN) for Euroclear and Clearstream, Luxembourg for distribution to their accountholders, or in the case of the CMU, to the persons for whose account(s) interests in such Global Instruments or Global Registered Instruments are credited as being held with the CMU in accordance with the CMU Issue Position Report (as defined in the Agency Agreement) or any other notification by the CMU. A holder of a beneficial interest in a Global Instrument or Global Registered Instruments, as applicable, must rely on the procedures of Euroclear, Clearstream, Luxembourg or the CMU to receive payments under the relevant Instruments. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Instruments or Global Registered Instruments, as applicable.

Holders of beneficial interests in the Global Instruments or Global Registered Instruments, as applicable, will not have a direct right to vote in respect of the relevant Instruments. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear, Clearstream, Luxembourg or the CMU to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Instruments or Global Registered Instruments, as applicable, will not have a direct right under such Instruments to take enforcement action against the Issuer in the event of a default under the relevant Instruments but will have to rely upon Condition 22 of the Terms and Conditions and, in addition, (i) in the case of English law Instruments, upon their rights under the Deed of Covenant and, (ii) in the case of Spanish law Instruments, under the provisions of the Global Instruments or Global Registered Instruments, as applicable.

*Credit ratings may not reflect all risks.*

One or more independent credit rating agencies may assign credit ratings to the Instruments. The credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Certain information with respect to the credit rating agencies and ratings will be disclosed in the relevant Final Terms.

*Taxation in Spain.*

Article 44 of Royal Decree 1065/2007 (as amended among others by Royal Decree 1145/2011 of 29 July) (“**Royal Decree 1065/2007**”) sets out the reporting obligations applicable to preferred securities and debt instruments issued under Law 10/2014. The procedures apply to income deriving from preferred shares and debt instruments to which Law 10/2014 refers, including debt instruments issued at a discount for a period equal to or less than twelve months.

According to the literal wording of Article 44.5 of Royal Decree 1065/2007, income derived from preferred shares or debt instruments to which Law 10/2014 applies originally registered with the entities that manage clearing systems located outside Spain, and are recognised by Spanish law or by the law of another Organisation for Economic Co-operation Development (“**OECD**”) country (such as the Depository Trust Company, Euroclear or Clearstream, Luxembourg and the CMU), will be paid free of Spanish withholding tax provided that the Paying Agent appointed by the Bank submits, in a timely manner, a statement to the Bank, the form of which is attached as Exhibit I, with the following information:

- (i) identification of the securities;
- (ii) income payment date (or refund if the securities are issued at discount or are segregated);
- (iii) total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated); and
- (iv) total amount of the income corresponding to each clearing system located outside Spain.

These obligations refer to the total amount paid to investors through each foreign clearing house. For these purposes, “income” means interest and the difference, if any, between the aggregate amount payable on the redemption of the Instruments and the issue price of the Instruments issued at a discount (such as Zero Coupon Instruments) for a period equal or less than twelve months. In accordance with Article 44 of Royal Decree 1065/2007, the Issuer and Paying Agent should provide the Bank with the statement reflecting the relevant position at the close of business on the business day immediately prior to each interest payment date. In the event that on such date, the entity(ies) obliged to provide the declaration fail to do so, the Bank or the Paying Agent on its behalf will make a withholding at the general rate of 19 per cent. on the total amount of the return on the relevant Instruments otherwise payable to such entity. Notwithstanding the foregoing, the Bank has agreed that in the event that withholding tax were required by law due to the failure of the relevant Paying Agent to submit in a timely manner a duly executed and completed certificate pursuant to Law 10/2014 and Royal Decree 1065/2007 and any implementing legislation or regulation, the Bank will not pay any additional amounts with respect to any such withholding, as provided in Condition 9.

If the Spanish tax authorities consider that such information obligations must also be complied with for Instruments issued at a discount with a longer term than twelve months (such as Zero Coupon Instruments), the Issuer will, prior to the redemption or repayment of such notes, adopt the necessary measures with the Clearing Systems in order to ensure its compliance with such information obligations as may be required by the Spanish tax authorities from time to time. Prospective investors should consult their own tax advisers as to the tax

consequences and, in particular, the withholding tax obligations set forth under the Spanish regulations in relation to the Instruments issued at a discount (including, among others, its acquisition, redemption and disposal).

In the event that the currently applicable procedures are modified, amended or supplemented by, among other things, any Spanish law, regulation, interpretation or ruling of the Spanish tax authorities, the Bank will notify the Holders of such information procedures and their implications, as the Bank may be required to apply withholding tax on any payments made under the Instruments if the Holders do not comply with such information procedures.

*The value of and return on any Instruments linked to a benchmark may be adversely affected by ongoing national and international regulatory reform in relation to benchmarks.*

Reference rates and indices such as Euro Interbank Offered Rate (“**EURIBOR**”), LIBOR and other interest rate or other types of rates and indices which are deemed to be “benchmarks” (each a “**Benchmark**” and together, the “**Benchmarks**”), to which the interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. This has resulted in regulatory reform and changes to existing Benchmarks, with further change anticipated. These reforms have resulted in the cessation of certain benchmarks, including LIBOR and Japanese Yen LIBOR, the cessation of US Dollar LIBOR at the end of June 2023 and other benchmarks could be eliminated entirely or declared unrepresentative. In particular, EONIA (Euro Overnight Index Average) was discontinued on 3 January 2022.

The EU BMR and Regulation (EU) 2016/1011 as it forms part of the domestic law of the UK by virtue of the EUWA (the “**UK BMR**”) apply to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the EU and the UK, respectively. The EU BMR and the UK BMR among other things, (i) require Benchmark administrators to be authorised or registered (or, if non-EU-based or UK-based, as applicable, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU and UK supervised entities, as applicable, such as the Issuer of Benchmarks of administrators that are not authorised or registered (or, if non-EU based or UK-based, as applicable, not deemed equivalent or recognised or endorsed).

The elimination of any Benchmark, or changes in the manner of administration of any Benchmark, as a result of the EU BMR or UK BMR or otherwise, could require an adjustment to the Terms and Conditions, or result in other consequences, in respect of any Instruments linked to such Benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain Benchmarks including EURIBOR and LIBOR: (i) discourage market participants from continuing to administer or contribute to the Benchmark; (ii) trigger changes in the rules or methodologies used in the Benchmark; or (iii) lead to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Instruments linked to or referencing to a Benchmark.

In relation to Reset Instruments and, where Screen Rate Determination is specified as the manner in which the Rate of Interest is to be determined, in relation to Floating Rate Instruments, CMS-Linked Instruments, Steeper Instruments, Fixed/Floating Rate Instruments or Range Accrual Instruments the Terms and Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where such Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Terms and Conditions provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Reset Determination Date (if any) or if there is no such previous Reset Determination Date, the Mid-Swap Rate which last appeared on the Relevant Screen Page, before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate,

the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Reset Instruments, Floating Rate Instruments, CMS-Linked Instruments, Steeper Instruments, Fixed/Floating Rate Instruments and Range Accrual Instruments.

If a Benchmark Event (as defined in Condition 4H.07) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. After consulting with the Independent Adviser, the Issuer shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest will result in Instruments linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Issuer, the Terms and Conditions provide that the Issuer may vary the Terms and Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Holders.

If a Successor Rate or Alternative Rate is determined by the Issuer, the Terms and Conditions also provide that an Adjustment Spread may be determined by the Issuer and applied to such Successor Rate or Alternative Rate. However, it may not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Holders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in Instruments linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

The Issuer may not be able to determine a Successor Rate or Alternative Rate in accordance with the Terms and Conditions of the Instruments.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or is unable to determine a Successor Rate or Alternative Rate before the next Reset Determination Date or Interest Determination Date, as the case may be, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Reset Determination Date or Interest Determination Date, respectively, before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Reset Determination Date or Interest Determination Date, as the case may be, the Rate of Interest will be the Initial Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser or has failed to determine a Successor Rate or Alternative Rate in respect of any given Reset Period or Interest Period, as the case may be, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Reset Determination Date or Interest Determination Date, respectively, and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Reset Periods or Interest Periods, respectively, as necessary.

Applying the Initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Reset Determination Date or Interest Determination Date before the occurrence of the Benchmark Event will result in Instruments linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, fails to determine a Successor Rate or Alternative Rate for the life of the relevant Instruments, the Initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Reset Determination Date or Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Reset Instruments, Floating Rate Instruments, CMS-Linked Instruments, Steeper Instruments, Fixed/Floating Rate Instruments or Range Accrual Instruments, as the case may be, becoming, in effect, fixed rate Instruments.

No Successor Rate or Alternative Rate will be adopted, nor any Adjustment Spread applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could



reasonably be expected to prejudice the qualification of the Instruments as Tier 2 Capital or TLAC/MREL-Eligible Instruments for the purposes of the Applicable Banking Regulations.

In the case of Senior Non Preferred Instruments only, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity date of the Instruments, rather than the relevant Maturity Date.

To the extent that no Successor Rate or Alternative Rate is adopted and the Calculation Agent is unable to determine a rate in relation to any Interest Period, the Terms and Conditions provide that the rate will be that which was last determined in relation to the Instruments in respect of a preceding Interest Period, which results in the Instruments becoming, in effect, fixed rate Instruments.

Where ISDA Determination is specified as the manner in which the Rate of Interest is to be determined, in respect of Floating Rate Instruments, CMS-Linked Instruments, Steeper Instruments, Fixed/Floating Rate Instruments or Range Accrual Instruments, the Terms and Conditions provide that the Rate of Interest in respect of the Instruments shall be determined by reference to the relevant Floating Rate Option in the Definitions of the International Swaps and Derivatives Association, Inc. Where the Floating Rate Option specified is an "IBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Instruments CMS-Linked Instruments, Steeper Instruments, Fixed/Floating Rate or Range Accrual Instruments, as the case may be.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU BMR reforms in making any investment decision with respect to any Instruments linked to or referencing a Benchmark.

*The market continues to develop in relation to €STR, SARON, SONIA, SOFR and TONA as reference rates for Floating Rates Instruments, Steeper Instruments, Fixed/Floating Rate Instruments or Range Accrual Instruments.*

Where the relevant Final Terms for a Series of Floating Rate Instruments, Steeper Instruments, Fixed/Floating Rate Instruments or Range Accrual Instruments identifies that the Rate of Interest for such Instruments will be determined by reference to €STR, SARON, SONIA, SOFR or TONA the Rate of Interest will be determined by reference to Compounded Daily €STR, SARON, SONIA or TONA, Weighted Average €STR, SARON, SONIA or TONA, Compounded Daily SOFR (including on the basis of the SOFR Index published on the NY Federal Reserve's Website) or SOFR Arithmetic Mean. In each case such rate will differ from the relevant LIBOR or EURIBOR rate in a number of material respects, including (without limitation) that a compounded daily rate or weighted average rate is a backwards-looking, risk-free overnight rate, and a single daily rate is a risk-free overnight non-term rate, whereas LIBOR and EURIBOR are expressed on the basis of a forward-looking term and include a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR, EURIBOR, €STR, SARON, SONIA, SOFR and TONA may behave materially differently as interest reference rates for Instruments issued under the Programme.

The market continues to develop in relation to €STR, SARON, SONIA, SOFR and TONA as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. In addition, market participants and relevant working groups are exploring alternative reference rates based on €STR, SARON, SONIA, SOFR or TONA, including term €STR, SARON, SONIA, SOFR and TONA reference rates (which seek to measure the market's forward expectation of an average €STR, SARON, SONIA, SOFR or TONA rate over a designated term). The development of €STR, SARON, SONIA, SOFR and TONA as interest reference rates for the Eurobond markets, as well as continued development of €STR, SARON, SONIA, SOFR and TONA based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Instruments.

The use of €STR, SARON, SONIA, SOFR or TONA as reference rates for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing €STR, SARON, SONIA, SOFR or TONA. Publication of such reference rates has a limited history. The future performance of €STR, SARON, SONIA, SOFR or TONA

may therefore be difficult to predict based on the limited historical performance. The level of €STR, SARON, SONIA, SOFR or TONA during the term of the Instruments may bear little or no relation to the historical level of €STR, SARON, SONIA, SOFR or TONA. Prior observed patterns, if any, in the behaviour of market variables and their relation to €STR, SARON, SONIA, SOFR or TONA such as correlations, may change in the future.

The market or a significant part thereof may adopt an application of €STR, SARON, SONIA, SOFR or TONA that differs significantly from that set out in the Terms and Conditions as applicable to the Instruments. Furthermore, the Issuer may, in future, issue Instruments referencing €STR, SARON, SONIA, SOFR or TONA that differ materially in terms of interest determination when compared with the Instruments. In addition, the manner of adoption or application of €STR, SARON, SONIA, SOFR or TONA reference rates in the Eurobond markets may differ materially compared with the application and adoption of €STR, SARON, SONIA, SOFR or TONA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of €STR, SARON, SONIA, SOFR or TONA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Instruments referencing any such rate.

Furthermore, the Rate of Interest on Instruments which reference €STR, SARON, SONIA, SOFR or TONA is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors to estimate reliably the amount of interest which will be payable on the Instruments, and some investors may be unable or unwilling to trade such Instruments without changes to their IT systems, both of which factors could adversely impact the liquidity of the Instruments. Further, in contrast to LIBOR-based or EURIBOR-based Instruments, if the Instruments become due and payable under Condition 6, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of the Instruments shall be determined by reference to a shortened period ending immediately prior to the date on which the Instruments become due and payable.

To the extent the €STR, SARON, SONIA, SOFR or TONA rate is not published, the applicable rate to be used to calculate the Interest Rate on Instruments referencing €STR, SARON, SONIA, SOFR or TONA, as applicable, will be determined using the fallback provisions set out in the Terms and Conditions, some of which apply specifically to Instruments referencing €STR, SARON, SONIA, SOFR or TONA and are distinct to those applying to other types of Instruments. Any of these fallback provisions may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Instruments if the relevant €STR, SARON, SONIA, SOFR or TONA rate had been so published in its current form. In addition, use of the fallback provisions may result in the effective application of a fixed rate of interest to the Instruments.

*The administrator of €STR, SARON, SONIA, SOFR or TONA may make changes that could change the value of €STR, SARON, SONIA, SOFR or TONA or discontinue €STR, SARON, SONIA, SOFR or TONA.*

The European Central Bank (or a successor) as administrator of €STR, SIX Swiss Exchange AG (or a successor) as administrator of SARON, the Bank of England (or a successor), as administrator of SONIA, the Federal Reserve Bank of New York (or a successor), as administrator of SOFR and the Bank of Japan (or a successor) as administrator of TONA, may make methodological or other changes that could change the value of €STR, SARON, SONIA, SOFR or TONA, respectively, including changes related to the method by which €STR, SARON, SONIA, SOFR or TONA is calculated, eligibility criteria applicable to the transactions used to calculate €STR, SARON, SONIA, SOFR or TONA, or timing related to the publication of €STR, SARON, SONIA, SOFR or TONA. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of €STR, SARON, SONIA, SOFR or TONA (in which case the fallback methods of determining the interest rate on the Instruments will apply). The administrators have no obligation to consider the interests of Holders when calculating, adjusting, converting, revising or discontinuing €STR, SARON, SONIA, SOFR or TONA.

*Any failure of SOFR to gain market acceptance could adversely affect holders of Instruments that pay a floating rate of interest referencing SOFR.*

Holders of Instruments that pay a floating rate of interest that references SOFR are exposed to the risk that such rate may not be widely accepted in the market. The risk of this occurring is mitigated by the fact that SOFR was developed for use in certain US Dollar derivatives and other financial contracts as an alternative to LIBOR in part because it is considered to be a good representation of general funding conditions in the overnight U.S. Treasury repo market. However, as a rate based on transactions secured by U.S. Treasury securities, it does not

measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants would not consider SOFR to be a suitable substitute or successor for all of the purposes for which LIBOR historically has been used (including, without limitation, as a representation of the unsecured short-term funding costs of banks), which may, in turn, lessen its market acceptance. Any failure of SOFR to gain or maintain market acceptance could adversely affect the return on, value of and market for Instruments that pay a floating rate of interest referencing SOFR.

#### *Partly-paid Instruments.*

The Issuer may issue Instruments where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of the payable interest payments.

#### *Steeper Instruments.*

Steeper Instruments bear interest at a variable rate either determined on the basis of (a) a floating rate determined by reference to the ISDA Definitions, (b) a reference rate appearing on the agreed screen page of a commercial quotation service or (c) the difference between two rates (Spread Linked Rate 1 and Spread Linked Rate 2, as defined in the Terms and Conditions) and, in each case, multiplying that amount by a leverage multiple (if any) (the “**Leverage**”) and adding a fixed spread (the “**Spread**”).

The calculation of the relevant rate and the application of the Leverage may result in a lower rate of interest being payable in respect of the Instruments than the Spread, subject to the Minimum Rate of Interest (if any) specified in the relevant Final Terms. In addition, if no Minimum Rate of Interest is specified in the relevant Final Terms, the relevant rate is negative or Spread Linked Rate 2 is equal to or greater than Spread Linked Rate 1, the Leverage is positive and Spread is zero, then no interest will be payable under the Steeper Instruments. It may be possible that investors will not receive any interest at all for the lifetime of the Steeper Instruments.

Lastly, the application of the Leverage to any reference rate increases the effect of changes in the underlying benchmark of such reference rate resulting in the relevant Steeper Instruments being more volatile.

#### *Fixed/Floating Rate Instruments.*

Condition 4D of the Terms and Conditions allows for Fixed/Floating Rate Instruments to be issued. Fixed/Floating Rate Instruments may bear interest at a rate (a) that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate or (b) that will automatically change from a fixed rate to a floating rate, or from a floating rate to a fixed rate on the date set out in the Final Terms. The Issuer’s ability to convert the interest rate will affect the secondary market and the market value of the Instruments since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than then prevailing spreads on comparable floating rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Instruments and any such volatility may have a significant adverse effect on the market value of the Instruments.

#### *Inverse Floating Rate Instruments.*

Inverse Floating Rate Instruments have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of those Instruments typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Instruments are more volatile because an increase in the reference rate not only decreases the interest rate of the Instruments, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Instruments.

#### *Zero Coupon Instruments.*

The Issuer may issue Zero Coupon Instruments. Such Instruments will bear no interest and an investor will receive no return on the Instruments until redemption. Any investors holding these Instruments will be subject to the risk that the amortised yield in respect of the Instruments may be less than market rates.

### *Range Accrual Instruments.*

Interest in respect of Range Accrual Instruments will only be paid if the level of the underlying interest rates on the relevant Calculation Day(s) (as defined below) is at or above one or more specified lower barrier(s) and/or at or below one or more specified upper barrier(s) (as applicable). It is possible that the level of the underlying interest rates on some or all of the Calculation Day(s) will not be at or above/below the specified barrier(s) or not be within the specified range during the relevant Interest Period (as applicable) and, therefore, a reduced amount of interest or no interest will be payable on the relevant Interest Payment Date. This means that the amount of interest payable to an investor over the term of the Range Accrual Instruments may vary depending on the frequency with which the underlying interest rate is at or above one or more specified lower barrier(s) and/or at or below one or more specified upper barrier(s) (as applicable) and may be zero and as a result Range Accrual Instruments may be volatile investments.

### *Instruments applying a Redemption Coupon*

Instruments in respect of which the Redemption Coupon Provisions are specified to be applicable in the relevant Final Terms shall bear interest but in the event of an early redemption by the Issuer of such Instruments in accordance with Condition 5.07, such accrued interest will be cancelled and instead the Redemption Coupon Amount will be payable on the date of such early redemption. The Redemption Coupon Amount is calculated by applying a multiple to the Specified Denomination of each Instrument and it does not accrue nor is subject to any compounding. As a result, its calculation does not depend on when the early redemption of the Instruments occurs. The Redemption Coupon Amount may be less than the interest which has accrued on the Instruments and which would otherwise be payable had the early redemption of the Instruments not occurred.

### *Instruments issued at a substantial discount or premium.*

The market values of securities issued at a substantial discount or premium from their principal amount (such as a Zero Coupon Instrument) tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### *Instruments issued as “Green Bonds”, “Social Bonds” or “Sustainable Bonds”, as described in “Use of Proceeds”, may not meet investor expectations or be suitable for an investor’s investment criteria.*

The relevant Final Terms relating to the Tranches of a specific Series of Instruments may provide that it will be the Issuer’s intention to apply an amount equal to the whole or a part of the net proceeds of the issue of those Instruments to finance and/or refinance Eligible Assets, as described in the Issuer’s Green, Social and Sustainability Funding Global Framework published on the website of the Issuer (see “Use of Proceeds”).

Prospective investors should have regard to the information set out in the Issuer’s Green, Social and Sustainability Funding Global Framework and the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Instruments together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or the Dealers that the use of such proceeds for any Eligible Asset will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, including, amongst others, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the “**EU Taxonomy**”) and the EU Taxonomy Climate Delegated Act adopted by the EU Commission on 21 April 2021 (jointly, the “**EU Taxonomy Regulation**”) or, if and to the extent finally approved, the Regulation of the European Parliament and of the Council on European green bonds, a draft of which was proposed by the European Commission on 6 July 2021 with reference 2021/0191(COD) (the “**Draft European Green Bond Regulation**”).

Furthermore, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green”, “social” or “sustainable” or an equivalently-labelled project or asset or as to what precise attributes are required for a particular project or asset to be defined as “green”, “social” or “sustainable” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change. The EU Taxonomy Regulation establishes a basis for the determination of such a definition in the EU.

However, the EU Taxonomy remains subject to the implementation of delegated regulations by the European Commission on technical screening criteria for the environmental objectives set out in the EU Taxonomy Regulation. Likewise, the Draft European Green Bond Regulation, includes a set of requirements that bonds and Instruments shall comply with in order to be labelled as “European Green Bonds”. However, as at the date of this Base Prospectus, it is unclear (i) whether or not the Draft European Green Bond Regulation will be finally approved and (ii) if the Draft European Green Bond Regulation will be subject to modifications or amendments before its approval. Therefore, no assurance is or can be given to investors that any projects or use(s) the subject of, or related to, any Eligible Asset will meet any or all investor expectations or any other requirements regarding such “green”, “social” or “sustainable” or other equivalently-labelled performance objectives or requirements (including, without limitation, the requirements envisaged in the Draft European Green Bond Regulation, if and to the extent finally approved) or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Asset.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Green Bonds, Social Bonds or Sustainable Bonds and in particular with any Eligible Asset, to fulfil any environmental, social and/or other criteria. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Instruments.

In the event that any Green Bonds, Social Bonds or Sustainable Bonds are listed or admitted to trading on any dedicated “green”, “environmental”, “social” or “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Green Bonds, Social Bonds or Sustainable Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Instruments.

While it is the intention of the Issuer to apply an amount equal to the proceeds of any Green Bonds, Social Bonds or Sustainable Bonds so specified for the relevant Eligible Asset and obtain and publish the opinions and certifications, in, or substantially in, the manner described in the Issuer’s Green, Social and Sustainability Funding Global Framework and the relevant Final Terms, there can be no assurance that the relevant Eligible Asset or use(s) the subject of, or related to, any Eligible Asset, will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Asset or that the Issuer can obtain and publish the opinions and certifications. Nor can there be any assurance that such Eligible Asset will be completed within any specified period or at all or that the maturity of an eligible green, social or sustainable asset or Eligible Asset may not match the minimum duration of any such Green Bonds, Social Bonds or Sustainable Bonds or with the results or outcome as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not (i) constitute an Event of Default under the relevant Instruments, (ii) give rise to any other claim or right (including, for the avoidance of doubt, the right to accelerate the Instruments) of a holder of such Green Bond, Social Bond or Sustainable Bond, as the case may be, or (iii) lead to an obligation of the Bank to redeem such Instruments or be a relevant factor for the Bank in determining whether or not to exercise any optional redemption rights in respect of any Instruments, or (iv) affect the regulatory treatment of such Instruments as Tier 2 Capital or eligible liabilities for the purposes of the TLAC and/or MREL requirement (as applicable), if such Instruments are also Subordinated Instruments, Senior Non Preferred Instruments or Ordinary Senior Instruments that qualify as TLAC/MREL-Eligible Instruments. For the avoidance of doubt, it is however specified that payments of principal and interest (as the case may be) on the Green Bonds, Social Bonds or Sustainable Bonds shall not depend on the performance of the relevant Eligible Asset nor have any preferred right against such assets.

Furthermore, Green Bonds, Social Bonds or Sustainable Bonds issued in the form of Subordinated Instruments, Senior Non Preferred Instruments or Ordinary Senior Instruments that qualify as TLAC/MREL-Eligible Instruments may be subject to application of the Spanish Bail-in Power and (in the case of Tier 2 Subordinated

Instruments) the Non-Viability Loss Absorption, to the same extent and with the same ranking as any other *pari passu* Instrument which is not a Green Bond, Social Bond or Sustainable Bond.

Likewise, Green Bonds, Social Bonds or Sustainable Bonds, as any other Instruments, will be fully subject to the application of CRR eligibility criteria and BRRD requirements for own funds and eligible liabilities instruments and, as such, proceeds from Green Bonds, Social Bonds or Sustainable Bonds qualifying as own funds or eligible liabilities should cover all losses in the balance sheet of the Issuer regardless of their “green”, “social” or “sustainable” label. Additionally, their labelling as Green Bonds, Social Bonds or Sustainable Bonds (i) will not affect the case of regulatory treatment of such Instruments as Tier 2 Capital or eligible liabilities for the purposes of the TLAC and/or MREL requirement (as applicable), if such Instruments are also Subordinated Instruments, Senior Non Preferred Instruments or Ordinary Senior Instruments that qualify as TLAC/MREL-Eligible Instruments; and (ii) will not have any impact on their status as indicated in Condition 3 of the Terms and Conditions of the Instruments.

Any such event or failure to apply an amount equal to the proceeds of any issue of Green Bonds, Social Bonds or Sustainable Bonds for any Eligible Asset as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on may have a material adverse effect on the value of such Instruments and also potentially the value of any other similar Instruments and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

***Risks relating to Subordinated Instruments and Senior Non Preferred Instruments.***

The risks factors relating to Subordinated Instruments and Senior Non Preferred Instruments described below should be read together with the general risks factors relating to the Instruments described above.

*An investor in Subordinated Instruments assumes an enhanced risk of loss in the event of the Issuer’s insolvency or resolution.*

The Issuer’s obligations under the Subordinated Instruments (as defined in the Terms and Conditions) will be unsecured and subordinated obligations (*créditos subordinados*) of the Issuer and will rank junior to all unsubordinated obligations (*créditos ordinarios*) of the Issuer (including any Senior Non Preferred Liabilities (as defined in the Terms and Conditions)). Although Subordinated Instruments may pay a higher rate of interest than comparable Instruments which are not subordinated, there is a greater risk that an investor in Subordinated Instruments will lose all or some of its investment should the Issuer become (i) subject to resolution under the BRRD (as implemented through Law 11/2015 and Royal Decree 1012/2015) and the Subordinated Instruments become subject to the application of the Spanish Bail-In Power (and, in case they constitute Tier 2 Instruments, the Non-Viability Loss Absorption) or (ii) insolvent.

In the case of any exercise of the Spanish Bail-In Power by the Relevant Resolution Authority, the sequence of any resulting write-down or conversion of eligible instruments under Article 48 of the BRRD and Article 48 of Law 11/2015 provides for the principal amount of Tier 2 Instruments (such as the Tier 2 Subordinated Instruments if they qualify as such as it is expected) to be written-down or converted into equity or other securities or obligations prior to the principal amount of subordinated debt that does not qualify as Additional Tier 1 Capital or Tier 2 Capital (which is expected to be the case of debt arising from Senior Subordinated Instruments) in accordance with the hierarchy of claims provided in the Insolvency Law and for the latter to be written-down or converted into equity or other securities or obligations prior to any write-down or conversion of the principal amount or outstanding amount of the rest of bail-inable liabilities (such as the Ordinary Senior Instruments and Senior Non Preferred Instruments), in accordance with the hierarchy of claims provided in the applicable insolvency legislation. Subordinated Instruments which constitute Tier 2 Instruments may be subject to Non-Viability Loss Absorption, which may be imposed prior to or in combination with any exercise of the Spanish Bail-In Power. See “*Risks Related to early intervention and resolution - Law 11/2015 enables a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under Law 11/2015 could materially affect the value of any debt securities*”.

In the event of insolvency, after payment in full of unsubordinated claims, but before distributions to shareholders, under Article 281 of the Insolvency Law read in conjunction with Additional Provision 14.3 of Law 11/2015, the Issuer will meet subordinated claims after payment in full of unsubordinated claims, but before distributions to shareholders, in the following order and pro-rata within each class: (i) late or incorrect claims; (ii) contractually subordinated liabilities in respect of principal (except for those that qualify as

Additional Tier 1 Instruments or Tier 2 Instruments under Additional Provision 14.3.1° of Law 11/2015 -which is expected to be the case of Senior Subordinated Instruments-; (iii) interest (including accrued and unpaid interest due on the Instruments, except for Tier 2 Subordinated Instruments); (iv) fines; (v) claims of creditors which are specially related to the Issuer (if applicable) as provided for under the Insolvency Law; (vi) detrimental claims against the Issuer where a Spanish Court has determined that the relevant creditor has acted in bad faith (*rescisión concursal*); (vii) claims arising from contracts with reciprocal obligations as referred to in Articles 156 to 158 and 160 to 167 of the Insolvency Law, wherever the court rules, prior to the administrators' report of insolvency (*administración concursal*) that the creditor repeatedly impedes the fulfilment of the contract against the interest of the insolvency; (viii) subordinated obligations (*créditos subordinados*) of the Issuer under instruments qualifying as Tier 2 Capital and (ix) subordinated obligations (*créditos subordinados*) of the Issuer under instruments qualifying as Additional Tier 1 Capital.

In addition, second paragraph of Article 48(7) of BRRD, as implemented in Spain through Additional Provision 14.3 of Law 11/2015, clarified that if an instrument is only partly recognised as an own funds instrument (such as the Tier 2 Subordinated Instruments), the whole instrument shall be treated in insolvency as a claim resulting from an own funds instrument and shall rank lower than any claim that does not result from an own funds instrument. Finally, certain provisions in the Insolvency Law may negatively affect holders of Instruments in general. Among other things, the Insolvency Law provides that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication of the court order declaring the insolvency (if the insolvency proceeding is declared as abridged, the term to report may be reduced to fifteen days), (ii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency may not be enforceable, and (iii) interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall cease to accrue as from the date of the declaration of insolvency and any amount of interest accrued up to such date (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.

*The Senior Non Preferred Instruments are senior non preferred obligations and are junior to certain obligations.*

The Senior Non Preferred Instruments constitute direct, unconditional, unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of the Issuer in accordance with Additional Provision 14.2 of Law 11/2015, as amended by the Royal Decree-Law 11/2017 ("**RDL 11/2017**"). Upon the insolvency of the Issuer, the payment obligations of the Issuer on account of principal under the Senior Non Preferred Instruments rank, subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), (a) *pari passu* among themselves and with any Senior Non Preferred Liabilities (as defined in the Terms and Conditions), (b) junior to the Senior Higher Priority Liabilities (as defined in the Terms and Conditions) and, accordingly, upon the insolvency of the Issuer, unsubordinated obligations (*créditos ordinarios*) under Senior Non Preferred Instruments will be met after payment in full of the Senior Higher Priority Liabilities (including any excluded liabilities under article 72(a)2 of CRR II (as defined below)), and (c) senior to any present and future subordinated obligations (*créditos subordinados*) of the Issuer in accordance with Article 281 of the Insolvency Law. In addition, the payment obligations of the Issuer in respect of interests accrued but unpaid under the Senior Non Preferred Instruments as of the commencement of any insolvency procedure in respect of the Issuer will constitute subordinated claims (*créditos subordinados*) ranking in accordance with Article 281.1.3° of the Insolvency Law. No further interest shall accrue on any Instruments from the date of the declaration of insolvency of the Issuer.

The Issuer's Senior Higher Priority Liabilities would include, among other liabilities, its deposit obligations (other than the deposit obligations qualifying as preferred liabilities (*créditos con privilegio general*) under Additional Provision 14.1 of Law 11/2015 which will rank senior), its obligations in respect of derivatives and other financial contracts and its unsubordinated and unsecured debt securities other than the Senior Non Preferred Liabilities. If the Issuer were wound up, liquidated or dissolved, the liquidator would apply the assets which are available to satisfy all claims in respect of its unsubordinated and unsecured liabilities, first to satisfy claims of all other creditors ranking ahead of Holders, including holders of Senior Higher Priority Liabilities, and then to satisfy claims in respect of principal of the Senior Non Preferred Instruments (and other Senior Non Preferred Liabilities). If the Issuer does not have sufficient assets to settle the claims of higher ranking creditors in full, the claims of the Holders under the Senior Non Preferred Instruments will not be satisfied. Holders will share equally in any distribution of assets available to satisfy all claims in respect of its unsubordinated and

unsecured liabilities with the creditors under any other Senior Parity Liabilities if the Issuer does not have sufficient funds to make full payment to all of them.

In addition, if the Issuer enters into resolution, its bail-inable liabilities (including the Senior Non Preferred Instruments and eligible Ordinary Senior Instruments) may be subject to bail-in, meaning potential write-down or conversion into equity securities or other instruments. The sequence of any resulting write-down or conversion of bail-inable liabilities under Article 48 of the BRRD and Article 48 of Law 11/2015 provides for claims to be written-down or converted into equity in accordance with the hierarchy of claims provided in the applicable insolvency legislation. Because the Senior Non Preferred Instruments are senior non preferred liabilities (*créditos ordinarios no preferentes*) the Issuer expects them to be written down or converted in full after any subordinated obligations of the Issuer under article 281 of the Insolvency Law and before any of the Issuer's Senior Higher Priority Liabilities are written down or converted. The Issuer expects that upon insolvency, the payment obligations in respect of principal under the Senior Non Preferred Instruments would rank *pari passu* with any obligations in respect of principal of any Senior Non Preferred Liabilities or any other securities with the same ranking issued by the Issuer. See “—Risks related to early intervention and resolution - Law 11/2015 enables a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under Law 11/2015 could materially affect the value of any debt securities”.

As a consequence, Holders of the Senior Non Preferred Instruments would bear significantly more risk than creditors of the Issuer's Senior Higher Priority Liabilities and could lose all or a significant part of their investment if the Issuer were to become (i) subject to resolution under the BRRD (as implemented through Law 11/2015 and Royal Decree 1012/2015) and the Senior Non Preferred Instruments become subject to the application of the bail-in or (ii) insolvent.

*If an investor holds Instruments which are not denominated in the investor's home currency, that investor will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Instruments could result in an investor not receiving payments on those Instruments.*

The Issuer will pay principal and interest on the Instruments in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the

“**Investor's Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency and/or the Specified Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Instruments, (ii) the Investor's Currency-equivalent value of the principal payable on the Instruments and (iii) the Investor's Currency-equivalent market value of the Instruments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Instruments. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### ***Risks relating to Renminbi-denominated Instruments.***

Instruments denominated in Renminbi (“**RMB Instruments**”) may be issued under the Programme. RMB Instruments contain particular risks for potential investors.

*Renminbi is not freely convertible and there are significant restrictions on remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of RMB Instruments.*

Renminbi is not freely convertible at the date of this Base Prospectus. The government of the PRC (the “**PRC Government**”) continues to regulate conversion between Renminbi and foreign currencies.

There has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

However, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining



specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although the People's Bank of China ("PBoC") has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will continue to liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite recent efforts to internationalise the Renminbi, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the Issuer's ability to source Renminbi to service the RMB Instruments.

*There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the RMB Instruments and Issuer's ability to source Renminbi outside the PRC to service the RMB Instruments.*

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. Whilst the PBoC has entered into agreements (the "Settlement Arrangements") on the clearing of Renminbi business with financial institutions (the "Renminbi Clearing Banks") in a number of financial centres and cities, including but not limited to Hong Kong, it has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. The Renminbi Clearing Banks only have limited access to onshore liquidity support from the PBoC for the purpose of hedging open positions of participating banks for limited types of transactions and are not obliged to hedge for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to hedge such open positions.

The offshore Renminbi market is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Instruments. To the extent the Issuer is required to source Renminbi in the offshore market to service its RMB Instruments, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

*Investment in RMB Instruments is subject to exchange rate risks.*

The value of the Renminbi against the US Dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The PBoC has in recent years implemented changes to the way it calculates the Renminbi's daily mid-point against the US Dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to RMB Instruments unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Instruments in that foreign currency will decline.

*Payments in respect of the RMB Instruments may be made only in the manner specified in the RMB Instruments.*

All payments to investors in respect of the RMB Instruments will be made solely (i) for so long as the RMB Instruments are represented by a Global Instrument held with the Common Depository or the Common

Safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg or any alternative clearing system, in accordance with prevailing rules and regulations, or lodged with a sub-custodian for the CMU, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with the prevailing rules and procedures of the CMU, or (ii) for so long as the RMB Instruments are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong, in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

*Gains on the transfer of the RMB Instruments may become subject to income taxes under PRC tax laws.*

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of RMB Instruments by non-PRC resident enterprise or individual holders may be subject to PRC enterprise income tax (“EIT”) or PRC individual income tax (“IIT”) if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident enterprise from the transfer of RMB Instruments but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident individual holder from the transfer of RMB Instruments.

However, uncertainty remains as to whether the gain realised from the transfer of RMB Instruments by non-PRC resident enterprise or individual holders would be treated as income derived from sources within the PRC and thus become subject to EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, holders who are residents of Hong Kong, including enterprise holders and individual holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Instruments.

Therefore, if enterprise or individual resident holders which are non-PRC residents are required to pay PRC income tax on gains derived from the transfer of RMB Instruments, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual holders of RMB Instruments reside that reduces or exempts the relevant EIT or IIT, the value of their investment in RMB Instruments may be materially and adversely affected.

*There may be PRC tax consequences with respect to an investment in RMB Instruments.*

In considering whether to invest in the RMB Instruments, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the holder’s investment in the RMB Instruments may be materially and adversely affected if the holder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those RMB Instruments.

## IMPORTANT INFORMATION RELATING TO NON-EXEMPT PUBLIC OFFERS OF INSTRUMENTS

If, in the context of a Non-Exempt Public Offer (as defined below), an investor is offered Instruments by any entity, that investor should check that such entity is authorised to use this Base Prospectus for the purposes of making such offer before agreeing to purchase any Instruments. To be authorised to use this Base Prospectus in connection with a Non-Exempt Public Offer, an entity must either be:

- (i) named as a Manager or relevant Dealer in the relevant Final Terms; and/or
- (ii) a financial intermediary specified in paragraph 8 of Part B of the relevant Final Terms as having been granted specific consent to use this Base Prospectus; and/or
- (iii) named in section “*Shareholders and Investors*” subsection “*Fixed-Income*”, subsection “*Debt Issuances*” on the website of Santander available at <https://www.santander.com/> as an Authorised Offeror in respect of the relevant Non-Exempt Public Offer (if the entity has been appointed after the relevant Final Terms were published), and /or
- (iv) if general consent is specified in paragraph 8 of Part B of the relevant Final Terms as applicable, any other financial intermediary which (a) is authorised to make such offers under MiFID II; and (b) accepts such offer by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) (the “**Acceptance Statement**”):

*“We, [specify name of financial intermediary], refer to the offer of [specify title of the instruments] (the “**Instruments**”) described in the relevant Final Terms dated [specify date] (the “**Final Terms**”) published by Banco Santander, S.A. (the “**Issuer**”). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Instruments in [specify relevant Member State(s)] during the Offer Period in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus), we accept the offer by the Issuer. We confirm that we are authorised under MiFID II to make, and are using the Base Prospectus in connection with, the Non-Exempt Public Offer accordingly. Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Base Prospectus.”*

The “**Authorised Offeror Terms**” are that the relevant financial intermediary:

- (A) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer and the relevant Dealer that it will, at all times in connection with the relevant Non-Exempt Public Offer: (a) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “**Rules**”), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Instruments by any person and disclosure to any potential investor; (b) comply with the restrictions set out under “*Subscription and Sale*” in this Base Prospectus which would apply as if it were a Dealer; (c) consider the relevant EEA manufacturer’s target market assessment and distribution channels identified under the “MiFID II product governance” legend and/or the relevant UK manufacturer’s target market assessment and distribution channels identifier under the “UK MiFIR product governance” legend, in each case, set out in the relevant Final Terms; (d) ensure that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Instruments does not contravene the Rules and is fully and clearly disclosed to investors or potential investors; (e) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Instruments under the Rules; (f) comply with applicable anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential investor prior to initial investment in any Instruments by the investor), and will not permit any application for Instruments in circumstances where the financial intermediary has any suspicions as to the source of the application monies; (g) retain investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested,

make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules applying to the Issuer and/or the relevant Dealer(s); (h) not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; (i) comply with the conditions to the consent referred to herein and any further requirements or other Authorised Offeror Terms relevant to the Non-Exempt Public Offer as specified in the applicable Final Terms; (j) make available to each potential Investor (as defined below) in the Instruments this Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose; (k) not give any information other than that contained in this Base Prospectus (as may be amended or supplemented by the Issuer from time to time) and the applicable Final Terms or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Instruments; (l) agree that any communication in which it attaches or otherwise includes any announcement published by the Issuer at the end of the Non-Exempt Public Offer Period will be consistent with this Base Prospectus, and (in any case) must be fair, clear and not misleading and in compliance with the Rules and must state that such Authorised Offeror has provided it independently from the Issuer and must expressly confirm that the Issuer has not accepted any responsibility for the content of any such communication; (m) not use the legal or publicity names of the relevant Dealer, the Issuer or any other name, brand or logo registered by any entity within their respective groups or any material over which any such entity retains a proprietary interest or in any statements (or written), marketing material or documentation in relation to the Instruments; (n) immediately give notice to the Issuer and the relevant Dealer(s) if at any time it becomes aware or suspects that it is or may be in violation of any Rules or the terms in this paragraph, and takes all appropriate steps to remedy such violation and comply with such Rules and this paragraph in all respects; and (o) satisfy any further conditions specified in the relevant Final Terms.

- (B) agrees and undertakes to each of the Issuer and the relevant Dealer that if it or any of its respective directors, officers, employees, agents, affiliates and controlling persons (each a “**Relevant Party**”) incurs any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel’s fees and disbursements associated with any such investigation or defence) (a “**Loss**”) arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by the relevant financial intermediary, including (without limitation) any unauthorised action by the relevant financial intermediary or failure by it to observe any of the above restrictions or requirements or the making by it of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Dealer, the relevant financial intermediary shall pay to the Issuer or the relevant Dealer, as the case may be, an amount equal to the Loss. None of the Issuer nor any Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this provision; and
- (C) agrees and undertakes to each of the Issuer and the relevant Dealer that the provisions of governing law and jurisdiction in the Terms and Conditions shall apply to these Authorised Offeror Terms.

The financial intermediaries referred to in paragraphs (ii), (iii) and (iv) above are together referred to herein as the “**Authorised Offerors**”.

**Any Authorised Offeror falling within paragraph (iv) above who wishes to use this Base Prospectus in connection with a Non-Exempt Public Offer as set out above is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.**

Valid offers of Instruments may only be made by an Authorised Offeror in the context of a Non-Exempt Public Offer if the offer is made within the Offer Period specified in the relevant Final Terms and only in Ireland and, if in the future the Central Bank of Ireland provides a certificate of approval in accordance with Article 25 of the Prospectus Regulation (“a **passport**”) in relation to this Base Prospectus to the competent authorities of any

other EEA Member State, in any such other EEA Member State (each, a “**Relevant Member State**”), as specified in paragraph 43 of the relevant Final Terms and described as the “Non-Exempt Public Offer Jurisdiction” (each, a “**Non-Exempt Public Offer Jurisdiction**”). Other than as set out above, the Issuer has not authorised the making of any Non-Exempt Public Offer by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with any offer of Instruments.

Please see below for certain important legal information relating to Non-Exempt Public Offers.

### ***Restrictions on Non-Exempt Public Offers of Instruments in Relevant Member States***

Certain Series of Instruments with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under Article 1(4) of the Prospectus Regulation to publish a prospectus. Any such offer is referred to as a “**Non-Exempt Public Offer**”.

This Base Prospectus has been prepared on a basis that permits Non-Exempt Public Offers of Instruments in Ireland. However, any person making or intending to make a Non-Exempt Public Offer of Instruments in any other EEA Member State may only do so if this Base Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Regulation, provided that the Issuer has consented to the use of this Base Prospectus in connection with such offer as provided under “Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)” and the conditions attached to that consent are complied with by the person making the Non-Exempt Public Offer of such Instruments.

### ***Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)***

In the context of any Non-Exempt Public Offer of Instruments, the Issuer accepts responsibility, in each of the Non-Exempt Public Offer Jurisdiction, for the content of this Base Prospectus in relation to any person (an “**Investor**”) who purchases any Instruments in a Non-Exempt Public Offer made by a Manager, relevant Dealer or an Authorised Offeror, where that offer is made during the Offer Period (as defined below) and provided that the conditions attached to the giving of consent for the use of this Base Prospectus are complied with.

**Except in the circumstances set out in the following paragraphs, the Issuer has not authorised the making of any Non-Exempt Public Offer by any Authorised Offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Non-Exempt Public Offer of the Instruments in any jurisdiction. Any Non-Exempt Public Offer made without the consent of the Issuer is unauthorised and none of the Issuer or any Dealer accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.**

If, in the context of a Non-Exempt Public Offer, an Investor is offered Instruments by a person who is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for the this Base Prospectus in the context of the Non-Exempt Public Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

In connection with each Tranche of Instruments, and provided that the relevant Final Terms specifies an Offer Period, the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-Exempt Public Offer of such Instruments in the Non-Exempt Public Offer Jurisdiction(s) specified in the relevant Final Terms and, subject to any other conditions set out in paragraph 8 Part B of the relevant Final Terms, by:

- the Managers or relevant Dealer(s) specified in the relevant Final Terms;
- if the relevant Final Terms names financial intermediaries authorised to make such Non-Exempt Public Offer, the financial intermediaries so named;
- any other financial intermediary appointed after the date of the relevant Final Terms and whose name is published in section “*Shareholders and Investors*” subsection “*Fixed-Income*”, subsection “*Debt Issuances*” on the website of Santander (<https://www.santander.com/>) and identified as an Authorised Offeror in respect of the relevant Non-Exempt Public Offer; and/or

- if general consent is specified in the relevant Final Terms as applicable, any other financial intermediary which (a) is authorised to make such offers under MiFID II; and (b) accepts such offer by publishing on its website the Acceptance Statement.

**Any Authorised Offeror who meets all of the other conditions stated above and who wishes to use this Base Prospectus in connection with a Non-Exempt Public Offer is required, for the duration of the relevant Offer Period, to publish on its website (i) that it has been duly appointed as a financial intermediary to offer the Tranche of Instruments during the Offer Period, (ii) it is relying on this Base Prospectus for such Non-Exempt Public Offer with the consent of the Issuer and (iii) the conditions attached to that consent.**

The conditions to the Issuer's consent to the use of this Base Prospectus in the context of the relevant Non-Exempt Public Offer are that such consent:

- (i) is only valid during the Offer Period specified in the relevant Final Terms; and
- (ii) only extends to the use of this Base Prospectus to make Non-Exempt Public Offers of the relevant Tranche of Instruments in the relevant Non-Exempt Public Offer Jurisdiction, as specified in the relevant Final Terms.

The consent referred to above relates to Offer Periods occurring within twelve months from the date of this Base Prospectus.

***Arrangements between an Investor and the Authorised Offeror who will distribute the Instruments***

None of the Issuer or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-Exempt Public Offer and none of the Issuer or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY INSTRUMENTS IN A NON-EXEMPT PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH INSTRUMENTS TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT ARRANGEMENTS.**

**THE ISSUER WILL NOT BE A PARTY TO ANY SUCH TERMS AND ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT PUBLIC OFFER OR SALE OF THE INSTRUMENTS CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS DOES NOT, AND ANY FINAL TERMS WILL NOT, CONTAIN SUCH INFORMATION. INFORMATION ON THE TERMS AND CONDITIONS OF SUCH OFFER SHALL BE PROVIDED TO SUCH INVESTOR AT THE TIME OF THE OFFER BY THE RELEVANT AUTHORISED OFFEROR WHO WILL BE RESPONSIBLE FOR SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE RELEVANT AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. NONE OF THE ISSUER OR ANY DEALER (EXCEPT WHERE SUCH DEALER IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.**

Save as provided above, the Issuer nor any Dealer has authorised, nor do they authorise, the making of any Non-Exempt Public Offer of Instruments in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement this Base Prospectus for such offer.

**Instruments which are the subject of a Non-Exempt Public Offer and/or admitted to trading on a regulated market within the European Economic Area shall be issued with a minimum Specified Denomination of €1,000 (or its equivalent in any other currency).**

## **DESCRIPTION OF THE ISSUER**

The description of the Issuer is set out in certain sections of the 2022 Annual Report. These sections have been incorporated by reference into this Base Prospectus (see “*Documents Incorporated by Reference*”, which provides a table reconciling the content of this section with the corresponding page number(s) of the 2022 Annual Report containing such information).

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in and to form part of, this Base Prospectus and will be published on the website of Banco Santander ([www.santander.com](http://www.santander.com)):

1. The annual report of the Issuer prepared for the year ended 31 December 2022 (the “**2022 Annual Report**”), which contains the English language translation of the audited annual consolidated financial statements of the Issuer prepared under IFRS-EU for the year ended 31 December 2022 (the “**2022 Financial Statements**”), together with the English language translation of the Auditor’s report, in pages 501 to 810.

The 2022 Annual Report was originally prepared in Spanish and all possible care has been taken to ensure that the English language translation is an accurate translation of the Spanish original version. In case of any inconsistency between the English translation and the Spanish original version of the 2022 Annual Report and in all matters relating to the interpretation of information, views or opinions, the Spanish original version shall prevail.

<https://www.santander.com/content/dam/santander-com/en/documentos/informe-financiero-anual/2022/ifa-2022-consolidated-annual-financial-report-en.pdf>

2. The annual report of the Issuer prepared for the year ended 31 December 2021 (the “**2021 Annual Report**”), which contains the English language translation of the audited annual consolidated financial statements of the Issuer prepared under IFRS-EU for the year ended 31 December 2021 (the “**2021 Financial Statements**”), together with the English language translation of the Auditor’s report, in pages 512 to 810.

The 2021 Annual Report was originally prepared in Spanish and all possible care has been taken to ensure that the English language translation is an accurate translation of the Spanish original version. In case of any inconsistency between the English translation and the Spanish original version of the 2021 Annual Report and in all matters relating to the interpretation of information, views or opinions, the Spanish original version shall prevail.

<https://www.santander.com/content/dam/santander-com/en/documentos/informe-financiero-anual/2021/ifa-2021-consolidated-annual-financial-report-en.pdf>

3. The “Terms and Conditions of the Instruments” set out on pages 64 to 132 (inclusive) of the Base Prospectus of Banco Santander, S.A. dated 14 March 2022.

<https://www.santander.com/content/dam/santander-com/es/documentos/programas/documentos-programas/PR-banco-santander-emptn-update-2022-base-prospectus-es.pdf>

4. The “Terms and Conditions of the Instruments” set out on pages 64 to 116 (inclusive) of the Base Prospectus of Banco Santander, S.A. dated 15 March 2021 and the Supplement to such Base Prospectus dated 7 January 2022 to the extent such Supplement amends such Terms and Conditions, each prepared by Banco Santander, S.A. in connection with the Programme.

<https://www.santander.com/content/dam/santander-com/es/documentos/programas/documentos-programas/pr-banco-santander-emptn-2021-es.pdf>

<https://www.santander.com/content/dam/santander-com/es/documentos/programas/documentos-programas/pr-banco-santander-emptn-2nd-suplemento-2021-es.pdf>

5. The “Terms and Conditions of the Instruments” set out on pages 49 to 90 (inclusive) of the Base Prospectus of Banco Santander, S.A. dated 16 March 2020.

<https://www.santander.com/content/dam/santander-com/en/documentos/programas/documentos-programas/PR-banco-santander-emptn-2020-en.pdf>

6. The “Terms and Conditions of the Instruments” set out on pages 66 to 105 (inclusive) of the Base Prospectus of Banco Santander, S.A. dated 12 March 2019.

<https://www.santander.com/content/dam/santander-com/es/documentos/programas/documentos-programas/PR-Banco%20Santander%20EMTN%202019-es.pdf>



7. The “Terms and Conditions of the Instruments” set out on pages 82 to 115 (inclusive) of the Base Prospectus of Banco Santander, S.A. dated 8 March 2018.

<https://www.santander.com/content/dam/santander-com/es/documentos/programas/documentos-programas/PR-EMTN%202018-Banco%20Santander%20EMTN%202018-es.pdf>

8. The “Terms and Conditions of the Instruments” set out on pages 140 to 174 (inclusive) of the Base Prospectus of Banco Santander, S.A. dated 6 March 2017 and the Supplement to such Base Prospectus dated 7 July 2017 to the extent such Supplement amends such Terms and Conditions, each prepared by Banco Santander, S.A. in connection with the Programme.

<https://www.santander.com/content/dam/santander-com/es/documentos/programas/documentos-programas/PR-EMTN%202017-Banco%20Santander%20EMTN%202017-es.pdf>

<https://www.santander.com/content/dam/santander-com/en/documentos/programas/documentos-programas/PR-EMTN%202017-Banco%20Santander%20EMTN%201st%20Supplement-en.pdf>

In relation to the 2022 Financial Statements, the 2021 Financial Statements and the 2022 Annual Report, any information not specified in the cross-reference tables set out below but which is included in the documents from which the information incorporated by reference has been derived, is for information purposes only and is not incorporated by reference because Banco Santander considers that it is not relevant for the investor.

The information on the corporate website of the Issuer does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

### ***Issuer Annual Financial Information and Annual Report***

The tables below set out the relevant page references in the 2022 Annual Report and the 2021 Financial Statements where the following information incorporated by reference in this Base Prospectus can be found:

<b>Information incorporated by reference in this Base Prospectus</b>	<b>2022 Annual Report page reference<sup>(1)</sup></b>
1. Independent Auditor’s report on consolidated financial statements for the year ended 31 December 2022.....	501-512
2. Audited consolidated balance sheets at 31 December 2022 and the comparative consolidated financial information of the Issuer at 31 December 2021 and 31 December 2020.....	513-517
3. Audited consolidated income statements for the year ended 31 December 2022 and the comparative consolidated financial information of the Issuer for the years ended 31 December 2021 and 31 December 2020.....	518-519
4. Audited consolidated statements of recognised income and expense for the year ended 31 December 2022 and the comparative consolidated financial information of the Issuer for the years ended 31 December 2021 and 31 December 2020 .....	520
5. Audited consolidated statements of changes in total equity for the year ended 31 December 2022 and the comparative for the years ended 31 December 2021 and 31 December 2020.....	521-526
6. Audited consolidated statements of cash flow for the year ended 31 December 2022 and the comparative consolidated cash flow statement of the Issuer for the years ended 31 December 2021 and 31 December 2020 .....	527-528
7. Notes to the consolidated financial statements for the year ended 31 December 2022 .	529-764
8. 2. Ownership structure .....	CG 166-171 <sup>(2)</sup>
9. 4. Board of directors .....	CG 179-226 <sup>(2)</sup>
10. 7. Group structure and internal governance .....	CG 256-258 <sup>(2)</sup>
11. 4. Financial information by segments .....	EFR 356-398 <sup>(3)</sup>
12. 8. Alternative Performance Measures (APMs) .....	EFR 410-418 <sup>(3)</sup>

<b>Information incorporated by reference in this Base Prospectus</b>	<b>2022 Annual Report page reference<sup>(1)</sup></b>
13. Glossary .....	GL 497-500 <sup>(4)</sup>
14. General Information .....	GI 808-809 <sup>(5)</sup>

*Notes:*

- (1) Not all the pages of the 2022 Annual Report are paginated continuously. See Notes below for detailed indications on where the relevant sections incorporated by reference in this Base Prospectus are located.
- (2) “CG” corresponds to the section entitled “Corporate Governance” of the 2022 Annual Report located immediately after the section entitled “Responsible banking” and page references are to the page numbers appearing in the bottom left or right corner, as applicable, of each page in such section.
- (3) “EFR” corresponds to the sub-section entitled “Economic Financial Review” of the 2022 Annual Report located immediately after the section entitled “Corporate governance” (see note (2) above) and page references are to the page numbers appearing in the bottom left or right corner, as applicable, of each page in such section.
- (4) “GL” corresponds to the sub-section entitled “Glossary” of the 2022 Annual Report located immediately after the section entitled “Strategic risk” and page references are to the page numbers appearing in the bottom left or right corner, as applicable, of each page in such section.
- (5) “GI” corresponds to the section entitled “General Information” of the 2022 Annual Report located immediately after the Glossary and the page reference is to the page number appearing in the bottom left of such section.

<b>Information incorporated by reference in this Base Prospectus</b>	<b>2021 Financial Statements page reference</b>
1. Independent Auditor’s report on consolidated financial statements for the year ended 31 December 2021 .....	512-524
2. Audited consolidated balance sheets at 31 December 2021 and the comparative consolidated financial information of the Issuer at 31 December 2020 and 31 December 2019 .....	525-528
3. Audited consolidated income statements for the year ended 31 December 2021 and the comparative consolidated financial information of the Issuer for the years ended 31 December 2020 and 31 December 2019 .....	529-530
4. Audited consolidated statements of recognised income and expense for the year ended 31 December 2021 and the comparative consolidated financial information of the Issuer for the years ended 31 December 2020 and 31 December 2019.....	531
5. Audited consolidated statements of changes in total equity for the year ended 31 December 2021 and the comparative for the years ended 31 December 2020 and 31 December 2019 .....	532-537
6. Audited consolidated statements of cash flow for the year ended 31 December 2021 and the comparative consolidated cash flow statement of the Issuer for the years ended 31 December 2020 and 31 December 2019 .....	538-539
7. Notes to the consolidated financial statements for the year ended 31 December 2021 .....	540-766

<b>Extracts of Annex 6 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation, as amended</b>		<b>Annual Report page reference</b>
<b>SECTION 4</b>	<b>INFORMATION ABOUT THE ISSUER</b>	
Item 4.1	History and development of the issuer	808 – see subsection entitled “ <i>Corporate history</i> ”.
Item 4.1.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	808 – see subsection entitled “ <i>Corporate information</i> ”.
Item 4.1.5	Details of any recent events particular to the issuer and which are to a material extent relevant to an evaluation of the issuer’s solvency.	331-351 – in particular see description of the evolution of customer deposits in page 331, subsection “ <i>liquidity in 2022</i> ” in page 334, subsection “ <i>Rating agencies</i> ” in page 338, description of capital management measures in page 341 and subsection “ <i>Capital planning and stress tests</i> ”, in page 348.
Item 4.1.7	Information on the material changes in the issuer’s borrowing and funding structure since the last financial year;	326-331– in particular see executive summary in page 329.
Item 4.1.8	Description of the expected financing of the issuer’s activities	339
<b>SECTION 5</b>	<b>BUSINESS OVERVIEW</b>	
Item 5.1	Principal activities	
Item 5.1.1	A description of the issuer’s principal activities, including: (a) the main categories of products sold and/or services performed; (b) an indication of any significant new products or activities; (c) the principal markets in which the issuer competes.	356-398 – in particular, see sections entitled “ <i>Description of segments – b. Current composition of Group Segments</i> ”, “ <i>Primary segments</i> ” and “ <i>Secondary segments</i> ”.
<b>SECTION 6</b>	<b>ORGANISATIONAL STRUCTURE</b>	
Item 6.1	If the issuer is part of a group, a brief description of the group and the issuer’s position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	256 – in particular, see first paragraph; 580 – in particular see subsection a) <i>Banco Santander, S.A., and international Group Structure</i> .
<b>SECTION 9</b>	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	
Item 9.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities	179-187

**Extracts of Annex 6 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation, as amended**

**Annual Report page reference**

	<p>performed by them outside of that issuer where these are significant with respect to that issuer:</p> <p>(a) members of the administrative, management or supervisory bodies;</p> <p>(b) partners with unlimited liability, in the case of a limited partnership with a share capital.</p>	
SECTION 11	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
Item 11.1.1	Audited historical financial information covering the latest two financial years (or such shorter period as the issuer has been in operation) and the audit report in respect of each year.	513-528
Item 11.1.3	<p>Accounting Standards</p> <p>The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002.</p> <p>If Regulation (EC) No 1606/2002 is not applicable, the financial information must be prepared in accordance with either:</p> <p>(a) a Member State's national accounting standards for issuers from the EEA, as required by the Directive 2013/34/EU;</p> <p>(b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. If such third country's national accounting standards are not equivalent to Regulation (EC) No 1606/2002, the financial statements shall be restated in compliance with that Regulation.</p>	530-535 – in particular, see fourth paragraph of subsection entitled “ <i>b) Basis of presentation of the consolidated financial statements</i> ”.
Item 11.3.1	<p>The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU and Regulation (EU) No 537/2014.</p> <p>Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply:</p> <p>(a) the historical financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard.</p> <p>(b) if audit reports on the historical financial information contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.</p>	503-512 – in particular, see second paragraph of subsection “ <i>Opinion</i> ”.
SECTION 12	ADDITIONAL INFORMATION	
Item 12.1	<p>Share capital</p> <p>The amount of the issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up with an indication of the number, or total nominal value and the type of the shares not yet fully paid up, broken down where applicable according to the extent to which they have been paid up.</p>	166 – in particular see first and third paragraphs of subsection “ <i>Share capital</i> ”.

<b>Extracts of Annex 7 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation, as amended</b>		<b>Annual Report page reference</b>
<b>SECTION 4</b>	<b>INFORMATION ABOUT THE ISSUER</b>	
Item 4.1	History and development of the issuer	808 – see subsection entitled “ <i>Corporate history</i> ”.
Item 4.1.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	808 – see subsection entitled “ <i>Corporate information</i> ”.
Item 4.1.5	Any recent events particular to the issuer and which are to a material extent relevant to an evaluation of the issuer’s solvency.	331-351 – in particular see description of the evolution of customer deposits in page 331, subsection “ <i>liquidity in 2022</i> ” in page 334, subsection “ <i>Rating agencies</i> ” in page 338, description of capital management measures in page 341 and subsection “ <i>Capital planning and stress tests</i> ”, in page 348.
<b>SECTION 5</b>	<b>BUSINESS OVERVIEW</b>	
Item 5.1	Principal activities	
Item 5.1.1	A brief description of the issuer’s principal activities stating the main categories of products sold and/or services performed.	356-398 – in particular, see sections entitled “ <i>Description of segments – b. Current composition of Group Segments</i> ”, “ <i>Primary segments</i> ” and “ <i>Secondary segments</i> ”.
<b>SECTION 6</b>	<b>ORGANISATIONAL STRUCTURE</b>	
Item 6.1	If the issuer is part of a group, a brief description of the group and the issuer’s position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	256 – in particular, see first paragraph; 580 – in particular see subsection a) <i>Banco Santander, S.A., and international Group Structure</i>
<b>SECTION 9</b>	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	
Item 9.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies;	179-187

Extracts of Annex 7 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation, as amended	Annual Report page reference
(b) partners with unlimited liability, in the case of a limited partnership with a share capital.	
SECTION 11 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
Item 11.1.1 Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the issuer has been in operation and the audit report in respect of each year.	513-528
Item 11.1.3 Accounting standards The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002. If Regulation (EC) No 1606/2002 is not applicable, the financial statements must be prepared according to: (a) a Member State's national accounting standards for issuers from the EEA, as required by the Directive 2013/34/EU; (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers.	530-535 – in particular, see fourth paragraph of subsection entitled “ <i>b) Basis of presentation of the consolidated financial statements</i> ” in page 530.
Item 11.2.1 Otherwise the following information must be included in the registration document: (a) a prominent statement that the financial information included in the registration document has not been prepared in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information; (b) immediately following the historical financial information a narrative description of the differences between Regulation (EC) No 1606/2002, as adopted by the Union and the accounting principles adopted by the issuer in preparing its annual financial statements.	
Item 11.2.1 The historical financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU and Regulation (EU) No 537/2014. Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: (a) the historical financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. Otherwise, the following information must be included in the registration document: (i) a prominent statement disclosing which auditing standards have been applied; (ii) an explanation of any significant departures from International Standards on Auditing; (b) if audit reports on the historical financial information contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers	503-512 – in particular, see second paragraph of subsection “ <i>Opinion</i> ”.

or emphasis of matter must be reproduced in full and the reasons given.

## TERMS AND CONDITIONS OF THE INSTRUMENTS

*The following, except for paragraphs in italics, is the text of the terms and conditions (the “**Terms and Conditions**”) that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Instruments in definitive form (if any) issued in exchange for the Global Instruments(s) and Global Registered Instrument(s) representing each Series. Either (i) the full text of these Terms and Conditions together with the relevant provisions of Part A of the relevant Final Terms or (ii) these Terms and Conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Instruments or on the Individual Certificates relating to such Registered Instruments. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Instruments or Individual Certificates, as the case may be.*

The Instruments of each Tranche will be issued following the execution of a public deed (*escritura pública*) (the “**Public Deed of Issuance**”) to be executed before a Spanish notary public and to be registered with the Mercantile Registry of Cantabria on, prior to or after the issue date of the relevant Tranche of Instruments specified in the relevant Final Terms (the “**Issue Date**”), and which shall contain, among other information, the Terms and Conditions. Instruments where the relevant Final Terms specify English law as the governing law (the “**English law Instruments**”) and Instruments where the relevant Final Terms specify Spanish law as the governing law (the “**Spanish law Instruments**”) will be issued in accordance with, and will have the benefit of, an amended and restated issue and paying agency agreement (the “**Issue and Paying Agency Agreement**”, which expression shall include any amendments or supplements thereto) dated 13 March 2023 and made between Banco Santander, S.A. (the “**Issuer**”), The Bank of New York Mellon, London Branch in its capacity as issue and paying agent (the “**Issue and Paying Agent**” which expressions shall include any successor to The Bank of New York Mellon, London Branch in its capacity as such and together with any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement, the “**Paying Agent**”), The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as registrar (the “**Registrar**”, which expression shall include any successor to The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as such). References to the “Issue and Paying Agent” shall, with respect to CMU Instruments, be deemed to be a reference to the CMU lodging and paying agent that may be appointed by the Bank from time to time (the “**CMU Lodging and Paying Agent**”) and references to “Paying Agent” shall be construed accordingly. References to the “Registrar” shall, with respect to CMU Instruments, be deemed to be a reference to the CMU registrar that may be appointed by the Bank from time to time (the “**CMU Registrar**”). For the purposes of making determinations or calculations of interest rates, interest amounts, redemption amounts or any other matters requiring determination or calculation in accordance with the Terms and Conditions of any Series of Instruments (as defined below), the Issuer may appoint a Calculation Agent (as defined under Condition 4F.07) for the purposes of such Instruments, in accordance with the provisions of the Issue and Paying Agency Agreement, and such Calculation Agent shall be specified in the relevant Final Terms. In relation to English law Instruments only, the Issuer has executed and delivered a deed of covenant dated 13 March 2023 (the “**Deed of Covenant**”). Copies of the Issue and Paying Agency Agreement (to which the forms of the Global Instruments and the Global Registered Instruments are attached) and the Deed of Covenant (i) are, or will be, available for inspection free of charge during normal business hours at the specified office of each of the Paying Agents and the Registrar or (ii) may be provided by email to a Holder or an Account Holder as defined in Condition 22 (and as defined in the Deed of Covenant in relation to English law Instruments and in the Global Instruments or the Global Registered Instruments, as applicable, in relation to Spanish law Instruments) following their prior written request to the relevant Paying Agent or the Registrar and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Registrar, as the case may be). All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of all of the provisions of the Issue and Paying Agency Agreement and the Deed of Covenant (in relation to English law Instruments only) and the provisions of the Global Instrument (as defined in Condition 22) and the Global Registered Instrument (as defined in Condition 22) insofar as they relate to the relevant Instruments.

The Instruments are issued in series (each, a “**Series**”), and each Series may comprise one or more tranches (“**Tranches**” and each, a “**Tranche**”) of Instruments. Each Tranche will be the subject of a Final Terms (each, a “**Final Terms**”), a copy of which will be available for inspection free of charge during normal business hours at the specified office of the Issue and Paying Agent and the Registrar, as the case may be, and, in the case of a



Tranche of Instruments listed on the regulated market of The Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”) and if the rules of such market so require, shall be published on the website of Euronext Dublin (<https://live.euronext.com/>). In the case of a Tranche of Instruments in relation to which application has not been made for admission for listing on any listing authority, stock exchange and/or quotation system, copies of the Final Terms will only be available for inspection (or sent by email) by a Holder of or, as the case may be, an Account Holder in respect of, such Instruments.

References in these Terms and Conditions to “**Instruments**” are to Instruments of the relevant Series and any references to “**Coupons**” (as defined in Condition 1.02) and “**Receipts**” (as defined in Condition 1.02) are to Coupons and Receipts relating to Instruments of the relevant Series.

References in these Terms and Conditions to the “**Final Terms**” are to the Final Terms or Final Terms(s) prepared in relation to the Instruments of the relevant Tranche or Series.

In respect of any Instruments, references herein to these “**Terms and Conditions**” are to these terms and conditions as amended, modified or varied by the Final Terms.

## **1 Form, Denomination(s) and Title**

- 1.01 The Instruments are issued in bearer form (“**Bearer Instruments**”) or in registered form (“**Registered Instruments**”) in each case in the Specified Denomination(s) shown hereon.
- 1.02 Bearer Instruments are serially numbered and are issued with interest coupons (“**Coupons**”), and, where appropriate, talons for further Coupons (a “**Talon**”) attached, save in the case of Zero Coupon Instruments in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Terms and Conditions are not applicable. Instalment Instruments are issued with one or more receipts for the payment of instalments of principal (the “**Receipts**”) attached.
- 1.03 Registered Instruments are represented by registered certificates (“**Individual Certificates**”) and, save as provided in Condition 2.03, each Individual Certificate shall represent the entire holding of Registered Instruments by the same Holder.
- 1.04 Title to the Bearer Instruments and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Instruments shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Issue and Paying Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any Instrument, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Individual Certificate representing it) or its theft or loss (or that of the related Individual Certificate) and no person shall be liable for so treating the Holder.
- 1.05 In these Terms and Conditions, “**Holder**” means the bearer of any Bearer Instruments, Receipt, Coupon or Talon or the person in whose name a Registered Instrument is registered (as the case may be), and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Instruments.

## **2 No Exchange of Instruments and Transfers of Registered Instruments**

- 2.01 **No Exchange of Instruments:** Registered Instruments may not be exchanged for Bearer Instruments. Bearer Instruments of one Specified Denomination may not be exchanged for Bearer Instruments of another Specified Denomination. Bearer Instruments may not be exchanged for Registered Instruments.
- 2.02 **Transfer of Registered Instruments:** One or more Registered Instruments may be transferred upon the surrender (at the specified office of the Registrar) for registration of the Individual Certificate representing such Registered Instruments to be transferred, together with the form of transfer endorsed on such Individual Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed under the hand of the transferor or, where the transferor is a corporation, under its common seal or under the hand of two of its officers duly authorised in writing, and any other evidence as the Registrar may reasonably require to prove the title of the transferor and the authority of

the persons who have executed the form of transfer. In particular, where the form of transfer is executed by an attorney or, in the case of a corporation, under seal or under the hand of two of its officers duly authorised in writing, a copy of the relevant power of attorney certified by a financial institution in good standing or a notary public or in such other manner as the Registrar may require or, as the case may be, copies certified in the manner aforesaid of the documents authorising such officers to sign and witness the affixing of the seal must be delivered with the form of transfer. In this Condition 2.02, “transferor” shall, where the context permits or requires, include joint transferors and shall be construed accordingly.

The executors or administrators of a deceased or bankrupt Holder of a Registered Instrument (not being one of several joint Holders) and, in the case of the death of one or more of several joint Holders, the survivor or survivors of such joint Holders, shall be the only persons recognised by the Issuer as having any title to such Registered Instrument. Any person becoming entitled to any Registered Instruments in consequence of the death or bankruptcy of the Holder of such Registered Instruments may, upon producing such evidence that he holds the position in respect of which he proposes to act under this paragraph or of his title as the Registrar may require (including legal opinions), become registered himself as the Holder of such Instruments or, subject to the provisions of these Regulations, the Instruments and the Terms and Conditions as to transfer, may transfer such Registered Instruments. The Issuer, the Registrar and the Paying Agents shall be at liberty to retain any amount payable upon the Registered Instruments to which any person is so entitled until such person is so registered or duly transfers such Instruments.

A Holder of Registered Instruments may transfer all or part only of his holding of Instruments provided that both the principal amount of the Instruments transferred, and the principal amount of the balance not transferred are a Specified Denomination (as defined in Condition 10C.03). In the case of a transfer of part only of a holding of Registered Instruments represented by one Individual Certificate, a new Individual Certificate shall be issued to the transferee in respect of the part transferred and a further new Individual Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. Where there is more than one transferee (to hold other than as joint Holders), separate forms of transfer (obtainable from the specified office of the Registrar) must be completed in respect of each new holding.

- 2.03 **Exercise of Options or Partial Redemption in Respect of Registered Instruments:** In the case of an exercise of an Issuer’s or Holder’s option in respect of, or a partial redemption of, a holding of Registered Instruments represented by a single Individual Certificate, a new Individual Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Instruments of the same holding having different terms, separate Individual Certificates shall be issued in respect of those Instruments of that holding that have the same terms. New Individual Certificates shall only be issued against surrender of the existing Individual Certificates to the Registrar. In the case of a transfer of Registered Instruments to a person who is already a Holder of Registered Instruments, a new Individual Certificate representing the enlarged holding shall only be issued against surrender of the Individual Certificate representing the existing holding.
- 2.04 **Delivery of New Individual Certificates:** Each new Individual Certificate to be issued pursuant to Conditions 2.02 or 2.03 shall be available for delivery within three business days of receipt of the form of transfer or redemption notice (under Conditions 5.07, 5.08 and 5.09) and surrender of the Individual Certificate for exchange. Delivery of the new Individual Certificate(s) in respect of which entries have been made in the Register, all formalities complied with and the name of the transferee completed by or on behalf of the Registrar, shall be made at the specified office of the Registrar to whom delivery or surrender of such form of transfer, redemption notice (under Conditions 5.07, 5.08 and 5.09) or Individual Certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the form of transfer, redemption notice (under Conditions 5.07, 5.08 and 5.09) or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Individual Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Paying Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2.04, “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar to whom such request for exchange or form of transfer shall have been delivered. Unless otherwise required by him and agreed by the Issuer and the Registrar, the Holder of any Instruments

shall be entitled to receive only one Individual Certificate in respect of his holding. The joint Holders of any Registered Instrument shall be entitled to one Individual Certificate only in respect of their joint holding which shall, except where they otherwise direct, be delivered to the joint Holder whose name appears first in the Register in respect of the joint holding.

- 2.05 **Transfer Free of Charge:** Transfers of Instruments and Individual Certificates on registration, transfer, partial redemption, issue of any Registered Instruments or delivery thereof at the specified office of the Registrar or by uninsured post to the address specified by the Holder, or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar, but shall be effected against such indemnity from the Holder or the transferee thereof as the Registrar may require in respect of payment of any tax or other duty or governmental charges that may be levied or imposed in relation to it.
- 2.06 **Closed Periods:** No Holder may require the transfer of a Registered Instrument to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Instrument, (ii) during the period of 15 days before any date on which Instruments may be called for redemption by the Issuer at its option pursuant to Conditions 5.05 and 5.07, (iii) after any such Instrument has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

### 3 Status of the Instruments

#### *Status of Senior Instruments*

- 3.01 The payment obligations of the Issuer in respect of principal under Instruments which specify their status as Ordinary Senior Instruments (“**Ordinary Senior Instruments**”) or as Senior Non Preferred Instruments (“**Senior Non Preferred Instruments**”, together with the Ordinary Senior Instruments “**Senior Instruments**”) in the relevant Final Terms constitute direct, unconditional, unsubordinated and unsecured obligations (*créditos ordinarios*) of the Issuer and, in accordance with Additional Provision 14.2 of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of the Issuer, such payment obligations rank:
- (i) in the case of Ordinary Senior Instruments:
    - (a) *pari passu* among themselves and with any Senior Higher Priority Liabilities; and
    - (b) senior to (i) Senior Non Preferred Liabilities and (ii) any present and future subordinated obligations (*créditos subordinados*) of the Issuer in accordance with Article 281 of the Insolvency Law; and
  - (ii) in the case of Senior Non Preferred Instruments:
    - (a) *pari passu* among themselves and with any Senior Non Preferred Liabilities;
    - (b) junior to the Senior Higher Priority Liabilities (and, accordingly, upon the insolvency of the Issuer the payment obligations of the Issuer in respect of principal under Senior Non Preferred Instruments will be met after payment in full of the Senior Higher Priority Liabilities); and
    - (c) senior to any present and future subordinated obligations (*créditos subordinados*) of the Issuer in accordance with Article 281 of the Insolvency Law.

*Claims of Holders of Senior Instruments in respect of interest accrued but unpaid as of the commencement of any insolvency procedure in respect of the Issuer shall constitute subordinated claims (créditos subordinados) against the Issuer ranking in accordance with the provisions of Article 281.1.3º of the Insolvency Law and no further interest shall accrue from the date of the declaration of insolvency of the Issuer.*

*The obligations of the Issuer under the Senior Instruments are subject to the Bail-in Power.*

For the purposes of the Terms and Conditions:

“**Insolvency Law**” means the Spanish Insolvency Act (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*), as amended from time to time;

“**Law 11/2015**” means Law 11/2015 of 18 June on recovery and resolution of credit institutions and investment firms, as amended from time to time;

“**Senior Higher Priority Liabilities**” means any obligations in respect of principal of the Issuer under any Ordinary Senior Instruments and any other unsecured and unsubordinated obligations (*créditos ordinarios*) of the Issuer, other than the Senior Non Preferred Liabilities; and

“**Senior Non Preferred Liabilities**” means any unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of the Issuer under Additional Provision 14.2° of Law 11/2015, as amended from time to time, (including any Senior Non Preferred Instruments) and any other obligations which, by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Senior Non Preferred Liabilities.

### ***Status of the Subordinated Instruments***

3.02 The payment obligations of the Issuer under Instruments which specify their status as Subordinated Instruments in the relevant Final Terms (“**Subordinated Instruments**”, which may be, in turn, Senior Subordinated Instruments (“**Senior Subordinated Instruments**”) or Tier 2 Subordinated Instruments (“**Tier 2 Subordinated Instruments**”), as specified in the relevant Final Terms) constitute direct, unconditional, unsecured and subordinated obligations (*créditos subordinados*) of the Issuer according to Article 281.1 of the Insolvency Law and, in accordance with Additional Provision 14.3 of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of the Issuer rank:

- (i) for so long as the relevant Subordinated Instruments do not constitute Additional Tier 1 Instruments or Tier 2 Instruments of the Issuer, payment obligations of the Issuer in respect of principal thereunder would rank:
  - (a) *pari passu* among themselves and with (i) all other contractually subordinated obligations (*créditos subordinados*) of the Issuer according to Article 281.1.2° of the Insolvency Law in respect of principal under instruments which do not constitute Additional Tier 1 Instruments or Tier 2 Instruments, and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, to the extent permitted by Spanish law, rank *pari passu* with the Issuer’s obligations under the relevant Subordinated Instruments;
  - (b) junior to (i) any unsubordinated obligations (*créditos ordinarios*) of the Issuer (including any payment obligations of the Issuer in respect of principal under Senior Non Preferred Liabilities), and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, to the extent permitted by Spanish law, rank senior to the Issuer’s obligations under the relevant Subordinated Instruments; and
  - (c) senior to (i) any subordinated obligations (*créditos subordinados*) of the Issuer under Additional Tier 1 Instruments or Tier 2 Instruments, and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, to the extent permitted by Spanish law, rank junior to the obligations of the Issuer under the relevant Subordinated Instruments; and

*This status is expected to apply if the Subordinated Instruments are specified as Senior Subordinated Instruments in the relevant Final Terms.*

*Claims of Holders of Senior Subordinated Instruments in respect of interest accrued but unpaid as of the commencement of any insolvency procedure in respect of the Issuer shall constitute subordinated claims (*créditos subordinados*) against the Issuer ranking in accordance with the provisions of Article 281.1.3° of the Insolvency Law and no further interest shall accrue from the date of the declaration of insolvency of the Issuer.*

- (ii) for so long as the relevant Subordinated Instruments constitute Tier 2 Instruments of the Issuer, payment obligations of the Issuer thereunder would rank:
  - (a) *pari passu* among themselves and with (i) all other subordinated obligations (*créditos subordinados*) of the Issuer under Tier 2 Instruments, and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, to

the extent permitted by Spanish law, rank *pari passu* with the Issuer's obligations under Tier 2 Instruments;

- (b) junior to (i) any unsubordinated obligations (*créditos ordinarios*) of the Issuer (including any payment obligations of the Issuer in respect of principal under Senior Non Preferred Liabilities), (ii) any subordinated obligations (*créditos subordinados*) of the Issuer under instruments which do not constitute Additional Tier 1 Instruments or Tier 2 Instruments (including any payment obligations of the Issuer in respect of interest accrued but unpaid under instruments which do not constitute Additional Tier 1 Instruments or Tier 2 Instruments) and (iii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, to the extent permitted by Spanish law, rank senior to the Issuer's obligations under the Tier 2 Subordinated Instruments; and
- (c) senior to (i) any subordinated obligations (*créditos subordinados*) of the Issuer under Additional Tier 1 Instruments of the Issuer and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, to the extent permitted by Spanish law, rank junior to the obligations of the Issuer under Tier 2 Instruments.

*This status is expected to apply if the Subordinated Instruments are specified as Tier 2 Subordinated Instruments in the relevant Final Terms.*

*The obligations of the Issuer under the Subordinated Instruments are subject to the Bail-in Power.*

For the purposes of the Terms and Conditions:

**“Additional Tier 1 Capital”** means additional tier 1 capital (*capital de nivel 1 adicional*) in accordance with Chapter 3 (Additional Tier 1 capital) of Title I (Elements of own funds) of Part Two (Own Funds and Eligible Liabilities) of the CRR and/or Applicable Banking Regulations at any time, including any applicable transitional, phasing in or similar provisions;

**“Additional Tier 1 Instrument”** means any instrument of the Issuer qualifying as Additional Tier 1 Capital in whole or in part from time to time;

**“Bail-in Power”** means any power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Spain, relating to (i) the transposition of the BRRD (including but not limited to, Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) as amended or superseded from time to time, (ii) the SRM Regulation and (iii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced, cancelled, suspended, modified, or converted into shares, other securities, or other obligations of such Regulated Entity (or affiliate of such Regulated Entity);

**“Group”** means the Issuer and its consolidated subsidiaries;

**“Regulator”** means the European Central Bank, the Bank of Spain or such other or successor governmental authority exercising primary bank supervisory authority from time to time, in each case with respect to prudential matters in relation to the Issuer and/or the Group;

**“Tier 2 Capital”** means tier 2 capital (*capital de nivel 2*) in accordance with Chapter 4 (Tier 2 capital) of Title I (Elements of own funds) of Part Two (Own Funds and Eligible Liabilities) of the CRR and/or Applicable Banking Regulations at any time, including any applicable transitional, phasing in or similar provisions; and

**“Tier 2 Instrument”** means any instrument of the Issuer qualifying as Tier 2 Capital in whole or in part from time to time.

#### 4 Interest

Instruments may be interest-bearing. The Final Terms in relation to the Tranches of a specific Series of Instruments shall specify which of Condition 4A, 4B, 4C, 4D or 4E shall be applicable and Condition 4F will be applicable to the Tranches of a specific Series of Instruments save for where Condition 4E applies, and

further save, in each case, to the extent inconsistent with the relevant Final Terms. In relation to any Tranche of Instruments, the Final Terms the Tranches of a specific Series may specify actual amounts of interest payable rather than, or in addition to, a rate or rates at which interest accrues.

#### 4A **Interest — Fixed Rate**

*This Condition 4A applies to Fixed Rate Instruments only or Instruments which for any period in respect of which this Condition is applicable. The relevant Final Terms contain provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4A for full information on the manner in which interest is calculated on Fixed Rate Instruments.*

Instruments in relation to which this Condition 4A applies and the relevant Final Terms specify as being applicable shall bear interest from (and including) their Issue Date or from such other Interest Commencement Date as may be specified in the relevant Final Terms at the rate or rates per annum equal to the Rate of Interest specified in the relevant Final Terms (or otherwise, as specified in the relevant Final Terms) (a “**Fixed Rate**”), subject to the application of, in the case of Fixed Rate Instruments that are Range Accrual Instruments, the Range Accrual Factor. Such interest will be payable in arrear on each Interest Payment Date specified in the relevant Final Terms and on the date Maturity Date. Interest in respect of a period of less than one year will be calculated on such basis as may be specified in Condition 4F.02 and the relevant Final Terms.

#### 4B **Interest — Reset Instruments**

*This Condition 4B applies to Reset Instruments only or Instruments which for any period in respect of which this Condition is applicable. The relevant Final Terms contain provisions applicable to the determination of reset rate of interest and must be read in conjunction with this Condition 4B for full information on the manner in which interest is calculated on Reset Instruments.*

##### **Rates of Interest and Interest Payment Dates**

4B.01 Instruments in relation to which this Condition 4B applies and the relevant Final Terms specify as being applicable shall bear interest:

- (A) from (and including) their Issue Date or from such other date as may be specified in the relevant Final Terms until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
- (B) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (C) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

in each case, subject to the application of, in the case of Reset Instruments that are Range Accrual Instruments, the Range Accrual Factor, with the relevant Rate of Interest being payable, in each case, on each Interest Payment Date specified in the relevant Final Terms and on the Maturity Date. The Interest Amount in respect of a period of less than one year will be calculated on such basis as may be specified in Condition 4F.02 and the relevant Final Terms.

For the purposes of these Terms and Conditions:

“**First Margin**” means the margin specified as such in the relevant Final Terms;

“**First Reset Date**” means the date specified in the relevant Final Terms as adjusted (if so specified in the relevant Final Terms) as if the relevant Reset Date was an Interest Payment Date;

“**First Reset Period**” means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date;

“**First Reset Rate of Interest**” means, in respect of the First Reset Period and subject to Condition 4B.02, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate, as may be adjusted in the relevant Final Terms, and the First Margin;

“**Initial Rate of Interest**” has the meaning specified in the relevant Final Terms;

“**Mid-Swap Rate**” means, in relation to a Reset Determination Date and subject to Condition 4B.02, either:

- (i) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Reset Date,which appears on the Relevant Screen Page (as defined in Condition 10C.03) or such replacement page on that service which displays the information; or
- (ii) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)), of the bid and offered swap rate quotations for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Reset Date,which appear on the Relevant Screen Page (as defined in Condition 10C.03) or such replacement page on that service which displays the information,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

“**Non-Sterling Reference Bond Rate**” means, with respect to any Reset Period and related Reset Determination Date, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

“**Reference Government Bond Dealer**” means each of five banks selected by the Issuer (following, where practicable, consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent), or the affiliates of such banks, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

“**Reference Government Bond Dealer Quotations**” means, with respect to each Reference Government Bond Dealer and any Reset Determination Date, the arithmetic average (as determined by the Calculation Agent), of the bid and offered prices for the Reset Reference Bond (expressed in each case as a percentage of its principal amount) as at the Reset Determination Time on such Reset Determination Date and, if relevant, on a dealing basis for settlement that is customarily used at such time and quoted in writing to the Calculation Agent by such Reference Government Bond Dealer;

“**Reset Business Day**” means a day on which commercial banks are open for business and foreign exchange markets settle payments in any Reset Business Centre specified in the relevant Final Terms;

“**Reset Date**” means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

“**Reset Determination Date**” means, in respect of the First Reset Period, the second Reset Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Reset Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Reset Business Day prior to the first day of each such Subsequent Reset Period;

“**Reset Period**” means the First Reset Period or a Subsequent Reset Period, as the case may be;

“**Reset Reference Bond**” means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Issuer (after consultation with an investment bank or financial

institution of international repute determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent) as having the nearest actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period;

**“Reset Reference Bond Price”** means, with respect to any Reset Determination Date:

- (A) the arithmetic average (as determined by the Calculation Agent) of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or
- (B) if fewer than five but more than one such Reference Government Bond Dealer Quotations are received, the arithmetic average (as determined by the Calculation Agent) of all such quotations; or
- (C) if only one Reference Government Bond Dealer Quotation is received, such quotation; or
- (D) if no Reference Government Bond Dealer Quotations are received when U.S. Treasury Rate does not apply, in the case of the First Reset Rate of Interest, the Initial Rate of Interest and, in the case of any Subsequent Reset Rate of Interest, the Reset Reference Rate as at the last preceding Reset Date, or when U.S. Treasury Rate does apply, the U.S. Treasury Rate shall be determined in accordance with the second paragraph in the definition of U.S. Treasury Rate;

**“Reset Reference Rate”** means one of the (i) Mid-Swap Rate, (ii) the Sterling Reference Bond Rate, (iii) the Non-Sterling Reference Bond Rate or (iv) the U.S. Treasury Rate, as specified in the relevant Final Terms;

**“Second Reset Date”** means the date specified in the relevant Final Terms as adjusted (if so specified in the relevant Final Terms) as if the relevant Reset Date was an Interest Payment Date;

**“Sterling Reference Bond Rate”** means, with respect to any Reset Period and related Reset Determination Date, the gross redemption yield in respect of the Reset Reference Bond expressed as a percentage and calculated by the Calculation Agent on the basis set out by the United Kingdom Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields”, page 5, Section One: Price/Yield Formulae “Conventional Gilts; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such basis is no longer in customary market usage at such time, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Issuer following consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Calculation Agent), on an annual or semi-annual (as the case may be) compounding basis (rounded up (if necessary) to four decimal places) of the Reset Reference Bond in respect of that Reset Period, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

**“Subsequent Margin”** means the margin specified as such in the relevant Final Terms;

**“Subsequent Reset Date”** means the date or dates specified in the relevant Final Terms as adjusted (if so specified in the relevant Final Terms) as if the relevant Reset Date was an Interest Payment Date;

**“Subsequent Reset Period”** means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date; and

**“Subsequent Reset Rate of Interest”** means, in respect of any Subsequent Reset Period and subject to Condition 4B.02, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate, as may be adjusted in the relevant Final Terms, and the relevant Subsequent Margin.



“**U.S. Treasury Rate**” means, with respect to any Reset Period and related Reset Determination Date, the rate per annum calculated by the Calculation Agent equal to: (1) the average of the yields on actively traded U.S. Treasury securities adjusted to constant maturity, for a maturity comparable with the Reset Period, for the five business days immediately prior to the Reset Determination Date and appearing under the caption “Treasury constant maturities” at the Reset Determination Time on the Reset Determination Date in the applicable most recently published statistical release designated “H.15 Daily Update”, or any successor publication that is published by the Board of Governors of the Federal Reserve System that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, under the caption “Treasury Constant Maturities”, for a maturity comparable with the Reset Period; or (2) if such release (or any successor release) is not published during the week immediately prior to the Reset Determination Date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Reset Reference Bond, calculated using a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date; If the U.S. Treasury Rate cannot be determined, for whatever reason, as described under (1) or (2) above, “U.S. Treasury Rate” means the rate in percentage per annum as notified by the Calculation Agent to the Issuer equal to the yield on U.S. Treasury securities having a maturity comparable with the Reset Period as set forth in the most recently published statistical release designated “H.15 Daily Update” under the caption “Treasury constant maturities” (or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption “Treasury constant maturities” for the maturity comparable with the Reset Period) and as at the Reset Determination Time on the last available date preceding the Reset Determination Date on which such rate was set forth in such release (or any successor release).

#### 4B.02 *Fallbacks*

If on any Reset Determination Date, the Relevant Screen Page (as defined in Condition 10C.03) is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page (as defined in Condition 10C.03), the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be the sum of the relevant Mid-Market Swap Rate Quotation (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) and the First or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be (i) the rate determined on the previous Reset Determination Date (if any) or (ii) if there is no such previous Reset Determination Date, the Mid-Swap Rate which last appeared on the Relevant Screen Page (determined on the basis that the Reset Determination Date were the date on which the Mid-Swap Rate so appeared), in each case, substituting, where a different margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin relating to the relevant Interest Period in place of the margin relating to that last preceding Interest Period.

For the purposes of this Condition 4B.02:

“**Mid-Market Swap Rate**” means for any Reset Period the arithmetic mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Fixed Leg Swap Duration specified in the

relevant Final Terms (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

“**Mid-Market Swap Rate Quotation**” means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

“**Mid-Swap Floating Leg Benchmark Rate**” means the reference rate specified as such in the relevant Final Terms; and

“**Reference Banks**” means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

#### 4C **Interest — Floating Rate Instruments, CMS-Linked Instruments and Steeper Instruments**

*This Condition 4C applies to Floating Rate Instruments, CMS-Linked Instruments or Instruments which for any period in respect of which this Condition is applicable. The relevant Final Terms contain provisions applicable to the determination of interest in respect of such Instruments and must be read in conjunction with this Condition 4C for full information on the manner in which interest is calculated on Floating Rate Instruments, CMS-Linked Instruments and Steeper Instruments.*

4C.01 Instruments in relation to which this Condition 4C applies and the relevant Final Terms specify as being applicable, shall bear interest at the rate or rates per annum (or otherwise, as specified in the relevant Final Terms) determined in accordance with this Condition 4C (a “**Floating Rate**”). The Rate of Interest payable from time to time in respect of Floating Rate Instruments and CMS-Linked Instruments will be determined in the manner specified in the relevant Final Terms.

4C.02 Such Instruments shall bear interest from (and including) their Issue Date or from such other Interest Commencement Date as may be specified in the relevant Final Terms, subject to the application of, in the case of Floating Rate Instruments, Steeper Instruments or CMS-Linked Instruments that are Range Accrual Instruments, the Range Accrual Factor. Such interest will be payable in arrear on each Interest Payment Date and on the Maturity Date. The Interest Amount in respect of a period of less than one year will be calculated on such basis as may be specified in Condition 4F.02 and the relevant Final Terms.

##### 4C.03 **Screen Rate Determination**

If “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Rate of Interest (the “**Screen Rate**”) is to be determined, the Rate of Interest applicable to such Instruments for each Interest Period will be determined by the Calculation Agent (as defined in Condition 4F.07) on the following basis:

- (A) if the Reference Rate (as defined in Condition 10C.03) is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page (as defined in Condition 10C.03) as of the Relevant Time (as defined in Condition 10C.03) on the relevant Interest Determination Date (as defined in Condition 10C.03);
- (B) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (C) if, in the case of (A) above, such rate does not appear on that page or, in the case of (B) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

- (1) request the principal Relevant Financial Centre (as defined in Condition 10C.03) office of each of the Reference Banks (as defined in Condition 10C.03) to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date offered to leading banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (2) determine the arithmetic mean of such quotations; and
- (D) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Relevant Financial Centre (or in the case of Instruments denominated in euro, in such financial centre(s) as the Calculation Agent may select), selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Relevant Financial Centre or local time at such other financial centre(s) as aforesaid) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time and the Screen Rate for such Interest Period shall be the rate or (as the case may be) the arithmetic mean so determined,

provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Screen Rate will be the rate or (as the case may be) the arithmetic mean last determined in relation to the Instruments in respect of a preceding Interest Period, substituting, where a different margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin relating to the relevant Interest Period in place of the margin relating to that last preceding Interest Period.

#### 4C.04 *Screen Rate Determination – SONIA*

If “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Rate of Interest (the “**Screen Rate**”) is to be determined and the Final Terms specify that the Reference Rate is SONIA, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 4C.04(A), Condition 4C.04(B) or Condition 4C.04(C) below, subject to the provisions of Condition 4C.04(E) and Condition 4C.04(F) below, as applicable:

- (A) Where the Calculation Method is specified in the relevant Final Terms as being “SONIA Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SONIA plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the relevant Final Terms as being “SONIA Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SONIA Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) Where the Calculation Method is specified in the relevant Final Terms as being “SONIA Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average SONIA plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (A) The following definitions shall apply for the purpose of this Condition 4C.04

“**Compounded Daily SONIA**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the daily Sterling Overnight Index Average (SONIA) as reference rate for the calculation of interest) and will be calculated as follows:

(x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SONIA}_{i-\text{pLBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}; \text{ or}$$

(y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SONIA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where, in each case:

“**d**” is the number of calendar days in (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**d<sub>0</sub>**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of London Banking Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of London Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

“**Lock-out Period**” means, in respect of an Interest Period, the period from and including the day following the Interest Determination Date to, but excluding, the Interest Period End Date falling at the end of such Interest Period;

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**n<sub>i</sub>**”, for any London Banking Day<sub>i</sub>, means the number of calendar days from and including such London Banking Day<sub>i</sub> up to but excluding the following London Banking Day;

“**Observation Period**” means the period from and including the date falling “**p**” London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling “**p**” London Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “**p**” London Banking Days prior to such earlier date, if any, on which the Instruments become due and payable);

“**p**” means, in respect of an Interest Period (x) where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, two London Banking Days or such larger number of days as specified in the relevant Final Terms and (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, zero;

“**Reference Day**” means each London Banking Day in the relevant Interest Period that is not a London Banking Day falling in the Lock-out Period;

the “**SONIA reference rate**”, means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (in each case on the London Banking Day immediately following such London Banking Day);

“**SONIA<sub>i</sub>**” means, in respect of any London Banking Day:

(x) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:

- (1) in respect of any London Banking Day<sub>i</sub> that is a Reference Day, the SONIA reference rate in respect of the London Banking Day immediately preceding such Reference Day; otherwise
- (2) the SONIA reference rate in respect of the London Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;

(y) if “Shift” is specified as the Observation Method in the relevant Final Terms, the SONIA reference rate for such London Banking Day;

“**SONIA<sub>i-pLBD</sub>**” means:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a London Banking Day<sub>i</sub>, the SONIA reference rate in respect of the London Banking Day falling p London Banking Days prior to such London Banking Day<sub>i</sub>; or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a London Banking Day<sub>i</sub>, SONIA<sub>i</sub> in respect of such London Banking Day<sub>i</sub>;

“**Compounded Daily SONIA Index**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the daily Sterling Overnight Index Average (SONIA) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the relevant Final Terms (the “**SONIA Compounded Index**”) and will be calculated as follows:

$$\left( \frac{\text{SONIA Compounded Index}_{\text{End}}}{\text{SONIA Compounded Index}_{\text{Start}}} - 1 \right) \times \frac{365}{d}$$

Where, in each case:

“**d**” is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Compounded Index<sub>End</sub> is determined;

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**p**” means two London Banking Days or such larger number of days as specified in the relevant Final Terms;

“**SONIA Compounded Index<sub>Start</sub>**” means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling “p” London Banking Days prior to the first day of such Interest Period; and

“**SONIA Compounded Index<sub>End</sub>**” means with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling “p” London Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” London

Banking Days prior to such earlier date, if any, on which the Instruments become due and payable); and

“**Weighted Average SONIA**” means:

(x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day; or

(y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the SONIA reference rate for such calendar day will be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall, subject to the preceding proviso, be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day.

- (B) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 4C.04(B), if the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the SONIA Compounded Index is not available in accordance with Condition 4C.04(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.
- (C) If, in respect of any London Banking Day, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:
- (i) (x) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; plus (y) the arithmetic mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or
  - (ii) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the foregoing, in the event of the Bank of England publishing guidance as to (i) how the SONIA reference is to be determined or (ii) any rate that is to replace the SONIA reference rate, the Calculation Agent, as applicable, shall follow such guidance to determine the SONIA reference rate for so long as the SONIA reference is not available or has not been published by the authorised distributors.

If the relevant Series of Instruments become due and payable in accordance with Condition 6, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Instruments became due and payable and the Rate of Interest on such Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

#### 4C.05 Screen Rate Determination – SOFR

If “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Rate of Interest (the “**Screen Rate**”) is to be determined and the Final Terms specify that the Reference Rate is SOFR, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 4C.05(A) or Condition 4C.05(B) below, subject to the provisions of Condition 4C.05(D):

- (A) Where the Calculation Method is specified in the relevant Final Terms as being “SOFR Arithmetic Mean”, the Rate of Interest for each Interest Period will be the SOFR Arithmetic Mean plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the relevant Final Terms as being “SOFR Compound”, the Rate of Interest for each Interest Period will be the Compounded Daily SOFR on the relevant Interest Determination Date plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) The following definitions shall apply for the purpose of this Condition 4C.05:

“**Bloomberg Screen SOFRRATE Page**” means the Bloomberg screen designated “SOFRRATE” or any successor page or service;

“**Compounded Daily SOFR**” means with respect to an Interest Period, an amount equal to the rate of return for each calendar day during the Interest Period, compounded daily, calculated by the Calculation Agent on the Interest Determination Date, as follows:

- (i) if “SOFR Compound with Lookback” is specified in the relevant Final Terms:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SOFR}_{i-\text{pUSBD}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

“**d**” means, in respect of an Interest Period, the number of calendar days in such Interest Period;

“**d<sub>0</sub>**” means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

“**i**” means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

“**Lookback Period**” or “**p**” means two U.S. Government Securities Business Days or such other number of days as specified in the relevant Final Terms;

“**n<sub>i</sub>**” means, in respect of a U.S. Government Securities Business Day<sub>i</sub>, the number of calendar days from, and including, such U.S. Government Securities Business Day<sub>i</sub> up to, but excluding, the following U.S. Government Securities Business Day;

“**SOFR<sub>i</sub>**” means, in respect of each U.S. Government Securities Business Day<sub>i</sub>, the SOFR in respect of such U.S. Government Securities Business Day; and

“**SOFR<sub>i-pUSBD</sub>**” means, in respect of a U.S. Government Securities Business Day<sub>i</sub>, SOFR<sub>i</sub> in respect of the U.S. Government Securities Business Day falling the number of U.S. Government Securities Business Days equal to the Lookback Period prior to such U.S. Government Securities Business Day<sub>i</sub> (“**pUSBD**”), provided that, unless SOFR Cut-Off Date is specified as not applicable in the relevant Final Terms, SOFR<sub>i</sub> in respect of each U.S. Government Securities Business Day<sub>i</sub> in the period from, and including, the SOFR

Cut-Off Date to, but excluding, the next occurring Interest Period End Date, will be SOFR<sub>i</sub> in respect of the SOFR Cut-Off Date for such Interest Period;

- (ii) if “SOFR Compound with Observation Period Shift” is specified in the relevant Final Terms:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

“**d**” means, in respect of an Observation Period, the number of calendar days in such Observation Period;

“**d<sub>0</sub>**” means, in respect of an Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period;

“**i**” means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

“**n<sub>i</sub>**” means, in respect of a U.S. Government Securities Business Day<sub>i</sub>, in the relevant Observation Period the number of calendar days from, and including, such U.S. Government Securities Business Day<sub>i</sub> up to, but excluding, the following U.S. Government Securities Business Day;

“**Observation Period**” means, in respect of an Interest Period, the period from, and including, the date falling the number of Observation Shift Days prior to the first day of such Interest Period and ending on, but excluding, the date that is the number of Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period;

“**Observation Shift Days**” means five U.S. Government Securities Business Days or such other number of days as specified in the relevant Final Terms; and

“**SOFR<sub>i</sub>**” means, in respect of each U.S. Government Securities Business Day<sub>i</sub> in the relevant Observation Period, the SOFR in respect of such U.S. Government Securities Business Day;

- (iii) if “SOFR Compound with Payment Delay” is specified in the relevant Final Terms:

$$\left[ \left( \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d} \right]$$

Where:

“**d**” means, in respect of an Interest Period, the number of calendar days in such Interest Period;

“**d<sub>0</sub>**” means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

“**i**” means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

“**Interest Period End Dates**” shall have the meaning specified in the relevant Final Terms;

“**Interest Payment Dates**” shall be the dates occurring the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date; provided that the Interest Payment Date with respect to the final Interest Period will be the Maturity Date



or, if the Instruments are to be redeemed prior to the Maturity Date, such earlier date on which the Instruments become due and payable;

“**Interest Payment Delay**” means the number of U.S. Government Securities Business Days specified in the relevant Final Terms;

“**Interest Determination Date**” shall be the Interest Period End Date at the end of each Interest Period; provided that the Interest Determination Date with respect to the final Interest Period will be the SOFR Cut-Off Date;

“**ni**” means, in respect of a U.S. Government Securities Business Day<sub>i</sub>, the number of calendar days from, and including, such U.S. Government Securities Business Day<sub>i</sub> up to, but excluding, the following U.S. Government Securities Business Day<sub>i</sub>; and

“**SOFR<sub>i</sub>**” means, for any U.S. Government Securities Business Day<sub>i</sub> in the relevant Interest Period, the SOFR in respect of such U.S. Government Securities Business Day<sub>i</sub>.

For purposes of calculating SOFR Compound with Payment Delay with respect to the final Interest Period, the level of SOFR for each U.S. Government Securities Business Day in the period from and including the SOFR Cut-Off Date to but excluding the Maturity Date or any earlier date on which the Instruments become due and payable, as applicable, shall be the level of SOFR in respect of such SOFR Cut-Off Date.

(iv) if “SOFR Index with Observation Shift” is specified in the relevant Final Terms:

$$\left( \frac{\text{SOFR Index}_{\text{Final}}}{\text{SOFR Index}_{\text{Initial}}} - 1 \right) \times \frac{360}{d_c}$$

Where:

“**d<sub>c</sub>**” the number of calendar days from (and including) the day in relation to which SOFR Index<sub>Initial</sub> is determined to (but excluding) the day in relation to which SOFR Index<sub>Final</sub> is determined;

“**Interest Period End Dates**” shall have the meaning specified in the relevant Final Terms;

“**Observation Shift Days**” means five U.S. Government Securities Business Days or such other number of days as specified in the relevant Final Terms;

“**SOFR Index**” means with respect to any U.S. Government Securities Business Day, (i) the SOFR Index value as published by the NY Federal Reserve as such index appears on the NY Federal Reserve’s Website at the SOFR Determination Time; or (ii) if the SOFR Index specified in (i) above does not so appear, unless both a SOFR Transition Event and its related SOFR Replacement Date have occurred, the SOFR Index as published in respect of the first preceding U.S. Government Securities Business Day for which the SOFR Index was published on the NY Federal Reserve’s Website;

“**SOFR Index<sub>Final</sub>**” means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period;

“**SOFR Index<sub>Initial</sub>**” means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the first day of such Interest Period (or, in the case of the first Interest Period, the Interest Commencement Date);

“**NY Federal Reserve**” means the Federal Reserve Bank of New York;

“**NY Federal Reserve’s Website**” means the website of the NY Federal Reserve, currently at [www.newyorkfed.org](http://www.newyorkfed.org), or any successor website of the NY Federal Reserve or the website of any successor administrator of SOFR;

“**Reuters Page USDSOFR**” means the Reuters page designated “USDSOFR” or any successor page or service;

“**SOFR**” means the rate determined by the Calculation Agent in respect of a U.S. Government Securities Business Day, in accordance with the following provisions:

- (i) the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day that appears at approximately 3:00 p.m. (New York City time) (the “**SOFR Determination Time**”) on the NY Federal Reserve’s Website on such U.S. Government Securities Business Day; or
- (ii) if the rate specified in (a) above does not so appear and the Calculation Agent determines that a SOFR Transition Event has not occurred, the Secured Overnight Financing Rate published on the NY Federal Reserve’s Website for the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the NY Federal Reserve’s Website;

“**SOFR Arithmetic Mean**” means, with respect to an Interest Period, the arithmetic mean of SOFR for each calendar day during such Interest Period, as calculated by the Calculation Agent, provided that, SOFR in respect of each calendar day during the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Interest Period End Date will be SOFR on the SOFR Cut-Off Date. For these purposes, SOFR in respect of any calendar day which is not a U.S. Government Securities Business Day shall, subject to the preceding proviso, be deemed to be SOFR in respect of the U.S. Government Securities Business Day immediately preceding such calendar day;

“**SOFR Cut-Off Date**” means, unless specified as not applicable in the relevant Final Terms, in respect of an Interest Period, the fourth U.S. Government Securities Business Day prior to the next occurring Interest Period End Date for such Interest Period (or such other number of U.S. Government Securities Business Days specified in the relevant Final Terms); and

“**U.S. Government Securities Business Day**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Notwithstanding Conditions 4C.05(A) to 4C.05(C) above, if the Calculation Agent determines on or prior to the SOFR Determination Time, that a SOFR Transition Event and its related SOFR Replacement Date have occurred with respect to the relevant SOFR Benchmark (as defined below), then the provisions set forth in Condition 4C.05(D) (*SOFR Replacement Provisions*) below will apply to all determinations of the Rate of Interest for each Interest Period thereafter.

(D) SOFR Replacement Provisions

If the Calculation Agent, failing which the Issuer, determines at any time prior to the SOFR Determination Time on any U.S. Government Securities Business Day that a SOFR Transition Event and the related SOFR Replacement Date have occurred, the Calculation Agent will appoint an agent (the “**Replacement Rate Determination Agent**”) which will determine the SOFR Replacement. The Replacement Rate Determination Agent may be (x) a leading bank, broker-dealer or benchmark agent in the principal financial centre of the Specified Currency as appointed by the Calculation Agent, (y) the Issuer, (z) an affiliate of the Issuer or the Calculation Agent or (zz) such other entity that the Calculation Agent determines to be competent to carry out such role.

In connection with the determination of the SOFR Replacement, the Replacement Rate Determination Agent will determine appropriate SOFR Replacement Conforming Changes.

Any determination, decision or election that may be made by the Calculation Agent or Replacement Rate Determination Agent (as the case may be) pursuant to these provisions, will

(in the absence of manifest error) be conclusive and binding on the Issuer, the Calculation Agent, the Issue and Paying Agent and the Holders.

Following the designation of a SOFR Replacement, the Calculation Agent may subsequently determine that a SOFR Transition Event and a related SOFR Replacement Date have occurred in respect of such SOFR Replacement, provided that the SOFR Benchmark has already been substituted by the SOFR Replacement and any SOFR Replacement Conforming Changes in connection with such substitution have been applied. In such circumstances, the SOFR Replacement shall be deemed to be the SOFR Benchmark and all relevant definitions shall be construed accordingly.

In connection with the SOFR Replacement provisions above, the following definitions shall apply:

**“2006 ISDA Definitions”** means, in relation to a Series of Instruments, the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of Instruments of the relevant Series) as published by ISDA (copies of which may be obtained from ISDA at [www.isda.org](http://www.isda.org));

**“2021 ISDA Definitions”** means, in relation to a Series of Instruments, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the Issue Date of the first Tranche of Instruments of the relevant Series, as published by ISDA on its website ([www.isda.org](http://www.isda.org));

**“ISDA Definitions”** has the meaning given in the relevant Final Terms;

**“ISDA Fallback Adjustment”** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to SOFR for the applicable tenor;

**“ISDA Fallback Rate”** means the rate that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be effective upon the occurrence of a SOFR Transition Event with respect to SOFR for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**“Relevant Governmental Body”** means the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or any successor thereto;

**“SOFR Benchmark”** means (a) (unless “SOFR Index with Observation Shift” is specified in the relevant Final Terms) SOFR or (b) SOFR Index (each as defined in Condition 4C.05(C) above);

**“SOFR Replacement”** means any one (or more) of the SOFR Replacement Alternatives to be determined by the Replacement Rate Determination Agent as of the SOFR Replacement Date if the Calculation Agent failing which the Issuer, determines that a SOFR Transition Event and its related SOFR Replacement Date have occurred on or prior to the SOFR Determination Time in respect of any determination of the SOFR Benchmark on any U.S. Government Securities Business Day in accordance with:

- (a) the order of priority specified SOFR Replacement Alternatives Priority in the relevant Final Terms; or
- (b) if no such order of priority is specified, in accordance with the priority set forth below:
  - (i) Relevant Governmental Body Replacement;
  - (ii) ISDA Fallback Replacement; and
  - (iii) Industry Replacement,

provided that, in each case, if the Replacement Rate Determination Agent is unable to determine the SOFR Replacement in accordance with the first SOFR Replacement

Alternative listed, it shall attempt to determine the SOFR Replacement in accordance with each subsequent SOFR Replacement Alternative until a SOFR Replacement is determined. The SOFR Replacement will replace the then-current SOFR Benchmark for the purpose of determining the relevant Rate of Interest in respect of the relevant Interest Period and each subsequent Interest Period, subject to the occurrence of a subsequent SOFR Transition Event and related SOFR Replacement Date;

“**SOFR Replacement Alternatives**” means:

- (a) the sum of: (i) the alternative rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the relevant Interest Period and (ii) the SOFR Replacement Adjustment (the “**Relevant Governmental Body Replacement**”);
- (b) the sum of: (i) the ISDA Fallback Rate and (ii) the SOFR Replacement Adjustment (the “**ISDA Fallback Replacement**”); or
- (c) the sum of: (i) the alternative rate that has been selected by the Replacement Rate Determination Agent as the replacement for the then-current SOFR Benchmark for the relevant Interest Period giving due consideration to any industry-accepted rate as a replacement for the then-current SOFR Benchmark for US Dollar-denominated floating rate securities at such time and (ii) the SOFR Replacement Adjustment (the “**Industry Replacement**”);

“**SOFR Replacement Adjustment**” means the first alternative set forth in the order below that can be determined by the Replacement Rate Determination Agent as of the applicable SOFR Replacement Date:

- (a) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted SOFR Replacement;
- (b) if the applicable Unadjusted SOFR Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (c) the spread adjustment (which may be a positive or negative value or zero) determined by the Replacement Rate Determination Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current SOFR Benchmark with the applicable Unadjusted SOFR Replacement for US Dollar-denominated floating rate securities at such time;

“**SOFR Replacement Conforming Changes**” means, with respect to any SOFR Replacement, any technical, administrative or operational changes (including, but not limited to, changes to timing and frequency of determining rates with respect to each interest period and making payments of interest, rounding of amounts or tenors, day count fractions, business day convention and other administrative matters) that the Replacement Rate Determination Agent decides may be appropriate to reflect the adoption of such SOFR Replacement in a manner substantially consistent with market practice (or, if the Replacement Rate Determination Agent determines that adoption of any portion of such market practice is not administratively feasible or if the Replacement Rate Determination Agent determines that no market practice for use of the SOFR Replacement exists, in such other manner as the Replacement Rate Determination Agent or the Calculation Agent, as the case may be, determines is reasonably necessary, acting in good faith and in a commercially reasonable manner);

“**SOFR Replacement Date**” means the earliest to occur of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

- (a) in the case of sub-paragraphs (a) or (b) of the definition of “SOFR Transition Event” the later of (i) the date of the public statement or publication of information referenced therein

and (ii) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark (or such component); or

- (b) in the case of sub-paragraph (c) of the definition of “SOFR Transition Event” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the SOFR Replacement Date occurs on the same day as, but earlier than, the SOFR Determination Time in respect of any determination, the SOFR Replacement Date will be deemed to have occurred prior to the SOFR Determination Time for such determination.

“**SOFR Transition Event**” means the occurrence of any one or more of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

- (a) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark (or such component, if relevant) announcing that such administrator has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component, if relevant), the central bank for the currency of the SOFR Benchmark (or such component, if relevant), an insolvency official with jurisdiction over the administrator for the SOFR Benchmark (or such component, if relevant), a resolution authority with jurisdiction over the administrator for SOFR Benchmark (or such component, if relevant) or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark (or such component, if relevant), which states that the administrator of the SOFR Benchmark (or such component, if relevant) has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant); or
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark (or such component, if relevant) announcing that the SOFR Benchmark (or such component, if relevant) is no longer representative; and

“**Unadjusted SOFR Replacement**” means the SOFR Replacement prior to the application of any SOFR Replacement Adjustment.

- (E) If the relevant Series of Instruments become due and payable in accordance with Condition 6, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Instruments became due and payable and the Rate of Interest on such Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

#### 4C.06 *Screen Rate Determination – €STR*

If “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Rate of Interest (the “**Screen Rate**”) is to be determined and the Final Terms specify that the Reference Rate is €STR, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 4C.06(A), Condition 4C.06(B) or Condition 4C.06(C) below, subject to the provisions of Condition 4C.06(E) and Condition 4C.06(F) below, as applicable:

- (A) Where the Calculation Method is specified in the relevant Final Terms as being “€STR Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily €STR plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting

percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

- (B) Where the Calculation Method is specified in the relevant Final Terms as being “€STR Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily €STR Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) Where the Calculation Method is specified in the relevant Final Terms as being “€STR Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average €STR plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (D) The following definitions shall apply for the purpose of this Condition 4C.06

“**Compounded Daily €STR**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in euro (with the daily euro short-term rate (€STR) as reference rate for the calculation of interest) and will be calculated as follows:

(x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{€STR}_{i-pTBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

(y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{€STR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where, in each case:

“**d**” is the number of calendar days in (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**d<sub>0</sub>**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of TARGET Business Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of TARGET Business Days in the relevant Observation Period;

the “**€STR reference rate**”, means, in respect of any TARGET Business Day, a reference rate equal to the daily euro short-term rate as provided by the European Central Bank, as the administrator of such rate (or any successor administrator of such rate) on the website of the European Central Bank (or any successor administrator of such rate) or any successor source, in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the administrator of such rate on the TARGET Business Day immediately following such TARGET Business Day;

“**€STR<sub>i</sub>**” means, in respect of any TARGET Business Day:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, the €STR reference rate in respect of pTBD in respect of such TARGET Business Day<sub>i</sub>; or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:

- (1) in respect of any TARGET Business Day<sub>i</sub> that is a Reference Day, the €STR reference rate in respect of the TARGET Business Day immediately preceding such Reference Day; otherwise
- (2) the €STR reference rate in respect of the TARGET Business Day immediately preceding the Interest Determination Date for the relevant Interest Period;

(z) if “Shift” is specified as the Observation Method in the relevant Final Terms, the €STR reference rate for such TARGET Business Day<sub>i</sub>;

“**€STR<sub>i-pTBD</sub>**” means:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a TARGET Business Day<sub>i</sub>, €STR<sub>i</sub> in respect of the TARGET Business Day falling p TARGET Business Days prior to such TARGET Business Day<sub>i</sub> (“**pLBD**”); or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a TARGET Business<sub>i</sub>, €STR<sub>i</sub> in respect of such TARGET Business<sub>i</sub>;

“**i**” is a series of whole numbers from one to  $d_0$ , each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

“**Lock-out Period**” means, in respect of an Interest Period, the period from and including the day following the Interest Determination Date to, but excluding, the Interest Period End Date falling at the end of such Interest Period;

“**n<sub>i</sub>**”, for any TARGET Business Day<sub>i</sub>, means the number of calendar days from and including such TARGET Business Day<sub>i</sub> up to but excluding the following TARGET Business Day;

“**Observation Period**” means the period from and including the date falling “p” TARGET Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling “p” TARGET Business Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” TARGET Business Days prior to such earlier date, if any, on which the Instruments become due and payable);

“**p**” means, in respect of an Interest Period (x) where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, two TARGET Business Days or such larger number of days as specified in the relevant Final Terms and (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, zero;

“**Reference Day**” means each TARGET Business Day in the relevant Interest Period that is not a TARGET Business Day falling in the Lock-out Period;

“**TARGET Business Day**” or “**TBD**” means any day on which the TARGET System is open;

“**TARGET System**” means the Trans-European Automated Realtime Gross settlement Express Transfer (known as TARGET2) system which was launched on 19 November 2007 or any successor thereto;

“**Compounded Daily €STR Index**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in euro (with the euro short-term rate (€STR) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily €STR rates administered by the European Central Bank, as the administrator of such rate (or any successor administrator of such rate) that is published or displayed on the website of the European Central Bank (or any successor administrator

of such rate) or any successor source from time to time on the relevant Interest Determination Date, as further specified in the relevant Final Terms (the “**€STR Compounded Index**”) and will be calculated as follows:

$$\left( \frac{\text{€STR Compounded Index}_{End}}{\text{€STR Compounded Index}_{Start}} - 1 \right) \times \frac{360}{d}$$

Where, in each case:

“**d**” is the number of calendar days from (and including) the day in relation to which €STR Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which €STR Compounded Index<sub>End</sub> is determined;

“**p**” means two TARGET Business Days or such larger number of days as specified in the relevant Final Terms;

“**€STR Compounded Index<sub>Start</sub>**” means, with respect to an Interest Period, the €STR Compounded Index determined in relation to the day falling “p” TARGET Business Days prior to the first day of such Interest Period; and

“**€STR Compounded Index<sub>End</sub>**” means with respect to an Interest Period, the €STR Compounded Index determined in relation to the day falling “p” TARGET Business Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” TARGET Business Days prior to such earlier date, if any, on which the Instruments become due and payable);

“**TARGET Business Day**” or “**TBD**” means any day on which the TARGET System is open;

“**TARGET System**” means the Trans-European Automated Realtime Gross settlement Express Transfer (known as TARGET2) system which was launched on 19 November 2007 or any successor thereto; and

“**Weighted Average €STR**” means:

(x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the €STR reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the €STR reference rate in respect of any calendar day which is not a TARGET Business Day shall be deemed to be the €STR reference rate in respect of the TARGET Business immediately preceding such calendar day; or

(y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, the sum of the €STR reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the €STR reference rate for such calendar day will be deemed to be the €STR reference rate in respect of the TARGET Business Day immediately preceding the first day of such Lock-out Period. For these purposes, the €STR reference rate in respect of any calendar day which is not a TARGET Business Day shall, subject to the preceding proviso, be deemed to be the €STR reference rate in respect of the TARGET Business Day immediately preceding such calendar day.

- (E) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 4C.06(B), if the relevant €STR Compounded Index is not published or displayed by the European Central Bank (or any successor administrator of such rate) reference rate or other information service by 5.00 p.m. (Frankfurt time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the European Central Bank (or any successor administrator of €STR) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the €STR Compounded Index is not available in accordance with Condition 4C.06(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.



- (F) Where “€STR” is specified as the relevant Reference Rate in the relevant Final Terms, if, in respect of any TARGET Business Day, €STR is not available, such Reference Rate shall be the €STR reference rate for the first preceding TARGET Business Day on which the €STR reference rate was published by the European Central Bank, as the administrator of the €STR reference rate (or any successor administrator of the €STR reference rate) on the website of the European Central Bank (or of any successor administrator of such rate), and “r” shall be interpreted accordingly.
- (G) If the relevant Series of Instruments become due and payable in accordance with Condition 6, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Instruments became due and payable and the Rate of Interest on such Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

#### 4C.07 Screen Rate Determination – SARON

If “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Rate of Interest (the “**Screen Rate**”) is to be determined and the Final Terms specify that the Reference Rate is SARON, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 4C.07(A), Condition 4C.07(B) or Condition 4C.07(C) below, subject to the provisions of Condition 4C.07(E), Condition 4C.07(F) and Condition 4C.07(G) below, as applicable:

- (A) Where the Calculation Method is specified in the relevant Final Terms as being “SARON Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SARON plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the relevant Final Terms as being “SARON Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SARON Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) Where the Calculation Method is specified in the relevant Final Terms as being “SARON Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average SARON plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (D) The following definitions shall apply for the purpose of this Condition 4C.07

“**Compounded Daily SARON**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Swiss franc (with the daily Swiss Average Rate Overnight (SARON) as reference rate for the calculation of interest) and will be calculated as follows:

(x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SARON_{i-pZBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

(y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SARON_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where, in each case:

“**d**” is the number of calendar days in (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**d<sub>0</sub>**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of Zurich Banking Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of Zurich Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant Zurich Banking Day in chronological order from, and including, the first Zurich Banking Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

“**Lock-out Period**” means, in respect of an Interest Period, the period from and including the day following the Interest Determination Date to, but excluding, the Interest Period End Date falling at the end of such Interest Period;

“**n<sub>i</sub>**”, for any Zurich Banking Day<sub>i</sub>, means the number of calendar days from and including such Zurich Banking Day<sub>i</sub> up to but excluding the following Zurich Banking Day;

“**Observation Period**” means the period from and including the date falling “p” Zurich Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling “p” Zurich Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” Zurich Banking Days prior to such earlier date, if any, on which the Instruments become due and payable);

“**p**” means, in respect of an Interest Period (x) where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, five Zurich Banking Days or such larger number of days as specified in the relevant Final Terms and (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, zero;

“**Reference Day**” means each Zurich Banking Day in the relevant Interest Period that is not a Zurich Banking Day falling in the Lock-out Period;

the “**SARON reference rate**”, means, in respect of any Zurich Banking Day, a reference rate equal to the Swiss Average Rate Overnight (SARON) rate for such Zurich Banking Day as published by the SARON Administrator on the Relevant Screen Page at the Relevant Time on such Zurich Banking Day;

“**SARON<sub>i</sub>**” means, in respect of any Zurich Banking Day<sub>i</sub>:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, the SARON reference rate in respect of pZBD in respect of such Zurich Banking Day<sub>i</sub>; or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:

- (1) in respect of any Zurich Banking Day<sub>i</sub> that is a Reference Day, the SARON reference rate in respect of the SARON Banking Day immediately preceding such Reference Day; otherwise

(2) the SARON reference rate in respect of the SARON Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;

(z) if “Shift” is specified as the Observation Method in the relevant Final Terms, the SARON reference rate for such Zurich Banking Day;

“**SARON<sub>i-pZBD</sub>**” means:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a Zurich Banking Day<sub>i</sub>, SARON<sub>i</sub> in respect of the Zurich Banking Day falling p Zurich Banking Days prior to such Zurich Banking Day; (“**pZBD**”); or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a Zurich Banking Day<sub>i</sub>, SARON<sub>i</sub> in respect of such Zurich Banking Day; and

“**Zurich Banking Day**” or “**ZBD**” means a day on which banks are open in Zurich for the settlement of payments and of foreign exchange transactions;

“**Compounded Daily SARON Index**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Swiss franc (with the daily Swiss Average Rate Overnight (SARON) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily SARON rates administered by the SARON Administrator that is published or displayed by the SARON Administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the relevant Final Terms (the “**SARON Compounded Index**”) and will be calculated as follows:

$$\left( \frac{\text{SARON Compounded Index}_{End}}{\text{SARON Compounded Index}_{Start}} - 1 \right) \times \frac{360}{d}$$

Where, in each case:

“**d**” is the number of calendar days from (and including) the day in relation to which SARON Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SARON Compounded Index<sub>End</sub> is determined;

“**p**” means five Zurich Banking Days or such larger number of days as specified in the relevant Final Terms;

“**SARON Compounded Index<sub>Start</sub>**” means, with respect to an Interest Period, the SARON Compounded Index determined in relation to the day falling “p” Zurich Banking Days prior to the first day of such Interest Period;

“**SARON Compounded Index<sub>End</sub>**” means with respect to an Interest Period, the SARON Compounded Index determined in relation to the day falling “p” Zurich Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” Zurich Banking Days prior to such earlier date, if any, on which the Instruments become due and payable); and

“**Zurich Banking Day**” or “**ZBD**” means a day on which banks are open in Zurich for the settlement of payments and of foreign exchange transactions; and

“**Weighted Average SARON**” means:

(x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the SARON reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the SARON reference rate in respect of any calendar day which is not a Zurich Banking Day shall be deemed to be the SARON reference rate in respect of the Zurich Banking Day immediately preceding such calendar day; or

(y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, the sum of the SARON reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for

any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the SARON reference rate for such calendar day will be deemed to be the SARON reference rate in respect of the Zurich Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the SARON reference rate in respect of any calendar day which is not a Zurich Banking Day shall, subject to the preceding proviso, be deemed to be the SARON reference rate in respect of the Zurich Banking Day immediately preceding such calendar day.

- (E) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 4C.07(B), if the relevant SARON Compounded Index is not published or displayed by the SARON Administrator or other information service by 5.00 p.m. (Zurich time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the SARON Administrator or of such other information service, as the case may be) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the SARON Compounded Index is not available in accordance with Condition 4C.07(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.
- (F) If the SARON reference rate is not published on the Relevant Screen Page (the “**SARON Screen Page**”) at the Relevant Time on the relevant Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have not both occurred on or prior to the Relevant Time on the relevant Zurich Banking Day, the SARON reference rate for such Zurich Banking Day shall be the rate equal to the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the last preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website.
- (G) If the SARON reference rate is not published on the Relevant Screen Page at the Relevant Time on the relevant Zurich Banking Day and both a SARON Index Cessation Event and a SARON Index Cessation Effective Date have occurred on or prior to the Relevant Time on the relevant Zurich Banking Day, the Reference Rate shall be:
  - (i) if there is a SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, the SARON Recommended Replacement Rate for such Zurich Banking Day, giving effect to the SARON Recommended Adjustment Spread, if any, published on such Zurich Banking Day; or
  - (ii) if there is no SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, the policy rate of the Swiss National Bank (the “**SNB Policy Rate**”) for such Zurich Banking Day, giving effect to the SNB Adjustment Spread, if any.

Any substitution of the SARON reference rate by the SARON Recommended Replacement Rate or the SNB Policy Rate as specified above (the “**SARON Replacement Rate**”) will remain effective for the remaining term to maturity of the Instruments.

Notwithstanding any other provision of this paragraph (F), if (i) the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent, or (ii) the Issuer determines that (a) the replacement of then-current SARON reference rate by the SARON Replacement Rate or any other amendments to the terms of the Instruments necessary to implement such replacement would result in an TLAC/MREL Disqualification Event or (in the case of Tier 2 Subordinated Instruments only) a Capital Disqualification Event, or (b) could reasonably result in the Relevant Resolution Authority treating any future Interest Payment Date as the effective maturity of the Instruments, rather than the relevant Maturity Date, no SARON Replacement Rate will be adopted by the Calculation Agent, and the SARON Replacement Rate for the relevant Interest Period will be equal to the last SARON available on the SARON Screen Page as determined by the Calculation Agent. Notwithstanding the above, if the provisions of this paragraph fail to provide a means of determining the Rate of Interest, Condition 4H below shall apply.

In connection with the SARON reference rate provisions above, the following definitions apply:

**“SARON Administrator”** means SIX Swiss Exchange or any successor administrator of the Swiss Average Rate Overnight;

**“SARON Administrator Website”** means the website of the SARON Administrator;

**“SARON Index Cessation Effective Date”** means the earliest of:

- (i) in the case of the occurrence of a SARON Index Cessation Event described in sub-paragraph (i) of the definition thereof, the date on which the SARON Administrator ceases to provide the Swiss Average Rate Overnight;
- (ii) in the case of the occurrence of a SARON Index Cessation Event described in sub-section (ii)(x) of the definition thereof, the latest of: (x) the date of such statement or publication, (y) the date, if any, specified in such statement or publication as the date on which the Swiss Average Rate Overnight will no longer be representative, and (z) if a SARON Index Cessation Event described in sub-section (ii)(y) of the definition thereof has occurred on or prior to either or both dates specified in subclauses (x) and (y) of this sub-paragraph (ii), the date as of which the Swiss Average Rate Overnight may no longer be used; and
- (iii) in the case of the occurrence of a SARON Index Cessation Event described in sub-section (ii)(y) of the definition thereof, the date as of which the Swiss Average Rate Overnight may no longer be used;

**“SARON Index Cessation Event”** means the occurrence of one or more of the following events:

- (i) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide the Swiss Average Rate Overnight permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Swiss Average Rate Overnight; or
- (ii) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (x) the Swiss Average Rate Overnight is no longer representative or will as of a certain date no longer be representative, or (y) the Swiss Average Rate Overnight may no longer be used after a certain date, which statement, in the case of sub-section (y), is applicable to (but not necessarily limited to) fixed income securities and derivatives;

**“SARON Recommended Adjustment Spread”** means, with respect to any SARON Recommended Replacement Rate, the spread (which may be positive, negative or zero), or formula or methodology for calculating such a spread,

- (i) that the SARON Recommending Body has recommended be applied to such SARON Recommended Replacement Rate in the case of fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon; or
- (ii) if the SARON Recommending Body has not recommended such a spread, formula or methodology as described in sub-paragraph (ii) above, to be applied to such SARON Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with such SARON Recommended Replacement Rate for purposes of determining SARON, which spread will be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, and be consistent with industry-accepted practices for fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the Swiss Average Rate

Overnight as the reference rate for purposes of determining the applicable rate of interest thereon;

“**SARON Recommended Replacement Rate**” means the rate that has been recommended as the replacement for the Swiss Average Rate Overnight by any working group or committee in Switzerland organised in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland (any such working group or committee, the “**SARON Recommending Body**”);

“**SIX Swiss Exchange**” means SIX Swiss Exchange AG and any successor thereto; and

“**SNB Adjustment Spread**” means, with respect to the SNB Policy Rate, the spread to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, taking into account the historical median between the Swiss Average Rate Overnight and the SNB Policy Rate during the two year period ending on the date on which the SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred).

- (H) If the relevant Series of Instruments become due and payable in accordance with Condition 6, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Instruments became due and payable and the Rate of Interest on such Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

#### 4C.08 *Screen Rate Determination – TONA*

If “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Rate of Interest (the “**Screen Rate**”) is to be determined and the Final Terms specify that the Reference Rate is TONA, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 4C.08(A), Condition 4C.08(B) or Condition 4C.08(C) below, subject to the provisions of Condition 4C.08(E) and Condition 4C.08(F) below, as applicable:

- (A) Where the Calculation Method is specified in the relevant Final Terms as being “TONA Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily TONA plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the relevant Final Terms as being “TONA Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily TONA Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) Where the Calculation Method is specified in the relevant Final Terms as being “TONA Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average TONA plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (D) The following definitions shall apply for the purpose of this Condition 4C.08

“**Compounded Daily TONA**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Japanese Yen (with the daily Tokyo Overnight Average (TONA) as reference rate for the calculation of interest) and will be calculated as follows:

(x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{TONA_{i-pTBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

(y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{TONA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where, in each case:

“**d**” is the number of calendar days in (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**d<sub>0</sub>**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of Tokyo Banking Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of Tokyo Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant Tokyo Banking Day in chronological order from, and including, the first Tokyo Banking Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

“**Lock-out Period**” means, in respect of an Interest Period, the period from and including the day following the Interest Determination Date to, but excluding, the Interest Period End Date falling at the end of such Interest Period;

“**n<sub>i</sub>**”, for any Tokyo Banking Day<sub>i</sub>, means the number of calendar days from and including such Tokyo Banking Day<sub>i</sub> up to but excluding the following Tokyo Banking Day;

“**Observation Period**” means the period from and including the date falling “p” Tokyo Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling “p” Tokyo Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” Tokyo Banking Days prior to such earlier date, if any, on which the Instruments become due and payable);

“**p**” means, in respect of an Interest Period (x) where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, five Tokyo Banking Days or such larger number of days as specified in the relevant Final Terms and (y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, zero;

“**Reference Day**” means each Tokyo Banking Day in the relevant Interest Period that is not a Tokyo Banking Day falling in the Lock-out Period;

“**Tokyo Banking Day**” or “**TBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Tokyo;

the “**TONA reference rate**”, means, in respect of any Tokyo Banking Day, a reference rate equal to the daily Tokyo Overnight Average (TONA) rate for such Tokyo Banking Day as provided by the a Bank of Japan and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (in each case on the Tokyo Banking Day immediately following such Tokyo Banking Day);

“**TONA<sub>i</sub>**” means, in respect of any Tokyo Banking Day<sub>i</sub>:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, the TONA reference rate in respect of pTBD in respect of such Tokyo Banking Day<sub>i</sub>; or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:

(1) in respect of any Tokyo Banking Day<sub>i</sub> that is a Reference Day, the TONA reference rate in respect of the Tokyo Banking Day immediately preceding such Reference Day; otherwise

(2) the TONA reference rate in respect of the Tokyo Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;

(z) if “Shift” is specified as the Observation Method in the relevant Final Terms, the TONA reference rate for such Tokyo Banking Day<sub>i</sub>; and

“**TONA<sub>i-pTBD</sub>**” means:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a Tokyo Banking Day<sub>i</sub>, TONA<sub>i</sub> in respect of the Tokyo Banking Day falling p Tokyo Banking Days prior to such Tokyo Banking Day<sub>i</sub> (“**pTBD**”); or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a Tokyo Banking Day<sub>i</sub>, TONA<sub>i</sub> in respect of such Tokyo Banking Day<sub>i</sub>; and

“**Compounded Daily TOKYO Index**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Japanese Yen (with the daily Tokyo Overnight Average (TONA) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily TONA rates administered by the administrator of the TONA reference rate that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the relevant Final Terms (the “**TONA Compounded Index**”) and will be calculated as follows:

$$\left( \frac{TONA \text{ Compounded Index}_{End}}{TONA \text{ Compounded Index}_{Start}} - 1 \right) \times \frac{365}{d}$$

Where, in each case:

“**d**” is the number of calendar days from (and including) the day in relation to which TONA Compounded Index<sub>start</sub> is determined to (but excluding) the day in relation to which TONA Compounded Index<sub>End</sub> is determined;

“**p**” means five Tokyo Banking Days or such larger number of days as specified in the relevant Final Terms;

“**Tokyo Banking Day**” or “**TBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Tokyo;

“**TONA Compounded Index<sub>start</sub>**” means, with respect to an Interest Period, the TONA Compounded Index determined in relation to the day falling “p” Tokyo Banking Days prior to the first day of such Interest Period; and

“**TONA Compounded Index<sub>End</sub>**” means with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling “p” Tokyo Banking Days prior



to the Interest Period End Date for such Interest Period (or the date falling “p” Tokyo Banking Days prior to such earlier date, if any, on which the Instruments become due and payable); and

“**Weighted Average TONA**” means:

(x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the TONA reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the TONA reference rate in respect of any calendar day which is not a Tokyo Banking Day shall be deemed to be the TONA reference rate in respect of the Tokyo Banking Day immediately preceding such calendar day; or

(y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, the sum of the TONA reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the TONA reference rate for such calendar day will be deemed to be the TONA reference rate in respect of the Tokyo Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the TONA reference rate in respect of any calendar day which is not a Tokyo Banking Day shall, subject to the preceding proviso, be deemed to be the TONA reference rate in respect of the Tokyo Banking Day immediately preceding such calendar day.

- (E) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 4C.08(B), if the relevant TONA Compounded Index is not published or displayed by the administrator of the TONA reference rate or other information service by 5.00 p.m. (Tokyo time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the Bank of Japan (or any successor administrator) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the TONA Compounded Index is not available in accordance with Condition 4C.08(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.
- (F) If the TONA reference rate is not published on the Relevant Screen Page at the Relevant Time on the relevant Tokyo Banking Day, the TONA reference rate for such Tokyo Banking Day shall be the rate equal to the Tokyo Overnight Average published by the administrator of the TONA reference rate on the Relevant Screen Page for the last preceding Tokyo Banking Day on which the Tokyo Overnight Average was published by the administrator of TONA on the Relevant Screen Page.
- (G) If the relevant Series of Instruments become due and payable in accordance with Condition 6, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Instruments became due and payable and the Rate of Interest on such Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

**4C.09 ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest applicable to the Instruments for each Interest Period will be the relevant ISDA Rate where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) if the relevant Final Terms specify either “2006 ISDA Definitions” or “2021 ISDA Definitions” as the applicable ISDA Definitions:
  - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

- (ii) the Designated Maturity (as defined in the ISDA Definitions), if applicable, is a period specified in the relevant Final Terms;
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) unless otherwise specified in the relevant Final Terms, has the meaning given to it in the ISDA Definitions;
  - (iv) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Compounding is specified to be applicable in the relevant Final Terms and:
    - (a) Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms, Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms;
    - (b) Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms, and (b) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or
    - (c) Compounding with Lock-out is specified as the Compounding Method in the relevant Final Terms, (a) Lock-out is the number of Lock-out Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms, and (b) Lock-out Period Business Days, if applicable, are the days specified in the relevant Final Terms;
  - (v) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Averaging is specified to be applicable in the relevant Final Terms and:
    - (a) Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms, Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) as specified in relevant Final Terms;
    - (b) Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms, and (b) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or
    - (c) Averaging with Lock-out is specified as the Averaging Method in the relevant Final Terms, (a) Lock-out is the number of Lock-out Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms, and (b) Lock-out Period Business Days, if applicable, are the days specified in the relevant Final Terms; and
  - (vi) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms.
- (b) in connection with any Compounding/ Averaging Method or Index Method specified in the relevant Final Terms, references in the ISDA Definitions to:
- (i) “Confirmation” shall be references to the relevant Final Terms;

- (ii) “Calculation Period” shall be references to the relevant Interest Period;
  - (iii) “Termination Date” shall be references to the final Interest Period End Date; and
  - (iv) “Effective Date” shall be references to the Interest Commencement Date.
- (c) If the Final Terms specify “2021 ISDA Definitions” as the applicable ISDA Definitions,
- (i) “Administrator/ Benchmark Event” shall be disappplied; and
  - (ii) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be “Temporary Non-Publication – Alternative Rate” in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to “Calculation Agent Alternative Rate Determination” in the definition of “Temporary Non-Publication– Alternative Rate” shall be replaced by “Temporary Non-Publication Fallback – Previous Day’s Rate”.

4C.10 **Rate of Interest:** The Rate of Interest in relation to the Instruments shall be determined as follows:

- (A) If “Margin Plus Rate” is specified as applicable in the relevant Final Terms, the Rate of Interest will be equal to the Margin (as defined in Condition 10C.03) plus the Screen Rate or ISDA Rate, as applicable;
- (B) If “Specified Percentage Multiplied by Rate” is specified in the relevant Final Terms, the Rate of Interest will be equal to the Specified Percentage (as defined in Condition 10C.03) multiplied by the Screen Rate or ISDA Rate, as applicable; or
- (C) If “Difference in Rates” is specified in the relevant Final Terms, the Rate of Interest will be equal to the Specified Percentage (as defined in Condition 10C.03) multiplied by the difference between Rate 1 and Rate 2, each of Rate 1 and Rate 2 to be determined in accordance with Condition 4C.03, Condition 4C.04, Condition 4C.05, Condition 4C.06, Condition 4C.07 or Condition 4C.08 as specified in the relevant Final Terms.

4C.11 **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then, subject to Condition 4F.01, the Rate of Interest shall in no event be greater than the Maximum Rate of Interest or be less than the Minimum Rate of Interest so specified. Where the Rate of Interest is determined to be higher than the Maximum Rate of Interest or lower than the Minimum Rate of Interest, such higher rate shall be deemed to be equal to such Maximum Rate of Interest and such lower rate shall be deemed to be equal to such Minimum Rate of Interest, as applicable.

4C.12 **CMS Linked Interest Provisions:** If the CMS-Linked Interest Instruments Provisions are specified in the relevant Final Terms as being applicable, the Rate of Interest applicable to the Instruments for each Interest Period will be calculated by reference to a constant maturity swap rate specified in the relevant Final Terms and the relevant provisions of this Condition 4C will apply as though references to Floating Rate Instruments were references to CMS-Linked Instruments where “Screen Rate Determination” is applicable in accordance with Condition 4C.03 and “Margin Plus Rate” is applicable in accordance with Condition 4C.10.

4C.13 **Steeper Instruments:** If the Steeper Instruments Provisions are specified as applicable in the relevant Final Terms, the Rate of Interest will be calculated by multiplying (a) the Steeper Rate by (b) the Leverage and then (c) adding the Spread to the product of (a) and (b).

The Rate of Interest calculation can also be expressed formulaically as:

$$\text{Steeper Rate} \times \text{Leverage} + \text{Spread}$$

Where:

“**Leverage**” means the number specified in the relevant Final Terms for the relevant Interest Period (which number may be negative) (provided that, if no such amount is specified, the Leverage shall be deemed to be 1).

“**Spread**” means the percentage rate specified in the relevant Final Terms for the relevant Interest Period (which rate may be negative).

“**Steeper Rate**” means (i) the Reference Rate or Floating Rate Option specified in the relevant Final Terms and determined in accordance with Condition 4C.03, Condition 4C.04, Condition 4C.05, Condition 4C.06, Condition 4C.07, Condition 4C.08, Condition 4C.09 or Condition 4C.12 or (ii) the difference between Spread Linked Rate 1 and Spread Linked Rate 2.

“**Spread Linked Rate 1**” and “**Spread Linked Rate 2**” each means each rate specified in the relevant Final Terms and determined in accordance with Condition 4C.03, Condition 4C.04, Condition 4C.05, Condition 4C.06, Condition 4C.07, Condition 4C.08, Condition 4C.09 or Condition 4C.12.

#### 4D **Interest — Fixed/Floating Rate Instruments**

*This Condition 4D applies to Fixed/Floating Rate Instruments only. The relevant Final Terms contain provisions applicable to the determination of fixed/floating interest and must be read in conjunction with this Condition 4D for full information on the manner in which interest is calculated on Fixed/Floating Rate Instruments.*

If the Fixed/Floating Rate Instruments Provisions are specified as applicable in the relevant Final Terms:

- (a) if Issuer Change of Interest Basis is specified as applicable in the relevant Final Terms, the Issuer may elect to convert, on the Switch Date set out in the relevant Final Terms, the rate at which the Instruments bear interest, from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate. The Issuer election to change of interest basis will be deemed effective after notification by the Issuer to the Holders within the period specified in the relevant Final Terms in accordance with Condition 15; or
- (b) if Automatic Change of Interest Basis is specified as applicable in the relevant Final Terms, the rate at which the Fixed/Floating Rate Instruments bear interest will automatically change, on the Switch Date set out in the relevant Final Terms, from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate.

#### 4E **Interest — Zero Coupon Instruments**

*This Condition 4E applies to Zero Coupon Instruments only. The relevant Final Terms contain provisions applicable to the determination of zero coupon interest and must be read in conjunction with this Condition 4E for full information on the manner in which interest is calculated on Zero Coupon Instruments.*

Instruments in relation to which this Condition 4E applies and the relevant Final Terms specify as being applicable shall not bear interest. Where such Zero Coupon Instrument is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount (Zero Coupon) (as defined in Condition 5.06). As from the Maturity Date, the Rate of Interest for any overdue principal of such an Instrument shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5.06).

#### 4F **Interest — Supplemental Provision**

##### 4F.01 **Step Up Provisions:**

- (a) This Condition 4F.01 applies to Ordinary Senior Instruments if the Step Up Provisions are specified in the relevant Final Terms as being applicable. If so applicable, the rate of interest payable on Ordinary Senior Instruments will be subject to adjustment from time to time, as follows:
  - (i) subject to paragraph (iii) below, from and including the first Interest Payment Date following the date a Step Down Rating Change occurs, the rate of interest payable on the Ordinary Senior Instruments shall be the Initial Interest Rate. For the avoidance of doubt, the rate of interest payable on the Ordinary Senior Instruments shall remain at the Initial Interest Rate notwithstanding any further increase in the rating assigned to the Senior Instruments above BBB-/Baa3 (or equivalent);
  - (ii) subject to paragraph (iii) below, from and including the first Interest Payment Date following the date a Step Up Rating Change occurs, the rate of interest payable on the Ordinary Senior Instruments shall be the Initial Interest Rate plus the applicable Step Up Margin specified in the relevant Final Terms (together, the “**Increased Rate of Interest**”). For the avoidance of doubt, the rate of interest payable on the Ordinary Senior Instrument shall remain at the Increased Rate of

Interest notwithstanding any further decrease in the rating of the Senior Instruments below BB+/Ba1 (or equivalent); and

- (iii) if, within the same Interest Period, at least one Step Up Rating Change and at least one Step Down Rating Change occurs (A) where the majority of Rating Agencies announce a Step Down Rating Change, paragraph (i) above shall apply, (B) where the majority of Rating Agencies announce a Step Up Rating Change, paragraph (ii) above shall apply and (C) otherwise, the rate of interest payable on the Ordinary Senior Instrument shall neither be increased nor decreased.
- (b) Notwithstanding any other provision of this Condition 4F.01, there shall be no adjustment in the rate of interest applicable to the Ordinary Senior Instruments (1) on the basis of any rating assigned to the Senior Instrument by any rating agency other than on a basis solicited by or on behalf of the Issuer even if at the relevant time such rating is the only rating then assigned to the Ordinary Senior Instruments and (2) at any time after notice of redemption has been given pursuant to Conditions 5.07 or 5.08.
- (c) There shall be no limit on the number of times that adjustments to the rate of interest payable on the Senior Instruments may be made pursuant to this Condition 4F.01 during the term of the Ordinary Senior Instruments, provided always that at no time during the term of the Ordinary Senior Instruments will the rate of interest payable on the Ordinary Senior Instruments be less than the Initial Interest Rate or more than the Increased Rate of Interest.
- (d) In the event the rate of interest payable on the Ordinary Senior Instruments is the (ii) Increased Rate of Interest, any Maximum Rate of Interest or Minimum Rate of Interest specified hereon shall be increased by the Step Up Margin specified hereon and (ii) Initial Interest Rate as a result of a Step Down Rating Change, the Maximum Rate of Interest and the Minimum Rate of Interest shall be restored to the Maximum Rate of Interest and the Minimum Rate of Interest specified hereon.
- (e) If the rating designations employed by any of Moody's, Fitch or S&P are changed from those which are described in this Condition 4F.01, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, the rating designations of Moody's, Fitch or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, Fitch or S&P and this Condition 4F.01 shall be read accordingly.
- (f) The Issuer will cause the occurrence of an event giving rise to an adjustment in the rate of interest payable on the Ordinary Senior Instruments pursuant to this Condition 4F.01 to be notified to the Issue and Paying Agent and notice thereof to be given in accordance with Condition 15 as soon as possible after the occurrence of the relevant event.

In these Terms and Conditions:

**“Initial Interest Rate”** means the initial Rate of Interest either specified or calculated in accordance with the provisions hereon;

**“Fitch”** means Fitch Ratings Ireland Limited or any of its affiliates or successor;

**“Moody's”** means Moody's Investor Services España, S.A. or any of its affiliates or successor;

**“Rating Agencies”** means Moody's, Fitch, S&P or any other rating agency selected by the Issuer from time to time to assign a credit rating to the relevant Ordinary Senior Instruments (a **“Substitute Rating Agency”**) and **“Rating Agency”** means any one of them;

**“S&P”** means S&P Global Ratings Europe Limited, a division of The McGraw-Hill Companies, Inc. or any of its affiliates or successor;

**“Step Down Rating Change”** means the public announcement by any Rating Agency assigning a credit rating to the Ordinary Senior Instruments of an increase in or a confirmation of the rating of the Ordinary Senior Instruments to or as BBB-/Baa3 (or equivalent) or better; and

**“Step Up Rating Change”** means the public announcement by any Rating Agency assigning a credit rating to the Ordinary Senior Instruments of a decrease in or a confirmation of the rating of the Ordinary Senior Instruments to or as BB+/Ba1 (or equivalent) or below.

#### **4F.02 Calculation of the Interest Amount:**

The Calculation Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the Interest Amount. The Interest Amount payable per Calculation Amount in respect of any Instrument for any Interest Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Final Terms, the Day Count Fraction and, if the relevant Final Terms specify the “Range Accrual Provisions” to be applicable, the applicable Range Accrual Factor (which shall be determined in accordance with Condition 4F.03 below), unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Period, in which case the amount of interest payable per Calculation Amount in respect of such Instrument for such Interest Period shall equal such Interest Amount (or be calculated in accordance with such formula). In respect of any period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

In this condition 4F.02:

“**Interest Amount**” means: (i) in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period and which, in the case of Fixed Rate Instruments, and unless otherwise specified in the relevant Final Terms, shall mean the Fixed Coupon Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the relevant Interest Period; and (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

#### 4F.03 **Interest — Range Accrual Provisions**

*This Condition 4F.03 applies to Range Accrual Instruments only. The relevant Final Terms contain provisions applicable to the determination of range accrual interest and must be read in conjunction with this Condition 4F.03 for full information on the manner in which interest is calculated on Range Accrual Instruments.*

The “Range Accrual Factor” means in respect of an Interest Period, an amount calculated by the Calculation Agent in accordance with the following formula:

$$\frac{N1}{N2}$$

Where:

“**Calculation Day**” means, in respect of each Interest Period, each calendar day falling within such Interest Period.

“**Cap**” means, in respect of a Relevant Rate for any relevant Interest Period, the per annum rate specified in the relevant Final Terms.

“**Dual Range Accrual Instrument**” means an Instrument under which Range Accrual Conditions apply in respect of two Relevant Rates, as specified in the Dual Range Accrual Provisions of the relevant Final Terms.

“**Floor**” means, in respect of a Relevant Rate for any relevant Interest Period, the per annum rate specified in the relevant Final Terms.

“**N1**” means, in respect of any relevant Interest Period, the number of Calculation Days during such Interest Period for which, in respect of a Single Range Accrual Instrument, the Relevant Rate, and, in respect of a Dual Range Accrual Instrument, each applicable Relevant Rate is (as determined by the Calculation Agent) (a) if specified in the relevant Final Terms that “greater than or equal to” shall apply, greater than or equal to the applicable Floor for that Interest Period; or (b) if specified in the relevant Final Terms that “greater than” shall apply, greater than the applicable Floor; and/or (x) if specified in the relevant Final Terms that “less than or equal to” shall apply, less than or equal to the applicable Cap for that Interest Period; or (y) if specified in the applicable Final Terms that “less than” shall apply, less than the applicable Cap (the “**Range Accrual Conditions**”).

“**N2**” means, in respect of each Interest Period, the number of Calculation Days during such Interest Period, as determined by the Calculation Agent.

**“RA Business Day”** means each day so specified in the relevant Final Terms or, if not so specified, each day on which the Rate specified in the relevant Final Terms would ordinarily be determinable by the Calculation Agent in accordance with these Terms and Conditions.

**“RA Common Business Day”** means each day so specified in the relevant Final Terms or, if not so specified, each day that is an RA Business Day in each Relevant Financial Centre specified in the relevant Final Terms.

**“Range Accrual Instruments”** means any Fixed Rate Instruments, Reset Instruments, Floating Rate Instruments, Steeper Instruments, Fixed/Floating Instruments or CMS-Linked Instruments that specify Range Accrual as applicable in the relevant Final Terms and may be Single Range Accrual Instruments or Dual Range Accrual Instruments.

**“Range Accrual Reference Rate”** means (i) EURIBOR, (ii) SONIA, (iii) SOFR, (iv) €STR, (v) SARON, (vi) TONA, (vii) CNH HIBOR or (viii) a constant maturity swap rate specified in the relevant Final Terms.

**“Rate”** means the Range Accrual Reference Rate specified in the relevant Final Terms, determined by the Calculation Agent on the following basis:

- (i) if the Range Accrual Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Range Accrual Reference Rate which appears on the Relevant Screen Page at the Relevant Time in the Relevant Financial Centre on the relevant Calculation Day; and
- (ii) in the event that the Range Accrual Reference Rate is comprised of two or more quotations, the Calculation Agent will determine the arithmetic mean of such quotations (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) which appear on the Relevant Screen Page at the Relevant Time in the Relevant Financial Centre on the relevant Calculation Day;

(in each case expressed as a percentage rate per annum) for the Specified Maturity and Specified Currency. If such Range Accrual Reference Rate does not appear on the Relevant Screen Page at the Relevant Time in the Relevant Financial Centre on such Calculation Day, the Calculation Agent will in its sole and absolute discretion, determine such rate (or a method for determining such rate) for such Calculation Day, taking into consideration all available information and acting in good faith and in a commercially reasonable manner,

*provided that* (i) in respect of a Single Range Accrual Instrument where Spread Range Accrual is not specified to be applicable in the relevant Final Terms, (A) subject to proviso (B) below, if any Calculation Day is not a RA Business Day in the Relevant Financial Centre, the Rate for such Calculation Day shall be determined in respect of the immediately preceding Business Day in the Relevant Financial Centre; and (B) in respect of each Interest Period, the Relevant Rate in respect of each Calculation Day from, and including, the fifth RA Business Day in the Relevant Financial Centre or such other number of RA Business Days specified in the relevant Final Terms (such date being the “Rate Cut-off Date” for such Interest Period) prior to the Interest Payment Date in respect of such Interest Period to, and including, the last Calculation Day of such Interest Period, shall be deemed to be the Rate determined in respect of the Rate Cut-off Date; and (ii) in respect of a Single Range Accrual Instrument where Spread Range Accrual is specified to be applicable in the relevant Final Terms and in respect of a Dual Range Accrual Instrument, (A) subject to proviso (B) below, if any Calculation Day is not a RA Common Business Day, the Rate in respect of a Reference Rate for such Calculation Day shall be determined in respect of the immediately preceding RA Business Day in the Relevant Financial Centre for such Reference Rate; and (B) in respect of each Interest Period, the Relevant Rate in respect of each Calculation Day from, and including, the seventh RA Common Business Day or such other number of RA Common Business Days specified in the applicable Final Terms (such date being the “Rate Cut-off Date” for such Interest Period) prior to the Interest Payment Date in respect of such Interest Period to, and including, the last Calculation Day of such Interest Period, shall be deemed to be the Rate for such Reference Rate determined in respect of the Rate Cut-off Date.

**“Relevant Rate”** means each Rate determined in accordance with these Terms and Conditions provided that where Spread Range Accrual is specified to be applicable in the relevant Final Terms, the Relevant

Rate will be calculated as the Rate in respect of Spread Accrual Rate 1 minus the Rate in respect of the Spread Accrual Rate 2, in each case, as determined in accordance with these Terms and Conditions.

“**Single Range Accrual Instrument**” means an Instrument under which Range Accrual Conditions apply in respect of one Relevant Rate, as specified in the Single Range Accrual Provisions of the relevant Final Terms.

“**Spread Accrual Rate 1**” and “**Spread Accrual Rate 2**” each means each Range Accrual Reference Rate specified in the relevant Final Terms and determined in accordance with the Terms and Conditions.

#### 4F.04 *Redemption Coupon Provisions*

This Condition 4F.04 applies to Instruments other than Zero Coupon Instruments if the Redemption Coupon Provisions are specified in the relevant Final Terms as being applicable. If so applicable, in the event of an early redemption by the Issuer of such Instruments in accordance with Condition 5.07, the Rate of Interest and Interest Amount(s) accrued and payable on the Instruments will be subject to adjustment, as follows:

- (i) any Interest Amount accrued but unpaid until (but excluding) the date of such early redemption shall be cancelled and shall no longer be payable; and
- (ii) the Redemption Coupon Amount specified in the relevant Final Terms shall be payable on the date of such early redemption.

The Redemption Coupon Amount shall not be subject to any type of compounding and shall be subject to the application of the Day Count Fraction specified in the Final Terms (for which purposes, the Calculation Period will be the period from and including the Interest Commencement Date or, if later, the latest Interest Payment Date (as may be specified in the relevant Final Terms) to, but excluding, the date of such early redemption) or, if not so specified, the Day Count Fraction will be 1/1.

#### *Interest Payment Date Conventions and other Calculations*

4F.05(a) Business Day Convention: The Final Terms in relation to each Series of Instruments shall specify which of the following conventions shall be applicable, namely:

- (i) the “**FRN Convention**”, in which case interest shall be payable in arrear on each date (each an Interest Payment Date) which numerically corresponds to the date of issue or such other Interest Commencement Date as may be specified in the relevant Final Terms or, as the case may be, the preceding Interest Payment Date in the calendar month which is the number of months specified in the relevant Final Terms after the calendar month in which such date of issue or such Interest Commencement Date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred *provided that*:
- (ii) if there is no such numerically corresponding day in the calendar month in which an Interest Payment Date should occur, then the relevant Interest Payment Date will be the last day which is a Business Day (as defined in Condition 10C.03) in that calendar month;
- (iii) if an Interest Payment Date would otherwise fall on a day which is not a Business Day, then the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
- (iv) if such date of issue or such other date as aforesaid or the preceding Interest Payment Date occurred on the last day in a calendar month which was a Business Day, then all subsequent Interest Payment Dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which such date of issue or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred;
- (v) the “**Modified Following Business Day Convention**”, in which case interest shall be payable in arrear on each Interest Payment Date specified in the relevant Final Terms *provided that*, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls



in the next calendar month, in which case the relevant Interest Payment Date will be the first preceding day which is a Business Day;

- (vi) the “**Following Business Day Convention**” in which case interest shall be payable in arrear on each Interest Payment Date specified in the relevant Final Terms *provided that*, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day; or
- (vii) “**No Adjustment**” in which case the relevant date shall not be adjusted in accordance with any Business Day Convention.

4F.05(b) “**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (whether or not constituting an Interest Period, the “**Calculation Period**”), such day count fraction as may be specified in the Final Terms and:

- (i) If “**1/1**” is so specified, means 1;
- (ii) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if “**Actual/Actual (ICMA)**” is so specified hereon,

if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

if the Calculation Period is longer than one Determination Period, the sum of:

- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date(s) specified in in the relevant Final Terms or, if none is so specified, the Interest Payment Date(s);

- (i) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (ii) if “**30/360**” “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30.

- (vi) if “**30E/360 (ISDA)**” is specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Termination Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

Each period beginning on (and including) the Issue Date or such Interest Commencement Date as aforesaid and ending on (but excluding) the first Interest Payment Date and each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an “**Interest Period**”.

#### ***Notification of Rates of Interest, Interest Amounts and Interest Payment Dates***

4F.06 The Calculation Agent will cause each Rate of Interest, Interest Payment Date, final day of a Calculation Period, Interest Amount or other item, as the case may be, determined or calculated by it to be notified to the Issuer and the Issue and Paying Agent. The Issue and Paying Agent will cause all such determinations or calculations to be notified to the other Paying Agents and, in the case of Registered Instruments, the Registrar (from whose respective specified offices such information will be available) and to the Holders in accordance with Condition 15 as soon as practicable after such determination or calculation but in any event not later than the fourth London Banking Day thereafter or, if earlier, in the case of notification to any listing authority, stock exchange and/or quotation system, the time required by the rules of any such listing authority, stock exchange and/or quotation system. The Issue and Paying Agent will cause all such determinations or calculations to be notified to Euronext Dublin no later than the first day of each Interest Period. The Calculation Agent will be entitled to amend any Interest Amount or Interest Payment Date or final day of a Calculation Period (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or Calculation Period and such amendment will be notified in accordance with the first two sentences of this Condition 4F.04.

4F.07 The determination by the Calculation Agent of all items falling to be determined by it pursuant to these Terms and Conditions shall, in the absence of manifest error, be final and binding on all parties.

“**Calculation Agent**” means the Issue and Paying Agent or such other person specified in the relevant Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount and such other amount(s) as may be specified in the relevant Final Terms.

#### ***Accrual of Interest***

4F.08 Interest shall accrue on the principal amount of each Instrument or, in the case of an Instalment Instrument, on each instalment of principal, (in each case other than a Zero Coupon Instrument) on the paid up principal amount of such Instrument or otherwise as indicated in the Final Terms from the Interest Commencement Date. Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Instrument, in respect of each instalment of principal, on the due date for payment thereof) unless upon (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment) due presentation or surrender thereof, payment in full of the principal amount or the relevant instalment or, as the case may be, redemption amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the principal amount of the Instruments or such other rate as may be specified in the relevant Final Terms (the “**Default Rate**”) until the earlier of (i) the date on which, upon due presentation of the relevant Instrument (if required), the relevant payment is made or (ii) (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment) the seventh day after the date on which notice is given to the Holders in accordance with Condition 15 that the Issue and Paying Agent or the Registrar (as the case may be) has received the funds required to make such payment (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

#### **4G Interest - Benchmark discontinuation**

##### ***Independent Adviser***

4G.01 If a Benchmark Event occurs in relation to an Original Reference Rate other than SOFR when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser,

as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate (subject to the terms of this Condition 4G), failing which an Alternative Rate (in accordance with Condition 4G.02) and, in either case, an Adjustment Spread if any (in accordance with Condition 4G.03) and any Benchmark Amendments (in accordance with Condition 4G.04).

An Independent Adviser appointed pursuant to this Condition 4G shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, or the Holders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4G.01.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4G.01 prior to the relevant Reset Determination Date or Interest Determination Date, as applicable, the Rate of Interest applicable to the next succeeding Reset Period or Interest Period, as applicable, shall be equal to the Rate of Interest last determined in relation to the Instruments in respect of the immediately preceding Reset Period or Interest Period, respectively. If there has not been a first Interest Payment Date, the Rate of Interest shall be the Initial Rate of Interest. Where a different First Margin, Subsequent Margin, Margin Plus Rate, Specified Percentage Multiplied by Rate, Difference in Rates or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Reset Period or Interest Period, as applicable, from that which applied to the last preceding Reset Period or Interest Period, respectively, the First Margin, Subsequent Margin, Margin Plus Rate, Specified Percentage Multiplied by Rate, Difference in Rates or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Reset Period or Interest Period, respectively, shall be substituted in place of the First Margin, Subsequent Margin, Margin Plus Rate, Specified Percentage Multiplied by Rate, Difference in Rates or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Reset Period or Interest Period, respectively. For the avoidance of doubt, this Condition 4G.01 shall apply to the relevant next succeeding Reset Period or Interest Period only and any subsequent Reset Periods or Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4G.01.

#### ***Successor Rate or Alternative Rate***

4G.02 If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4G.03) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Instruments (subject to the operation of this Condition 4G); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4G.03) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Instruments (subject to the operation of this Condition 4G).

#### ***Adjustment Spread***

4G.03 The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread), if any, shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or the Alternative Rate (as applicable) will apply without an Adjustment Spread.

#### ***Benchmark Amendments***

4G.04 If any Successor Rate, Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4G and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Terms and Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4G.05, without any

requirement for the consent or approval of Holders, vary these Terms and Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 4G, the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 4G.04 to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Issue and Paying Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 4G.04, the Issuer shall comply with the rules of any stock exchange on which the Instruments are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4G, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Instruments as Tier 2 Subordinated Instruments or TLAC/MREL-Eligible Instruments for the purposes of the Applicable Banking Regulations.

Notwithstanding any other provision of this Condition 4G, in the case of Senior Non Preferred Instruments and Ordinary Senior Instruments constituting TLAC/MREL-Eligible Instruments only, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Instruments, rather than the relevant Maturity Date.

*Notices, etc.*

4G.05 Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4G will be notified promptly by the Issuer to the Calculation Agent, the Paying Agents and, in accordance with Condition 15, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Holders of the same, the Issuer shall deliver to the Issue and Paying Agent, the Calculation Agent and the Paying Agents a certificate signed by two authorised signatories of the Issuer:

- (i) confirming (a) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4G; and
- (ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Issue and Paying Agent shall display such certificate at its offices, for inspection by the Holders at all reasonable times during normal business hours or may be provided by email to a Holder following their prior written request to the Issue and Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Issue and Paying Agent).

Each of Issue and Paying Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Issue and Paying Agent's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Issue and Paying Agent, the Calculation Agent, the Paying Agents and the Holders.

Notwithstanding any other provision of this Condition 4G, if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4G, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

#### ***Survival of Original Reference Rate***

4G.06 Without prejudice to the obligations of the Issuer under Conditions 4G.01, 4G.02, 4G.03 and 4G.04, the Original Reference Rate and the fallback provisions provided for in Conditions 4B.02, 4C.03 and 4C.04 will continue to apply unless and until a Benchmark Event has occurred. Upon the occurrence of a Benchmark Event, this Condition 4G shall prevail.

#### ***Definitions:***

4G.07 As used in this Condition 4G:

“**Adjustment Spread**” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (iii) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)
- (iv) the Issuer, following consultation with the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied)
- (v) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged)
- (vi) if no such spread, formula or methodology can be determined in accordance with (i) to (iii) above, the Issuer, in its discretion, following consultation with the Independent Adviser, and acting in good faith and in a commercially reasonable manner, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this subclause (iv) only, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Holders.

“**Alternative Rate**” means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in accordance with Condition 4G.02 is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Instruments.

“**Benchmark Amendments**” has the meaning given to it in Condition 4G.02.

“**Benchmark Event**” means:

- (i) the Original Reference Rate ceasing to exist or ceasing to be published for a period of at least 5 Business Days in relation to a Rate of Interest of Floating Rate Instruments, CMS-Linked

Instruments, Fixed/Floating Rate Instruments or Steeper Instruments or 5 Reset Business Days in relation to a Reset Instruments; or

- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Instruments; or
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (vi) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Holder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Issue and Paying Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Issue and Paying Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

**“Independent Adviser”** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4G.01.

**“Original Reference Rate”** means:

- (i) the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof), as applicable, on the Instruments; or
- (ii) any Successor Rate or Alternative Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 4G;

**“Relevant Nominating Body”** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**“Successor Rate”** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## 5 Redemption and Purchase

### *Redemption at Maturity*

5.01 Unless previously redeemed, or purchased and cancelled, each Instrument shall be finally redeemed at its maturity redemption amount (the “**Maturity Redemption Amount**”) (which shall be its principal amount or such other Maturity Redemption Amount as may be specified in the relevant Final Terms or, in the case of Instalment Instruments, in such number of instalments and in such amounts as may be specified in the relevant Final Terms) on the Maturity Date specified in the relevant Final Terms.

Senior Non Preferred Instruments will have an original maturity of at least one year from their date of effective disbursement or such minimum or maximum maturity as may be permitted or required from time to time by Applicable Banking Regulations.

Tier 2 Subordinated Instruments will have a maturity of not less than five years or as otherwise permitted in accordance with Applicable Banking Regulations in force at the relevant time.

For the purposes of these Terms and Conditions:

“**Applicable Banking Regulations**” means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency including, among others, those giving effect to the MREL and the TLAC or any equivalent or successor principles, then applicable to the Issuer and/or the Group including, without limitation to the generality of the foregoing, CRD IV, the BRRD, the SRM Regulation and those regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency of the Regulator and/or the Relevant Resolution Authority then applicable to the Issuer and/or the Group including, among others, those giving effect to the MREL and the TLAC or any equivalent or successor principles, in each case to the extent then in effect in the Kingdom of Spain (whether or not such regulations, requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group);

“**BRRD**” means Directive 2014/59/EU of 15 May establishing the framework for the recovery and resolution of credit institutions and investment firms or such other directive as may amend or come into effect in place thereof (including the BRRD II), as implemented into Spanish law by Law 11/2015 and RD 1012/2015, as amended or replaced from time to time and including any other relevant implementing regulatory provisions;

“**BRRD II**” means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC;

“**CRD IV**” means any, or any combination of, the CRD IV Directive, the CRR, and any CRD IV Implementing Measures;

“**CRD IV Directive**” means 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, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC or such other directive as may come into effect in place thereof, as amended or replaced from time to time (including by the CRD V Directive);

“**CRD IV Implementing Measures**” means any rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Regulator, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a stand alone basis) or the Group (on a consolidated basis) and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital or the minimum requirement for own funds and eligible liabilities, as the case may be, of the Issuer (on a stand alone basis) or the Group (on a consolidated basis);

“**CRD V Directive**” means Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures;



“**CRR**” means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 or such other regulation as may come into effect in place thereof, as amended from time to time (including by CRR II);

“**CRR II**” means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012;

“**RD 1012/2015**” means Royal Decree 1012/2015 of 6 November implementing Law 11/2015, as amended or replaced from time to time;

“**Regulated Entity**” means any entity to which BRRD, as implemented in the Kingdom of Spain (including but not limited to, Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) and as amended or superseded from time to time, or any other Spanish piece of legislation relating to the Bail-in Power, applies, which includes, certain credit institutions, investment firms, and certain of their parent or holding companies;

“**SRM Regulation**” means Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or replaced from time to time (including by the SRM Regulation II); and

“**SRM Regulation II**” means Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms.

#### ***Early Redemption for Taxation Reasons***

- 5.02 If, in relation to any Series of Instruments, as a result of a change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 10C.03), including any treaty to which such Relevant Jurisdiction is a party, or any change in the application or interpretation of any such laws or regulations, including a decision of any court or tribunal, which change or amendment becomes effective on or after the Issue Date of such Instruments, (a) in making any payments on the Instruments, the Issuer has paid or will or would be required to pay additional amounts as provided in Condition 9 or (b) in the case of Subordinated Instruments and Senior Non Preferred Instruments, the Issuer is no longer entitled to claim a deduction in respect of any payments in relation to the Subordinated Instruments or the Senior Non Preferred Instruments in computing its taxation liabilities or the value of such deduction to the Issuer would be materially reduced, or (c) in the case of Subordinated Instruments and Senior Non Preferred Instruments, the applicable tax treatment of the Subordinated Instruments or the Senior Non Preferred Instruments changes and such circumstances are evidenced by the delivery by the Issuer to the Issue and Paying Agent and the Commissioner (if any) of (x) a certificate signed by two Authorised Signatories stating that the relevant circumstances giving rise to the right to redeem prevail and describing the facts leading thereto, (y) an opinion of independent legal advisers of national recognised standing or other national tax adviser experienced in such matters to the effect that the relevant circumstances prevail and (z) in the case of Subordinated Instruments and Senior Non Preferred Instruments, a copy of the Regulator’s and/or Relevant Resolution Authority’s consent (if and as required therefor under Applicable Banking Regulations) to the redemption, to the extent required, the Issuer may, at its option and having given no less than 15 nor more than 30 calendar days’ notice (or such lesser period as may be specified in the relevant Final Terms) to the Registrar (in the case of Registered Instruments), the Issue and Paying Agent and, in accordance with Condition 15, the Holders of the Instruments (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions all, but not some only, of the relevant Instruments at their early tax redemption amount (the “**Early Redemption Amount (Tax)**”) (which shall be their principal amount or at such other Early Redemption Amount (Tax) as may be specified in the relevant Final Terms) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Instrument prior to the date fixed for redemption under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together

with interest accrued to (but excluding) the date of redemption *provided, however*, that no such notice of redemption may be given earlier than 90 calendar days (or, in the case of Instruments which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current Interest Period applicable to the Instruments plus 60 days) prior to the earliest date on which the Issuer (i) would be obliged to pay additional amounts, (ii) would no longer be entitled to claim a deduction or the amount of such deduction would be materially reduced or (iii) would be obliged to apply the applicable tax treatment.

In the case of Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments constituting TLAC/MREL-Eligible Instruments, redemption for taxation reasons will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time.

For the purposes of these Terms and Conditions, “**Relevant Resolution Authority**” means the *Fondo de Resolución Ordenada Bancaria* (FROB), the Single Resolution Board (SRB) or any other entity with the authority to exercise any of the resolutions tools and powers contained in the Applicable Banking Regulations.

#### ***Early Redemption due to Capital Disqualification Event***

5.03 If, in the case of Tier 2 Subordinated Instruments only, a Capital Disqualification Event occurs as a result of a change (or any pending change which the Regulator considers sufficiently certain) in Spanish law or Applicable Banking Regulations becoming effective on or after the Issue Date, the Issuer may, at its option and having given not less than 15 nor more than 30 calendar days’ notice (or such lesser period as may be specified in the relevant Final Terms) to the Registrar (in the case of Registered Instruments), the Issue and Paying Agent and, in accordance with Condition 15, the Holders of the Tier 2 Subordinated Instruments (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions all, but not some only, of the Tier 2 Subordinated Instruments.

Tier 2 Subordinated Instruments redeemed pursuant to this Condition 5.03 will be redeemed at their early redemption amount (the “**Early Redemption Amount (Capital Disqualification Event)**”) (which shall be their principal amount or a such other Early Redemption Amount (Capital Disqualification Event) as may be specified in the relevant Final Terms) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Redemption of Tier 2 Subordinated Instruments for regulatory reasons pursuant to this Condition 5.03 is subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time.

For the purposes of these Terms and Conditions:

“**Capital Disqualification Event**” means a change in Applicable Banking Regulations, in any other regulations applicable in the Kingdom of Spain or in the application or official interpretation thereof that results or is likely to result in any of the outstanding aggregate nominal amount of the relevant Tier 2 Subordinated Notes ceasing to be included in, or counting towards, the Group’s or the Issuer’s Tier 2 Capital; and

#### ***Early Redemption due to TLAC/MREL Disqualification Event***

5.04 If, in the case of Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms only, a TLAC/MREL Disqualification Event has occurred and is continuing, then the Issuer may, at its option and having given not less than 15 nor more than 30 days’ notice (or such lesser period as may be specified in the relevant Final Terms) to the Registrar (in the case of Registered Instruments), the Issue and Paying Agent and, in accordance with Condition 15, the Holders of the relevant Instruments (as applicable) (which notice shall be irrevocable and shall specify the date for redemption), elect to redeem in accordance with these Conditions all, but not some only, of the relevant Instruments (as applicable). Upon the expiry of such notice, the Issuer shall redeem the relevant Instruments (as applicable).

Instruments redeemed pursuant to this Condition 5.04 will be redeemed at their early redemption amount (the “**Early Redemption Amount (TLAC/MREL Disqualification Event)**”) (which shall be their principal amount or such other Early Redemption Amount (TLAC/MREL Disqualification Event) as may be specified in or determined in accordance with the relevant Final Terms) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Redemption of Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms, for regulatory reasons pursuant to this Condition 5.04 will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time. Redemption of Tier 2 Subordinated Instruments where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms may be made pursuant to a TLAC/MREL Disqualification Event only after five years from their date of issuance or any other minimum period permitted by the Applicable Banking Regulations.

For the purposes of these Terms and Conditions:

“**EU Banking Reforms**” means the CRD V Directive, BRRD II, CRR II and the SRM Regulation II;

“**MREL**” means the “minimum requirement for own funds and eligible liabilities” for credit institutions under the BRRD, set in accordance with Article 45 of the BRRD (as transposed in the Kingdom of Spain), Commission Delegated Regulation (EU) 2016/1450 of 23 May 2016, supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities and any other Applicable Banking Regulations;

“**TLAC**” means the “total loss-absorbing capacity” requirement for global systemically important institutions under the CRR, set in accordance with Article 92a of the CRR and any other Applicable Banking Regulations;

“**TLAC/MREL Disqualification Event**” means at any time that all or part of the outstanding nominal amount of the Subordinated Instruments, the Senior Non Preferred Instruments or the Ordinary Senior Instruments (as applicable) does not fully qualify as TLAC/MREL-Eligible Instruments of the Issuer and/or the Group, except where such non-qualification (i) is due solely to the remaining maturity of the relevant Instruments (as applicable) being less than any period prescribed for TLAC/MREL-Eligible Instruments by the Applicable Banking Regulations as at the Issue Date or (ii) is as a result of the relevant Instruments (as applicable) being bought back by or on behalf of the Issuer or a buy back of the relevant Instruments which is funded by or on behalf of the Issuer.

“**TLAC/MREL-Eligible Instrument**” means an instrument that is eligible to be counted towards the TLAC and/or MREL, and for the avoidance of doubt irrespective of the quantum limitation that may be applicable to certain types of instruments by the Applicable Banking Regulations; and

***Early redemption at the option of the Issuer (Clean-Up Redemption)***

5.05 If the Clean-Up Redemption Option is specified in the relevant Final Terms as being applicable, and if 75 per cent. or any higher percentage specified in the relevant Final Terms (the “**Clean-Up Percentage**”) of the initial aggregate nominal amount of the Instruments of the same Series (which for the avoidance of doubt includes, any additional Instruments issued subsequently and forming a single series with the first Tranche of a particular Series of Instruments) have been redeemed or purchased by, or on behalf of, the Issuer and cancelled, the Issuer may, on any date that is an Interest Payment Date, as its option and having given not less than 15 nor more than 30 calendar days’ notice (or such lesser period as may be specified in the relevant Final Terms) (the “**Clean-Up Redemption Notice**”) to the Registrar (in the case of Registered Instruments), the Issue and Paying Agent and, in accordance with Condition 15, to the Holders of the Instruments, (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Terms and Conditions, all but not some only, of the relevant Instruments.

Instruments redeemed pursuant to this Condition 5.05 will be redeemed at their early redemption amount (the “**Early Redemption Amount (Clean-Up Call)**”) (which shall be their principal amount or such other Early Redemption Amount (Clean-Up Call) as may be specified in or determined in accordance

with the relevant Final Terms) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In the case of Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments where the Clean-Up Redemption Option has been specified as applicable in the relevant Final Terms, redemption pursuant to this Condition 5.05 will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations (including, without limitation, in accordance with Articles 77 and 78 of the CRR, where applicable) in force at the relevant time. Redemption of Tier 2 Subordinated Instruments where the Clean-Up Redemption Option has been specified as applicable in the relevant Final Terms may be made pursuant to a Clean-Up Redemption Option only after five years from their date of issuance or any other minimum period permitted by the Applicable Banking Regulations.

#### ***Early Redemption (Zero Coupon Instruments)***

##### 5.06

- (a) The early redemption amount payable in respect of any Zero Coupon Instrument (the “**Early Redemption Amount (Zero Coupon)**”) upon redemption of such Instrument pursuant to Condition 5.02, Condition 5.03, Condition 5.04, Condition 5.05, Condition 5.07 or Condition 5.09 or upon it becoming due and payable as provided in Condition 6 shall be the Amortised Face Amount (calculated as provided below) of such Instrument unless otherwise specified hereon.
- (b) Subject to the provisions of sub-paragraph (c) below, the “**Amortised Face Amount**” of any such Instrument shall be the scheduled Maturity Redemption Amount of such Instrument on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is set out in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Instruments if they were discounted back to their issue price on the Issue Date) compounded annually.
- (c) If the Early Redemption Amount (Zero Coupon) payable in respect of any such Instrument upon its redemption pursuant to Condition 5.02, Condition 5.03, Condition 5.04, Condition 5.05, Condition 5.07 or Condition 5.09 or upon it becoming due and payable as provided in Condition 6 is not paid when due, the Early Redemption Amount (Zero Coupon) due and payable in respect of such Instrument shall be the Amortised Face Amount of such Instrument as defined in sub-paragraph (b) above, except that such sub-paragraph shall have effect as though the date on which the Instrument becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Maturity Redemption Amount of such Instrument on the Maturity Date together with any interest that may accrue in accordance with Condition 4F.

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

#### ***Optional Early Redemption (Call)***

- 5.07 If Call Option is specified in the relevant Final Terms as being applicable, then the Issuer may, having given not less than 15 calendar days’ notice (or such lesser period as may be specified in the relevant Final Terms) to the Registrar (in the case of Registered Instruments), the Issue and Paying Agent and, in accordance with Condition 15, the Holders of the Instruments (which notice shall be signed by two duly Authorised Signatories, shall be irrevocable and shall specify the date for redemption) and subject to such conditions as may be specified in the relevant Final Terms, redeem all (but not, unless and to the extent that the relevant Final Terms specifies otherwise, some only) of the Instruments of the relevant Series, on the Early Redemption Date(s) specified in the relevant Final Terms, at their call early redemption amount (the “**Early Redemption Amount (Call)**”) (which shall be their principal amount or such other Early Redemption Amount (Call) as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with interest accrued to (but excluding) the date of redemption.

In the case of Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments constituting TLAC/MREL-Eligible Instruments, redemption at the option of the Issuer pursuant to this Condition 5.07 will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time.

5.08 If the Instruments of a Series are to be redeemed in part only on any date in accordance with Condition 5.07:

- (a) in the case of Bearer Instruments, the Instruments to be redeemed shall be drawn by lot, with the intervention of the relevant Commissioner (if any) or the Issue and Paying Agent, as applicable, and before a Notary Public who will take the minutes, in such European city as the Issue and Paying Agent may specify, or identified in such other manner or in such other place as the Issue and Paying Agent may approve and deem appropriate and fair; and
- (b) in the case of Registered Instruments, the Instruments shall be redeemed (so far as may be practicable) pro rata to their principal amounts, subject always as aforesaid and provided always that the amount redeemed in respect of each Instrument shall be equal to the minimum denomination thereof or an integral multiple thereof,

subject always to compliance with all applicable laws and the requirements of any listing authority, stock exchange and/or quotation system on which the relevant Instruments may be listed and/or quoted.

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 2.02 to 2.06 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

#### ***Optional Early Redemption (Put)***

5.09 If Put Option is specified as applicable in the relevant Final Terms, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the Early Redemption Date(s) specified in the relevant Final Terms at its put early redemption amount (the “**Early Redemption Amount (Put)**”) (which shall be its principal amount or such other Early Redemption Amount (Put) as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Instrument under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with interest accrued to (but excluding) the date of redemption. In order to exercise such option, the Holder must, not more than 90 nor less than 60 calendar days before the date so specified (or such other period as may be specified in the relevant Final Terms), deposit the relevant Instrument together with any unmatured Coupons appertaining thereto with, in the case of a Bearer Instrument, any Paying Agent or, in the case of a Registered Instrument, the Registrar together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar specifying, in the case of a Registered Instrument, the aggregate principal amount in respect of which such option is exercised (which must be the minimum denomination specified in the Final Terms or an integral multiple thereof). No Instrument so deposited and option exercised may be withdrawn. Not less than 15 nor more than 45 days’ notice of the commencement of the period for the deposit of the relevant Instrument for redemption pursuant to this Condition 5.09 shall be given to the Holders.

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 2.02 to 2.09 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

The Holder of an Instrument may not exercise such option in respect of any Instrument which is the subject of an exercise by the Issuer of its option to redeem such Instrument under Condition 5.07.

### ***Redemption by Instalments***

5.10 Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Instrument which provides for Instalment Dates and Instalment Amounts in the relevant Final Terms will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Instrument shall be reduced by the Instalment Amount for all purposes.

### ***Cancellation of Redeemed Instruments***

5.11 All unmatured Instruments and Coupons and unexchanged Talons redeemed (*amortizados*) will be cancelled forthwith and may not be reissued or resold.

### ***Purchase of Instruments***

5.12 The Issuer and any of its respective subsidiaries or any third party designated by it, may purchase Instruments in the open market or otherwise and at any price *provided that* all unmatured Coupons appertaining thereto are purchased therewith.

In the case of Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments constituting TLAC/MREL-Eligible Instruments, the purchase of the relevant Instruments by the Issuer or any of its subsidiaries shall take place in accordance with Applicable Banking Regulations in force at the relevant time and will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority, if and as required.

### ***Further Provisions applicable to Redemption Amount and Instalment Amounts***

5.13 The provisions of Condition 4F.04 shall apply to any determination or calculation of the Redemption Amount or any Instalment Amount required by the Final Terms to be made by the Calculation Agent.

5.14 References herein to “**Redemption Amount**” shall mean, as appropriate, the Maturity Redemption Amount, the final Instalment Amount, Early Redemption Amount (Tax), Early Redemption Amount (Capital Disqualification Event), Early Redemption Amount (TLAC/MREL Disqualification Event), Early Redemption Amount (Zero Coupon), Early Redemption Amount (Call), Early Redemption Amount (Put) and Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms.

### ***Notices***

5.15 Notices of early redemption (whether full or partial) of Instruments shall be given in accordance with Condition 15.

### ***Notification to Euronext Dublin***

5.16 The Issuer shall notify Euronext Dublin of any early redemption (whether full or partial) of Instruments.

## **6 Events of Default**

### ***Events of Default for Ordinary Senior Instruments***

6.01 Unless otherwise specified in the relevant Final Terms, if, in the case of Ordinary Senior Instruments, any of the following events occurs and is continuing (each an “**Event of Default**” solely in respect of Ordinary Senior Instruments), such Event of Default shall be an acceleration event in relation to the Ordinary Senior Instruments of any Series, namely:

- (i) *Non-payment*: if default is made in the payment of any interest or principal due in respect of the Ordinary Senior Instruments of the relevant Series and such default continues for a period of seven Business Days; or
- (ii) *Breach of other obligations*: if the Issuer fails to perform or observe any of its other obligations under or in respect of the Ordinary Senior Instruments of the relevant Series, or the Issue and Paying Agency Agreement and (except in any case where such failure is incapable of remedy when no such continuation as is hereinafter mentioned will be required) the failure continues for a period of 30 days following the service by the relevant Commissioner (if any) or Issue and Paying Agent, as applicable, on the Issuer of a notice requiring the same to be remedied; or

- (iii) *Winding up*: if any order is made by any competent court or resolution passed for the winding up or liquidation of the Issuer; or
- (iv) *Cessation of business*: if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of a reorganisation (except in any such case for the purpose of reconstruction or amalgamation or a merger, spin-off or any other structural modification (*modificación estructural*), provided that any entity that survives or is created as a result of such reconstruction, merger, spin-off or other structural modification is given a rating by an internationally recognised rating agency at least equal to the then current rating of the Issuer at the time of such transaction), or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class thereof) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (v) *Insolvency proceedings*: if (a) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or in relation to the whole or a part of its undertaking or assets, or an encumbrancer takes possession of the whole or a part of its undertaking or assets, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a part of its undertaking or assets and (b) in any case is not discharged within 14 days; or
- (vi) *Arrangements with creditors*: if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors).

6.02 If any Event of Default shall occur in relation to any Series of Ordinary Senior Instruments, the relevant Commissioner (if any) or the Issue and Paying Agent, acting upon a resolution of the relevant Syndicate of Holders or Meeting of Holders of the Instruments, respectively, as the case may be, of the Ordinary Senior Instruments of the relevant Series in respect of all the Ordinary Senior Instruments of a relevant Series, or any Holder of an Ordinary Senior Instrument of the relevant Series in respect of such Ordinary Senior Instrument and provided that such Holder does not contravene the resolution of the relevant Syndicate or Meeting of Holders of the Instruments, as applicable (if any) may, by written notice to the Issuer, at the specified office of the Issue and Paying Agent, declare that such Ordinary Senior Instrument or Instruments and all interest then accrued on such Ordinary Senior Instrument or Instruments shall (when permitted by applicable Spanish law) be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the “**Early Termination Amount**”) (which shall be its principal amount or such other Early Termination Amount as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Ordinary Senior Instruments under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with interest accrued to (but excluding) the date of redemption without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Ordinary Senior Instrument or Instruments to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Ordinary Senior Instruments of the relevant Series shall have been cured.

***No Events of Default for Subordinated Instruments, Senior Non Preferred Instruments and certain Ordinary Senior Instruments***

6.03 Save as provided below, there are no events of default under the Subordinated Instruments, the Senior Non Preferred Instruments and, to the extent Conditions 6.01 and 6.02 have been so specified in the relevant Final Terms as not applicable, the Ordinary Senior Instruments, which could lead to an acceleration of the relevant Subordinated Instruments, Senior Non Preferred Instruments or Ordinary Senior Instruments.

However, if an order is made by any competent court commencing insolvency proceedings against the Issuer or if any order is made by any competent court or resolution passed for the insolvency, winding

up or liquidation of the Issuer and such order is continuing, then any Instrument may, unless there has been a resolution to the contrary by the Syndicate of Holders of Instruments or Meeting of Holders of the Instruments, as applicable, by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer or to the specified office of the Issue and Paying Agent, be declared immediately due and payable, whereupon the principal amount of such Instruments together with any accrued and unpaid interest thereon to the date of payment shall become immediately due and payable without further action or formality.

Notwithstanding the above, if default is made in the payment of any interest or principal due in respect of the Instruments and such default continues for a period of seven days then, (i) the Commissioner (if any) or the Issue and Paying Agent, acting upon a resolution of the Syndicate of Holders of Instruments or Meeting of Holders of the Instruments, respectively, as the case may be, in respect of all Subordinated Instruments, Senior Non Preferred Instruments or Ordinary Senior Instruments, as the case may be, or (ii) unless there has been a resolution to the contrary by the Syndicate of Holders of Instruments or Meeting of Holders of the Instruments, as applicable (which resolution shall be binding on all Holders), any Holder in respect of the Subordinated Instruments, Senior Non Preferred Instruments or Ordinary Senior Instruments, as the case may be, held by such Holder, may institute proceedings for the insolvency, winding up, liquidation or dissolution of the Issuer but may take no further or other action in respect of such default.

In addition, (i) the Commissioner (if any) or the Issue and Paying Agent, acting upon a resolution of the Syndicate of Holders of Instruments or Meeting of Holders of the Instruments, respectively, as the case may be, or (ii) unless there has been a resolution to the contrary by the Syndicate of Holders of Instruments or Meeting of Holders of the Instruments, as applicable (which resolution shall be binding on all Holders), any Holder in respect of the Instruments held by such Holder, may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Instruments, provided that the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of the Instruments sooner than the same would otherwise have been payable by it or any damages.

Neither a cancellation of the Instruments, a reduction, in part or in full, of the principal amount of the Instruments or any accrued and unpaid interest on the Instruments, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Instruments will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Holders to any remedies (including equitable remedies), which are hereby expressly waived.

## **7 Waiver of Set-off**

If this Condition 7 is specified in the relevant Final Terms as being applicable to the Instruments, no Holder may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Issuer has or may have or acquire against such Holder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to such Instrument) and each Holder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Instruments is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and accordingly any such discharge shall be deemed not to have taken place.

For the avoidance of doubt, nothing in this Condition is intended to provide, or shall be construed as acknowledging, any right of deduction, set-off, netting, compensation, retention or counterclaim or that any such right is or would be available to any Holder of any Instrument but for this Condition.

For the purposes of these Terms and Conditions:



**“Waived Set-Off Rights”** means any and all rights of or claims of any Holder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Instrument.

## 8 Substitution and Variation

If this Condition 8 is specified in the relevant Final Terms as being applicable to the Instruments, and a Capital Disqualification Event, a TLAC/MREL Disqualification Event or a circumstance giving rise to the right of the Issuer to redeem the Instruments for taxation reasons under Condition 5.02 occurs and is continuing, the Issuer may substitute all (but not some only) of the Instruments (as the case may be) or modify the terms of all (but not some only) of the Instruments, without any requirement for the consent or approval of the Holders, so that they are substituted for, or varied to, become, or remain, Qualifying Instruments, subject to having given not less than 15 nor more than 30 days’ notice to the Holders in accordance with Condition 12, the Registrar and the Issue and Paying Agent (which notice shall be irrevocable and shall specify the date for substitution or, as applicable, variation), and subject to obtaining the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and in accordance with Applicable Banking Regulations in force at the relevant time.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Holders can inspect or obtain copies of the new terms and conditions of the Instruments. Such substitution or variation will be effected without any cost or charge to the Holders.

Holders shall, by virtue of subscribing and/or purchasing and holding any Instruments, be deemed to accept the substitution or variation of the terms of such Instruments and to grant to the Issuer full power and authority to take any action and/or to execute and deliver any document in the name and/or on behalf of the Holders which is necessary or convenient to complete the substitution or variation of the terms of the Instruments.

In these Terms and Conditions:

**“Qualifying Instruments”** means, at any time, any securities denominated in the Specified Currency and issued directly by the Issuer, other than in respect of the effectiveness and enforceability of Condition 21, that have terms not otherwise materially less favourable to the Holders than the terms of the Instruments provided that the Issuer shall have delivered a certificate signed by two Authorised Signatories to that effect to the Issue and Paying Agent and the Commissioner (if any) not less than five Business Days prior to (x) in the case of a substitution of the Instruments pursuant to this Condition 8, the issue date of the relevant securities or (y) in the case of a variation of the Instruments pursuant to this Condition 8, the date such variation becomes effective, provided that such securities shall:

- (i) (a) in the case of Instruments constituting TLAC/MREL-Eligible Instruments, contain terms which comply with the then current requirements for TLAC/MREL-Eligible Instruments as embodied in the Applicable Banking Regulations, and (b) in the case of Tier 2 Subordinated Instruments, contain terms which comply with the then current requirements for their inclusion in the Tier 2 Capital of the Issuer; and
- (ii) carry the same rate of interest as the Instruments prior to the relevant substitution or variation pursuant to this Condition 8; and
- (iii) have the same denomination and aggregate outstanding principal amount as the Instruments prior to the relevant substitution or variation pursuant to this Condition 8; and
- (iv) have the same date of maturity and the same dates for payment of interest as the Instruments prior to the relevant substitution or variation pursuant to this Condition 8; and
- (v) have at least the same ranking as set out in Condition 3; and
- (vi) not, immediately following such substitution or variation, be subject to a Capital Disqualification Event, a TLAC/MREL Disqualification Event and/or an early redemption right for taxation reasons according to Condition 5.02, as applicable; and
- (vii) be listed or admitted to trading on any stock exchange as selected by the Issuer, if the Instruments were listed or admitted to trading on a stock exchange immediately prior to the relevant substitution or variation pursuant to this Condition 8.

For the avoidance of doubt, (i) any change in the governing law of the Instruments from English law to Spanish law so that the English Instruments become again or remain Qualifying Instruments shall not be subject to the requirement not to be materially less favourable to the interests of the Holders of the English law Instruments; and (ii) any variation in the ranking of the relevant Instruments as set out in Condition 3 resulting from any such substitution or modification shall be deemed not to be materially less favourable to the interests of the Holders of the Instruments where the ranking of such Instruments following such substitution or modification is at least the same ranking as is applicable to such Instruments under Condition 3 on the issue date of such Instruments.

## 9 Taxation

- 9.01 All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Instruments, the Receipts and the Coupons by the Issuer will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Relevant Jurisdiction (as defined in Condition 10C.03), unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts (in the case of Subordinated Instruments and/or Coupons of Subordinated Instruments and in the case of Senior Non Preferred Instruments and Ordinary Senior Instruments constituting TLAC/MREL-Eligible Instruments and/or Coupons of Senior Non Preferred Instruments and Ordinary Senior Instruments constituting TLAC/MREL-Eligible Instruments, in respect of the payment of any interest in respect of such Subordinated Instrument and/or such Coupons of Subordinated Instruments and in respect to Senior Non Preferred Instruments and Ordinary Senior Instruments constituting TLAC/MREL-Eligible Instruments and/or such Coupons of Senior Non Preferred Instruments and Ordinary Senior Instruments constituting TLAC/MREL-Eligible Instruments only (but not in respect of the payment of any principal in respect of such Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments constituting TLAC/MREL-Eligible Instruments)) as will result in receipt by the Holder of any Instrument or Coupon of such amounts as would have been received by them had no such withholding or deduction been required.
- 9.02 The Issuer shall not be required to pay any additional amounts as referred to in Condition 9.01 in relation to any payment in respect of any Instrument or Coupon:
- (i) to, or to a third party on behalf of, a Holder of an Instrument or Coupon who is liable for such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon by reason of his having some connection with the Relevant Jurisdiction (as defined in Condition 10C.03) other than the mere holding of such Instrument or Coupon; or
  - (ii) to, or to a third party on behalf of, a Holder in respect of whose Instruments the Issuer does not receive such information as may be required in order to comply with the applicable Spanish tax reporting obligations; or
  - (iii) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty days; or
  - (iv) to, or to a third party on behalf of, individuals resident for tax purposes in the Relevant Jurisdiction (as defined in Condition 10C.03); or
  - (v) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish corporation tax if the Spanish tax authorities determine that the Instruments do not comply with exemption requirements specified in the Reply to a Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

In addition, additional amounts will not be payable with respect to any taxes that are imposed in respect of any combination of the items set forth above.

Notwithstanding any other provision of these Terms and Conditions, any amounts to be paid on the Instruments by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), or otherwise imposed pursuant to Sections 1471 through 1474 of the

Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

## **10 Payments**

### **10A Payments — Bearer Instruments**

10A.01 This Condition 10A is applicable to Bearer Instruments.

10A.02 Payment of amounts (other than interest) due in respect of Bearer Instruments will be made against presentation and (save in the case of a partial redemption which includes, in the case of an Instalment Instrument, payment of any instalment other than the final instalment) surrender of the relevant Bearer Instruments at the specified office of any of the Paying Agents

10A.03 Payment of amounts in respect of interest on Bearer Instruments will be made:

- (i) in the case of Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Instruments at the specified office of any of the Paying Agents outside (unless Condition 10A.04 applies) the United States; and
- (ii) in the case of Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Instruments, in either case at the specified office of any of the Paying Agents outside (unless Condition 10A.04 applies) the United States.

10A.04 Payments of amounts due in respect of interest on the Bearer Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 10A.03 will not be made at the specified office of any Paying Agent in the United States (as defined in the Code and U.S. Treasury Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Instruments when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law, without involving, in the opinion of the Issuer, any adverse tax, legal or regulatory consequence to the Issuer. If parts (a) and (b) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

10A.05 If the due date for payment of any amount due in respect of any Bearer Instrument is not a Relevant Financial Centre Day (as defined in Condition 10C.03) and a local banking day (as defined in Condition 10C.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day (or as otherwise specified in the relevant Final Terms) and, thereafter will be entitled to receive payment on a Relevant Financial Centre Day and a local banking day and no further payment on account of interest or otherwise shall be due in respect of such delay or adjustment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 4F.06.

10A.06 Each Instrument initially delivered with Coupons attached thereto should be presented and, save in the case of partial payment which includes, in the case of an Instalment Instrument, payment of any instalment other than the final instalment, surrendered for final redemption together with all unmatured Coupons and Talons appertaining thereto, failing which:

- (i) in the case of Instruments which bear interest at a fixed rate or rates (other than Reset Instruments), the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the redemption amount paid bears to the total redemption amount due excluding, for this purpose, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such final redemption amount;

- (ii) in the case of Instruments which bear interest at, or at a margin above or below, a floating rate or which are Reset Instruments, all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them; and
- (iii) in the case of Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 10A.06 notwithstanding, if any Instruments which bear interest at a fixed rate or rates should be issued with a maturity date and a fixed rate or fixed rates such that, on the presentation for payment of any such Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to an Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

10A.07 In relation to Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 10A.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of this Condition 10. Each Talon shall, for the purpose of these Terms and Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

10A.08 For the purposes of these Terms and Conditions, the “United States” means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

10A.09 Payments of amounts due in Renminbi will be made solely by credit to a registered Renminbi account maintained by or on behalf of the payee at a bank in Hong Kong in accordance with the applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

*Payments of principal and interest in respect of Bearer Instruments held in the Central Money Markets Unit Service operated by the Hong Kong Monetary Authority (the “CMU”) will be made to the CMU for their distribution, on the order of the holder of the Bearer Instruments, to the person(s) for whose account(s) interests in the relevant Bearer Instrument are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.*

## **10B. Payments — Registered Instruments**

10B.01 This Condition 10B is applicable to Registered Instruments.

10B.02 Payment of amounts (whether principal, a redemption amount or otherwise and including accrued interest) due in respect of Registered Instruments on the final redemption of Registered Instruments will be made against presentation and, save in the case of partial payment of the amount due upon final redemption by reason of insufficiency of funds, surrender of the relevant Registered Instruments at the specified office of the Registrar. If the due date for payment of the final redemption amount of any Registered Instrument is not both a Relevant Financial Centre Day (as defined in Condition 10C.03) and a local banking day (as defined in Condition 10C.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and, thereafter will be entitled to receive payment by cheque on any local banking day, and, will be entitled to payment by transfer to a designated account

on any day which is a local banking day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 4F.06.

10B.03 Payment of amounts (whether principal, a redemption amount, interest or otherwise) due (other than in respect of the final redemption of Registered Instruments) in respect of Registered Instruments will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at close of business (local time in the place of the specified office of the Registrar) on the business day (as defined in Condition 2.04) before the due date for such payment for the Instruments (the “**Record Date**”).

10B.04 Notwithstanding the provisions of Condition 10C.02, except in the case of payments in Renminbi, payment of amounts (whether principal, a redemption amount, interest or otherwise) due (other than in respect of final redemption of Registered Instruments) in respect of Registered Instruments will be made by cheque and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of joint Holders, the first-named) on the business day (as defined in Condition 2.04) not later than the relevant date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Relevant Financial Centre Day, then the Holder thereof will not be entitled to payment thereof until the first day thereafter which is a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 4F.06.

10B.05 In the case of payment of amounts in Renminbi (whether principal, a redemption amount, interest or otherwise) due (other than in respect of final redemption of Registered Instruments) in respect of Registered Instruments will be made by transfer to a Renminbi account maintained by or on behalf of the Holder with a bank in Hong Kong.

*Payments of principal and interest in respect of Registered Instruments held in the CMU will be made to the CMU for their distribution, on the order of the holder of the Registered Instruments, to the person(s) for whose account(s) interests in the relevant Registered Instrument are credited as being held with the CMU in accordance with the CMU Rules at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.*

## 10C Payments — General Provisions

10C.01 Save as otherwise specified herein, this Condition 10C is applicable in relation to both Bearer Instruments and Registered Instruments.

10C.02 Payments of amounts due (whether principal, a redemption amount, interest or otherwise) in respect of Instruments will be made in the currency in which such amount is due by (a) cheque or (b) at the option of the payee, transfer to an account denominated in the relevant currency specified by the payee. Payments will, without prejudice to the provisions of Condition 10, be subject in all cases to any applicable fiscal or other laws and regulations. For the avoidance of doubt, in the case of payments in Renminbi, payments of amounts due in respect of Instruments will be made by transfer to the Renminbi account maintained by or on behalf of the Holder with a bank in Hong Kong.

10C.03 For the purposes of these Terms and Conditions, save as otherwise defined, the following terms shall have the meaning set out below:

**“Authorised Signatory”** means any director of the Issuer (or any signatory authorised to act on its behalf);

**“Business Day”** means a day:

- in relation to Instruments denominated or payable in euro which is a TARGET Business Day;
- in relation to Instruments denominated or payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; and
- in relation to Instruments payable in any other currency, on which commercial banks are open for business and foreign exchange markets settle payments in the Relevant Financial Centre in respect of the relevant currency; and, in either case,
- on which commercial banks are open for business and foreign exchange markets settle payments in any place specified in the Relevant Financial Centre.

**“Calculation Amount”** has the meaning given in the relevant Final Terms;

**“CMS-Linked Instruments”** means Instruments the payment of interest of which is linked to a constant maturity swap rate as specified in the relevant Final Terms;

**“Instalment Amount”** has the meaning given in the relevant Final Terms;

**“Instalment Dates”** has the meaning given in the relevant Final Terms;

**“Interest Determination Date”** means, with respect to an interest rate and Interest Period, the date specified in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Period if the Relevant Currency is sterling or Hong Kong dollars or Renminbi other than where the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR (ii) or the day falling two London Banking Days prior to the first day of such Interest Period if the Relevant Currency is not sterling nor Hong Kong dollars nor Renminbi nor Euro, or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Period if the Relevant Currency is Euro; or (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR;

**“local banking day”** means a day (other than a Saturday and Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Instrument or, as the case may be, Coupon;

**“London Banking Day”** means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London;

**“Margin”** has the meaning given in the relevant Final Terms;

**“Maturity Date”** has the meaning given in the relevant Final Terms;

**“Maximum Rate of Interest”** has the meaning given in the relevant Final Terms;

**“Minimum Rate of Interest”** has the meaning given in the relevant Final Terms;

**“person”** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**“principal amount”** means the Aggregate Principal Amount which has the meaning given in the relevant Final Terms;

**“Reference Banks”** means four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate. The Reference Banks shall not include the Calculation Agent;

**“Reference Rate”** means one of (i) the Euro Interbank Offered Rate (“**EURIBOR**”), (ii) the Sterling Overnight Interbank Average Rate (“**SONIA**”), (iii) the Secured Overnight Financing Rate (“**SOFR**”), (iv) the euro short-term rate (“**€STR**”), (v) the daily Swiss Average Rate Overnight (“**SARON**”), (vi)

the Tokyo Overnight Average (“TONA”) or (vii) the CNH Hong Kong interbank offered rate (“CNH HIBOR”) or (viii) such other rate, in each case, as specified in the relevant Final Terms;

“**Relevant Financial Centre**” means such financial centre or centres as may be specified in the relevant Final Terms. If no financial centre or centres is specified in the relevant Final Terms, this term will have the meaning given to “**Financial Centre**” in Section 1.5 in the ISDA Definitions in respect of the Relevant Currency;

“**Relevant Financial Centre Day**” means, in the case of any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre (which in the case of Australian dollars shall be Melbourne, in the case of New Zealand dollars shall be Wellington and in the case of Renminbi shall be Hong Kong) and in any other place specified in the relevant Final Terms and in the case of payment in euro, a day which is a TARGET Business Day;

“**Relevant Currency**” means the currency specified as Specified Currency in the relevant Final Terms or, if none is specified, the currency in which the Instruments are denominated;

“**Relevant Jurisdiction**” means the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and/or interest on the Instruments;

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“**Relevant Time**” has the meaning given in the relevant Final Terms;

“**Specified Denomination**” means, in relation to any Instruments, the denomination of such Instruments specified as such in the relevant Final Terms and expressed as a currency amount;

“**Specified Percentage**” has the meaning given in the relevant Final Terms;

“**TARGET Business Day**” means any day on which the TARGET2 System, or any successor thereto, is open for the settlement of payments in euro; and

“**TARGET2 System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) payment system which utilises a single shared platform and which was launched on 19 November 2007.

10C.04 For the purposes of these Terms and Conditions, the “**Relevant Date**” means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Issue and Paying Agent, or as the case may be, the Registrar on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders of Instruments and Coupons, notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 15.

10C.05 Unless the context otherwise requires, any reference in these Terms and Conditions to “**principal**” shall include any premium payable in respect of an Instrument, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and “**interest**” shall include all amounts payable pursuant to Condition 4 and any other amounts in the nature of interest payable to these Terms and Conditions.

## 11 Prescription

11.01 Claims against the Issuer for payment of principal and interest in respect of Instruments will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date for payment thereof.

11.02 In relation to Instruments initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 10A.06 or the due date for the payment of which would fall after the due date for the redemption of the relevant Instrument or which would be void pursuant to this Condition 11 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Instrument.

## **12 The Paying Agents, the Registrars and the Calculation Agent**

12.01 The initial Paying Agents and Registrars and their respective initial specified offices are specified in these Terms and Conditions. The Calculation Agent in respect of any Instruments shall be specified in the Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Issue and Paying Agent) or the Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or another Calculation Agent provided that it will at all times maintain (i) an Issue and Paying Agent, (ii) in the case of Registered Instruments, a Registrar, (iii) a Paying Agent (which may be the Issue and Paying Agent) with a specified office in a continental European city, (iv) so long as the Instruments are listed on any stock exchange and/or quotation system, a Paying Agent (which may be the Issue and Paying Agent) and a Registrar each with a specified office in such place as may be required by the rules of such listing authority, stock exchange and/or quotation system, (v) in the circumstances described in Condition 10A.04, a Paying Agent with a specified office in New York City, and (vi) a Calculation Agent where required by the Terms and Conditions applicable to any Instruments with a specified office located in such place (if any) as may be required by the Terms and Conditions. The Paying Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agents, the Registrar or the Calculation Agent will be given promptly by the Issuer to the Holders of the Instruments in accordance with Condition 15.

12.02 The Paying Agents, the Registrar and the Calculation Agent act solely as agents of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

## **13 Replacement of Instruments**

If any Instrument or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issue and Paying Agent or such Paying Agent as may be specified in the relevant Final Terms (in the case of Bearer Instruments and Coupons) or of the Registrar (in the case of Registered Instruments), subject to all applicable laws and the requirements of any listing authority, stock exchange and/or quotation system on which the relevant Instruments are listed and/or quoted, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Issue and Paying Agent, the relevant Paying Agent or, as the case may be, the Registrar may require. Mutilated or defaced Instruments and Coupons must be surrendered before replacements will be delivered therefor.

## **14 Organisation of Holders of the Instruments and Modification**

The organisation of the Holders of each Series of Instruments will be specified in Part A of the relevant Final Terms.

### **14A Syndicate of Holders of the Instruments and Modification**

If a Syndicate of Holders of the Instruments is specified as applicable in the relevant Final Terms, the Holders of the Instruments of the relevant Series shall meet in accordance with the regulations governing the relevant Syndicate of Holders of the Instruments (the “**Regulations**”). The Regulations, which shall have effect as if incorporated herein, contain the rules governing the functioning of each Syndicate of Holders of the Instruments, including the provisions for meetings of such Syndicate to take place, and the rules governing its relationship with the Issuer and shall be attached to the relevant Public Deed of Issuance. A set of pro forma



Regulations and the provisions for the General Meeting of the Syndicate of Holders of the Instruments is included in this Base Prospectus (see “*Provisions for the organisation of the Holders of the Instruments—Part 1: Pro forma Regulations of the Syndicate of the Holders of the Instruments*” and “*—Part 2: provisions for the General Meeting of the Syndicate of Holders of the Instruments*”) and in the Issue and Paying Agency Agreement.

A Commissioner will be appointed for each Syndicate and will be specified in the relevant Final Terms.

The Issuer may, with the consent of the Issue and Paying Agent and the relevant Commissioner, but without the consent of the Holders of the Instruments of any Series or Coupons, amend these Terms and Conditions, the Instruments, the Coupons, the Talons, the Deed of Covenant and the Issue and Paying Agency Agreement, insofar as they may apply to such Instruments to correct a manifest error or to make any modification that is of a minor, formal or technical nature or to comply with a mandatory provision of law. Subject as aforesaid and subject to Condition 8, no other modification may be made to these Terms and Conditions, the Instruments, the Coupons, the Talons, the Deed of Covenant or the Issue and Paying Agency Agreement, except with the sanction of a resolution of the relevant Syndicate of Holders of the Instruments.

In addition, the Issuer and the Holders, the latter with the sanction of a resolution of the Syndicate of Holders of the Instruments, may agree any modification, whether material or not, to these Terms and Conditions and any waiver of any breach or proposed breach of these Terms and Conditions, subject to receiving consent from the Regulator when such consent is required under Applicable Banking Regulations.

For the purposes of these Terms and Conditions,

“**Commissioner**” means the trustee (*comisario*) as this term is defined under the Spanish Corporations Law (*Ley de Sociedades de Capital*) of each Syndicate of Holders of the Instruments; and

“**Syndicate**” means the syndicate (*sindicato*) as this term is described under the Spanish Corporations Law (*Ley de Sociedades de Capital*).

#### 14B Meeting of Holders of the Instruments and Modification

If Meeting of Holders of the Instruments is specified as applicable in the relevant Final Terms, the provisions for the Meeting of Holders of the Instruments (see “*Provisions for the organisation of the Holders of the Instruments—Part 3: Provisions for the Meeting of Holders of the Instruments*”) and the rules in this Condition 14B will apply:

14B.01 The Issuer may, with the consent of the Issue and Paying Agent, but without the consent of the Holders of the Instruments of any Series or Coupons, amend these Terms and Conditions, the Instruments, the Coupons, the Talons, the Deed of Covenant and the Issue and Paying Agency Agreement, insofar as they may apply to such Instruments to correct a manifest error or to make any modification that is of a minor, formal or technical nature or to comply with a mandatory provision of law. Subject as aforesaid and subject to Condition 8, no other modification may be made to these Terms and Conditions, the Instruments, the Coupons, the Talons, the Deed of Covenant or the Issue and Paying Agency Agreement, except with the sanction of a resolution of the relevant Meeting of Holders of the Instruments.

In addition, the Issuer and the Holders, the latter with the sanction of a resolution of the Meeting of Holders of the Instruments, may agree any modification, whether material or not, to these Terms and Conditions and any waiver of any breach or proposed breach of these Terms and Conditions, subject to receiving consent from the Regulator when such consent is required under Applicable Banking Regulations.

#### 14B.02

- (a) The Issuer may at any time and, if required in writing by Holders holding not less than 10 per cent. in aggregate Specified Denomination of the Instruments for the time being outstanding, shall convene a Meeting of Holders of the Instruments and if the Issuer fails for a period of seven days to convene the meeting, the meeting may be convened by the relevant Holders. Whenever the Issuer is about to convene any meeting it shall immediately give notice in writing to the Issue and Paying Agent of the day, time and place of the meeting (which need not be a physical place and instead can be by way of conference call or by use of a videoconference platform) and the nature of the business to be transacted at the meeting as well as the terms of the Extraordinary Resolutions to be proposed to the meeting. Every meeting shall be held at a time and place approved by the Issue and Paying Agent.

- (b) At least 21 natural days' notice specifying the place, day and hour of the meeting shall be given to the Holders in the manner provided in Condition 15. The notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting and, in the case of an Extraordinary Resolution only, shall either (i) specify the terms of the Extraordinary Resolution to be proposed or (ii) inform Holders that the terms of the Extraordinary Resolution are available free of charge from the Issue and Paying Agent, **provided that**, in the case of (ii), such resolution is so available in its final form with effect on and from the date on which the notice convening such meeting is given as aforesaid. The notice shall (i) include statements as to the manner in which Holders are entitled to attend and vote at the meeting or (ii) inform Holders that details of the voting arrangements are available free of charge from the Issue and Paying Agent, **provided that**, in the case of (ii) the final form of such details are available with effect on and from the date on which the notice convening such meeting is given as aforesaid. A copy of the notice shall be sent by post to the Issuer (unless the meeting is convened by the Issuer).
- (c) The person (who may but need not be a Holder) nominated in writing by the Issuer (the "**Chairperson**") shall be entitled to take the chair at each meeting but if no nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting the Holders present shall choose one of their number to be Chairperson, failing which the Issuer may appoint a Chairperson. The Chairperson of an adjourned meeting need not be the same person as was Chairperson of the meeting from which the adjournment took place.
- (d) At any meeting one or more Eligible Persons present and holding or representing in the aggregate not less than 5 per cent. in Specified Denomination of the Instruments for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairperson in accordance with 14B.02(c)) shall be transacted at any meeting unless the required quorum is present at the commencement of business. The quorum at any meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more Eligible Persons present and holding or representing in the aggregate not less than 50 per cent. in Specified Denomination of the Instruments for the time being outstanding **provided that** at any meeting the business of which includes any of the following matters (each of which shall only be capable of being effected after having been approved by Extraordinary Resolution):
- (i) a modification of the Interest Payment Dates or variation of the method of calculating the Rate of Interest; or
  - (ii) a modification of the currency in which payments under the Instruments are to be made; or
  - (iii) a modification of the majority required to pass an Extraordinary Resolution; or
  - (iv) alteration of this proviso or the proviso to 14B.02(f) below,

the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than two-thirds in Specified Denomination of the Instruments for the time being outstanding.

- (e) If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairperson may decide) after the time appointed for any meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall, if convened by Holders or if the Issuer was required by Holders to convene such meeting pursuant to 14B.02(a), be dissolved. In any other case it shall be adjourned to the same day of the next week (or if that day is a public holiday the next following Business Day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall be adjourned for a period being not less than 14 natural days nor more than 42 natural days and at a place appointed by the Chairperson and approved by the Issue and Paying Agent). If within 15 minutes (or a longer period not exceeding 30 minutes as the Chairperson may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum

is present, the Chairperson may either dissolve the meeting or adjourn it for a period, being not less than 14 natural days (but without any maximum number of natural days) and to a place as may be appointed by the Chairperson (either at or after the adjourned meeting) and approved by the Issue and Paying Agent, and the provisions of this sentence shall apply to all further adjourned meetings.

- (f) At any adjourned meeting one or more Eligible Persons present (whatever the Specified Denomination of the Instruments so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the required quorum been present, **provided that** at any adjourned meeting the business of which includes any of the matters specified in the proviso 14B.02(d) the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than one-third in Specified Denomination of the Instruments for the time being outstanding.
- (g) Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if ten were substituted for 21 in 14B.02(b) and the notice shall state the relevant quorum. Subject to the foregoing it shall not be necessary to give any notice of an adjourned meeting.

#### 14B.03

- (a) Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairperson shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as an Eligible Person.
- (b) At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairperson or the Issuer or by any Eligible Person present (whatever the Specified Denomination of the Instruments held by him), a declaration by the Chairperson that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (c) Subject to Condition 14B.02(e) if at any meeting a poll is demanded it shall be taken in the manner and, subject as provided below, either at once or after an adjournment as the Chairperson may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
- (d) The Chairperson may, with the consent of (and shall if directed by) any meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business, which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
- (e) Any poll demanded at any meeting on the election of a Chairperson or on any question of adjournment shall be taken at the meeting without adjournment.
- (f) Any director or officer of the Issuer and its lawyers and financial advisers may attend and speak at any meeting. Subject to this, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Holders or join with others in requiring the convening of a meeting unless he is an Eligible Person.
- (g) Subject as provided in Condition 14B.02(f), at any meeting:
  - (i) on a show of hands every Eligible Person present shall have one vote; and
  - (ii) on a poll every Eligible Person present shall have one vote in respect of each minimum unit of Specified Denomination of such other amount as the Issue and Paying Agent shall in its absolute discretion specify in Specified Denomination of

the Instruments in respect of which he is an Eligible Person and no liability to any Eligible Person shall attach to the Issue and Paying Agent in connection with the exercise of such discretion.

- (h) Any resolution passed at a Meeting of Holders of the Instruments duly convened and held shall be binding upon all the Holders whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the Holders shall be published in accordance with Condition 15 by the Issuer within 14 days of the result being known **provided that** non-publication shall not invalidate the resolution.
- (i) To be passed at a meeting of the Holders duly convened and held in accordance with the provisions of this Condition 14B.02, (i) a resolution (other than an Extraordinary Resolution) shall require a majority of the persons voting on the resolution upon a show of hands or, if a poll was duly demanded, a majority of the votes given on the poll and (ii) an Extraordinary Resolution shall require a majority consisting of not less than 75 per cent. of the persons voting on the resolution upon a show of hands or, if a poll was duly demanded, by a majority consisting of not less than 75 per cent. of the votes given on the poll, and subject to the provisions relating to the quorum contained in Conditions 14B.02(d) and 14B.02(f),
- (j) The expression “**Extraordinary Resolution**” when used in this Condition 14B means a resolution to be passed by the Meeting of Holders of the Instruments in connection with the following matters:
  - (i) any compromise or arrangement proposed to be made between the Issuer and the Holders;
  - (ii) any abrogation, modification, compromise or arrangement in respect of the rights of the Holders against the Issuer or against any of its property whether these rights arise under the Issue and Paying Agency Agreement, the Deed of Covenant, these Terms and Conditions or the Instruments or otherwise;
  - (iii) any modification of the provisions contained in the Issue and Paying Agency Agreement, the Deed of Covenant, these Terms and Conditions or the Instruments, which is proposed by the Issuer, other than as set forth in the first paragraph to Condition 14B.01 above and Clause 18 of the Issue and Paying Agency Agreement;
  - (iv) any authority or approval which under the provisions of Condition 14B or the Instruments is required to be given by Extraordinary Resolution; and
  - (v) any appointment of any persons (whether Holders or not) as a committee or committees to represent the interests of the Holders and to confer upon any committee or committees any powers or discretions which the Holders could themselves exercise by Extraordinary Resolution.
- (k) Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Instruments and any minutes signed by the Chairperson of the meeting at which any resolution was passed or proceedings had transpired shall be conclusive evidence of the matters contained in them and, until the contrary is proved, every meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had transpired at the meeting to have been duly passed or had.
- (l) For the purposes of calculating a period of natural days, no account shall be taken of the day on which a period commences or the day on which a period ends.

The initial provisions governing the manner in which Holders may attend and vote at a meeting of Holders of the Instruments are set out in the Issue and Paying Agency Agreement and in this Base Prospectus (see “*Provisions for the organisation of the Holders of the Instruments—Part 3: Provisions for the Meeting of Holders of the Instruments*”). The Issue and Paying Agent may without the consent of the Issuer or the Holders prescribe any other regulations regarding such manner of attendance and

voting as the Issue and Paying Agent may in its sole discretion think fit and no liability to the Issuer or the Holders shall attach to the Issue and Paying Agent in connection with the exercise of such discretion. Notice of any such regulations may be given to Holders in accordance with Condition 15 and/or at the time of service of any notice convening a meeting.

For the purposes of these Terms and Conditions,

“**Eligible Persons**” means those Holders or persons (being duly appointed proxies or representatives of such Holders) that are entitled to attend and vote at a Meeting of Holders of the Instruments, for the purposes of which no person shall be entitled to vote at any such meeting in respect of Instruments held by or for the benefit, or on behalf, of the Issuer or any of its subsidiaries;

## 15 Notices

### *To Holders of Bearer Instruments*

15.01 Notices to Holders of Bearer Instruments, will be valid if published in a leading English language daily newspaper of general circulation in London (which is expected to be the Financial Times) or on the website of Euronext Dublin (<https://live.euronext.com/>) (so long as such Instruments are listed on Euronext Dublin and the rules of that exchange so require) or, in either case if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe.

Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the first date on which publication is made). Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Instruments in accordance with this Condition.

### *To Holders of Registered Instruments*

15.02 Notices to Holders of Registered Instruments will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth day after the date of such mailing or, if posted from another country, on the fifth such day. With respect to Registered Instruments listed on Euronext Dublin, any notices to Holders must also be published on the website of Euronext Dublin (<https://live.euronext.com/>) (so long as such Instruments are listed on Euronext Dublin and the rules of that exchange so require) and, in addition to the foregoing, will be deemed validly given only after the date of such publication.

### *Notice of a General Meeting of the Syndicate of Holders*

15.03 Notice of a Meeting of Holders of the Instruments of the Relevant Series must be given in accordance with the Regulations.

### *To Commissioners*

15.04 Copies of any notice given to any Holders of the Instruments will be also given to the Commissioner of the Syndicate of Holders of the Instruments of the relevant Series, as applicable.

### *Notice of a Meeting of Holders of the Instruments*

15.05 Notice of a Meeting of Holders of the Instruments must be given in accordance with the provisions of Condition 14B.02, as applicable.

### *Notices by any Holder of Instruments*

15.06 Notices to be given by any Holder of Instruments shall be in writing and given by lodging the same, together with the relative Instrument, with the Issue and Paying Agent.

## 16 Further Issues

The Issuer may, from time to time without the consent of the Holders of any Instruments or Coupons, create and issue further instruments, bonds or debentures having the same terms and conditions as such Instruments

in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Instruments of any particular Series.

## **17 Currency Indemnity**

The currency in which the Instruments are denominated or, if different, payable, as specified in the relevant Final Terms (the “**Contractual Currency**”) is the sole currency of account and payment for all sums payable by the Issuer in respect of the Instruments, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of an Instrument or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge by the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of an Instrument or Coupon in respect of such Instrument or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of an Instrument or Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Instruments or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of an Instrument or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

## **18 Waiver and Remedies**

No failure to exercise, and no delay in exercising, on the part of the Holder of any Instrument, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

## **19 Law and Jurisdiction**

The governing law and jurisdiction of the Instruments will be specified in Part A of the relevant Final Terms.

### **19A English law**

If English law is specified as the governing law of the Instruments in the relevant Final Terms, the provisions of this Condition 19A shall apply to the Instruments.

#### ***Governing Law***

19A.01 Save as described below, the Instruments and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. Condition 3 and, if applicable, Condition 14A shall be governed by, and shall be construed in accordance with, Spanish law.

#### ***Jurisdiction***

19A.02 The Courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Instruments and accordingly any legal action or proceedings arising out of or in connection with any Instruments (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

Notwithstanding the above, the Courts of the city of Madrid (Spain) are to have exclusive jurisdiction to settle any dispute that may arise out of or in connection with the exercise of the Bail-in Power by the Relevant Resolution Authority (a “**Bail-in Dispute**”) and accordingly, each of the Issuer and any Holders in relation to any Bail-In Dispute submits to the exclusive jurisdiction of such Courts. Each of the Issuer and any Holders in relation to any Bail-In Dispute further waives any objection to the Courts of the city of Madrid (Spain) on the ground that they are an inconvenient or inappropriate forum to settle a Bail-in Dispute.

### ***Service of Process***

19A.03 The Issuer irrevocably appoints Banco Santander, S.A., London Branch at 2 Triton Square, Regent’s Place, London, NW1 3AN as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Holders of such appointment in accordance with Condition 15. Nothing shall affect the right to serve process in any manner permitted by law.

## **19B Spanish law**

If Spanish law is specified as the governing law of the Instruments in the relevant Final Terms, the provisions of this Condition 19B shall apply to the Instruments.

### ***Governing Law***

19B.01 The Instruments, any non-contractual obligations arising out of or in connection with the Instruments shall be governed by, and shall be construed in accordance with, Spanish law.

### ***Jurisdiction***

19B.02 The Issuer hereby irrevocably agrees for the benefit of each of the Holders that the Courts of the city of Madrid (Spain) are to have jurisdiction to settle any disputes which may arise out of or in connection with any Instruments (including a dispute relating to any non-contractual obligations arising out of or in connection with the Instruments) and that accordingly any suit, action or proceedings arising out of or in connection with the Instruments (together referred to as “**Proceedings**”) may be brought in such courts. The Issuer irrevocably waives any objection which it may have now or hereinafter to the laying of the venue of any Proceedings in the courts of the city of Madrid (Spain). To the extent permitted by law, nothing contained in this Condition 19B shall limit any rights of any Holders (other than in relation to a Bail-in Dispute) to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other competent jurisdictions, whether concurrently or not.

In addition, the Courts of the city of Madrid (Spain) have exclusive jurisdiction to settle any Bail-in Dispute and accordingly each of the Issuer and any Holders in relation to any Bail-in Dispute submits to the exclusive jurisdiction of the Courts of the city of Madrid (Spain). Each of the Issuer and any Holders in relation to any Bail-in Dispute further waives any objection to the Courts of the city of Madrid (Spain) on the ground that they are an inconvenient or inappropriate forum to settle any Bail-in Dispute.

## **20 Rights of Third Parties**

In the case of Instruments specified in the Final Terms as being governed by English law, no person shall have any right to enforce any term or condition of any Series of Instruments under the Contracts (Rights of Third Parties) Act 1999.

## **21 Bail-in**

### ***Acknowledgement***

21.01 Notwithstanding any other term of the Instruments or any other agreement, arrangement or understanding between the Issuer and the Holders, by its subscription and/or purchase and holding of

the Instruments, each Holder (which for the purposes of this Condition 21 includes each holder of a beneficial interest in the Instruments) acknowledges, accepts, consents to and agrees:

- (i) to be bound by the effect of the exercise of the Bail-in Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
  - the reduction of all, or a portion, of the Amounts Due on a permanent basis;
  - the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Instruments, in which case the Holder agrees to accept in lieu of its rights under the Instruments any such shares, other securities or other obligations of the Issuer or another person;
  - the cancellation of the Instruments or Amounts Due;
  - the amendment or alteration of the maturity of the Instruments or amendment of the Interest Amount payable on the Instruments, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (ii) that the terms of the Instruments are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in Power by the Relevant Resolution Authority.

#### ***Payment of Interest and Other Outstanding Amounts Due***

21.02 No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in the Kingdom of Spain and the EU applicable to the Issuer or other members of the Group.

#### ***Notice to Holders***

21.03 Upon the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Instruments, the Issuer will make available a written notice to the Holders as soon as practicable regarding such exercise of the Bail-in Power. The Issuer will also deliver a copy of such notice to the Agents for information purposes. Any delay or failure to give notice to the Holders will not affect the validity or enforceability of the Bail-in Power.

#### ***Duties of the Agents***

21.04 Upon the exercise of any Bail-in Power by the Relevant Resolution Authority, (a) the Agents shall not be required to take any directions from Holders, and (b) the Issue and Paying Agency Agreement shall impose no duties upon any of the Agents whatsoever, in each case with respect to the exercise of any Bail-in Power by the Relevant Resolution Authority.

#### ***Proration***

21.05 If the Relevant Resolution Authority exercises the Bail-in Power with respect to less than the total Amounts Due, unless any of the Agents is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Instruments pursuant to the Bail-in Power will be made on a pro-rata basis.

#### ***Conditions Exhaustive***

21.06 The matters set forth in this Condition 21 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of an Instrument.

For the purposes of the Terms and Conditions:

“**Amounts Due**” means the principal amount or outstanding amount, together with any accrued but unpaid interest, and Additional Amounts, if any, due on the Instruments. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-in Power by the Relevant Resolution Authority.”



## 22 Direct Rights

*Insofar as the Instruments are in global form, the Issuer and each Holder will have agreed that, when each Holder elects so, the relevant Account Holder will immediately acquire the right under this Condition 22 and the provisions of the Global Instruments or the Global Registered Instruments, as applicable, with regard to the Spanish law Instruments and of the Deed of Covenant with regard to the English law Instruments, to claim and receive all payments due at any time in respect of the relevant portion of the corresponding Instruments credited in the securities account of the Account Holder (the “**Direct Rights**”) and, from that time, the said Holder will have no further rights under the Global Instruments or the Global Registered Instruments, as applicable, with respect to that relevant portion of the Instruments (but without prejudice to the rights which the Holder or any other person may have under the relevant Global Instrument or Global Registered Instrument, as applicable).*

In this Condition 22:

“**Account Holder**” means a holder of a securities account, except for a Clearing System or a Custodian to the extent that any securities, or rights in respect of securities, credited to such Clearing System or Custodian’s securities account are held by such Clearing System or Custodian for the account or benefit of a holder of a securities account with that Clearing System or Custodian;

“**Clearing System**” means Clearstream, Luxembourg, Euroclear, CMU or any alternative clearing system specified in the relevant Final Terms;

“**Custodian**” means a person who acknowledges to a Clearing System (or to a Custodian and therefore indirectly to a Clearing System) that it holds securities, or rights in respect of securities, for the account or benefit of that Clearing System (or Custodian);

“**Global Instrument**” means a Global Instrument (whether in temporary or permanent form) issued pursuant to the Issue and Paying Agency Agreement; and

“**Global Registered Instrument**” means a registered global certificate issued pursuant to the Issue and Paying Agency Agreement representing registered instruments of one or more Tranches of the same Series that are registered in the name of a nominee or a common nominee for one or more Clearing Systems or Custodians.

## PROVISIONS FOR THE ORGANISATION OF THE HOLDERS OF THE INSTRUMENTS

### Part 1:

#### Pro Forma Regulations of the Syndicate of the Holders of the Instruments

*The following is an English translation of the pro forma Regulations as attached to the relevant public deed of issuance in respect of each issue. In the event of any discrepancies between this translation and the Spanish language original, the Spanish version of these Regulations shall prevail.*

#### REGULATIONS OF THE SYNDICATE OF HOLDERS FOR THE ISSUE OF INSTRUMENTS BY BANCO SANTANDER, S.A.

##### CHAPTER I

**Article 1. Object.** – The object of this Syndicate is to protect the legitimate interests of Holders of Instruments against BANCO SANTANDER, S.A. (the “**Issuer**”), in accordance with current law and these Regulations, by using and preserving such interests collectively and through the representation determined by these Regulations.

**Article 2. Address.** – The address of the Syndicate shall be Boadilla del Monte, Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Madrid. The General Meeting may, however, take place at any other location in Madrid for reasons of convenience or, even by way of conference call or by use of a videoconference platform, and such location or way to hold the General Meeting shall be specified in the relevant notice of meeting.

**Article 3. Duration.** – The Syndicate shall exist until the rights of Holders of Instruments to principal, interest and any other right shall have been fulfilled. The Syndicate shall be automatically dissolved upon the fulfilment of all such rights.

##### CHAPTER II

##### Governance of Syndicate

**Article 4. Governance.** – The governance of the Syndicate lies with the General Meeting and the Commissioner.

##### CHAPTER III

##### General Meeting

**Article 5. Legal Nature.** – A duly convened and constituted General Meeting is the body that expresses the will of the Syndicate and its resolutions, approved in accordance with these Regulations, will be binding on all Holders of Instruments in the manner established by current law.

**Article 6. Convening General Meetings.** – The General Meeting shall be convened by the Board of Directors of the Issuer or by the Commissioner, whenever they consider it appropriate. However, the Commissioner shall convene a General Meeting whenever the Holders of Instruments, representing at least one-twentieth of the Instruments outstanding, request a General Meeting in writing and specify in such request the aim of such a meeting. In this case, the General Meeting shall be held within thirty (30) days following the date on which the Commissioner receives such a request.

**Article 7. Method of Convening General Meetings.** – The General Meeting shall be convened (i) by publication in an English language newspaper in London (which is expected to be the Financial Times) and so long as any Instrument is listed on Euronext Dublin and if Euronext Dublin so requires, on the website of Euronext Dublin (<https://live.euronext.com/>); (ii) by mail, or email, to Euroclear Bank SA/NV as operator of the Euroclear System and Clearstream Banking S.A., and/or the Central Money Markets Unit Service operated by the Hong Kong Monetary Authority, or to any other relevant clearing system; and (iii) by publication in one of the daily newspapers of greatest circulation in the Madrid province; in each case not less than fifteen (15) days prior to the date on which the meeting is due to be held.

Notwithstanding this Article, the General Meeting shall be convened and validly constituted to deal with any matter, so long as all Instruments in circulation are in attendance or represented and the attendants and represented Holders of Instruments unanimously agree that the General Meeting be held.

**Article 8. Right of Attendance.** - All Holders of Instruments who have registered their name in the relevant securities account of at least one outstanding Instrument not less than five (5) days prior to the date of the General Meeting shall be entitled to attend such meeting. The Directors of the Issuer shall be entitled to attend the General Meeting, even if they are not given notice.

The Commissioner or the Issuer may approve the attendance of such experts or other advisers as it may deem necessary.

The Commissioner will attend the General Meeting even though such meeting, had not previously been convened by the Commissioner.

**Article 9. Proxies.** - All Holders of Instruments with a right to attend the General Meeting shall be entitled to delegate their representation to any Holder of Instruments. Nevertheless, none of the Directors of the Issuer even though they might be also Holders of Instruments, shall be entitled to represent any other Holder of Instrument.

The right to represent shall be conferred in writing for each General Meeting.

**Article 10. Adoption of Resolutions** – The General Assembly shall approve valid resolutions by an absolute majority of affirmative votes in attendance and represented.

Nevertheless, in order to validly modify either the relevant maturity date, redemption, conversion or the exchange date, of the Instruments, two thirds of the affirmative votes corresponding to Instruments outstanding will be required.

The resolutions approved according to this article shall be binding on all Holders of Instruments, including those that do not attend or those that dissent.

**Article 11. Chairperson.** - The General Meeting shall be chaired by the Commissioner, who shall direct debates, deem discussions to be ended, as he/she considers appropriate, and rule, in each case, whenever matters should be subject to a vote.

**Article 12. Holding of the Sessions.** - The General Meeting shall be held in Madrid, at the place and on the date set out in the announcement or, if the Board of Directors of the Issuer or the Commissioner, as the case may be, deemed to be appropriate, by way of conference call or by use of a videoconference platform as set out in the announcement.

**Article 13. Attendance List.** - Before starting the agenda, the Commissioner shall make a list of attendees describing the nature or form of representation of each attendee and the number of Instruments owned or held on behalf of another in respect of each attendee, totalling at the end of the list the number of Instruments in attendance or represented, as well as the number of Instruments in circulation.

**Article 14. Right to Vote.** - Each Instrument represented shall confer on its Holder the right to vote proportionally to the outstanding amount of the Instrument's specified denomination.

**Article 15. Powers of the General Meeting.** - The General Meeting may approve resolutions necessary for the better protection of the legitimate interests of the Holders of Instruments as against the Issuer; modify, in agreement with the Issuer and with the relevant prior official authority, if necessary, the terms and conditions of the Instruments and adopt decisions on other similar matters; remove and appoint the Commissioner; exercise any corresponding judicial proceedings; and approve the expenses incurred in the protection of common interests.

**Article 16. Challenges to Resolutions.** - Resolutions of the General Meeting may be challenged by Holders of Instruments according to the Spanish Companies Law.

**Article 17. Minutes.** - Minutes of a General Meeting may be approved by the General Meeting itself immediately after the meeting, or otherwise within fifteen (15) days following the date of the General Meeting, by the Commissioner and two (2) Holders of Instruments assigned such responsibility by the General Meeting.

**Article 18. Certification.** - The certification of the minutes book shall be expedited by the Commissioner.

#### **CHAPTER IV** **The Commissioner**

**Article 19. Scope of competence of the Commissioner.** - The Commissioner is concerned with the legal representation of the Syndicate and to act as the relationship body between the Syndicate and the Issuer.

**Article 20. Appointment and Duration of Post.** - The Commissioner shall be appointed by the Issuer once the issuance is agreed and shall exercise his post until substituted at a General Meeting.

**Article 21. Powers.** - The powers of the Commissioner shall be:

- (a) Protecting the common interests of the Holders of the Instruments.
- (b) Calling and chairing General Meetings.
- (c) Ability to attend, with the right to speak but not vote, the deliberations and meetings of the General Shareholders' Meetings of the Issuer.
- (d) Informing the Issuer of the resolutions of the Syndicate.
- (e) Requiring from the Issuer the reports that either himself or the General Meeting determine to be of interest to the Holders of Instruments.
- (f) Supervising the payment of interest and principal.
- (g) Execution of resolutions of the General Meeting.
- (h) When the Issuer, by a reason imputable to it, postpones for more than six (6) months the redemption of principal and payment of interest, the Commissioner shall have the power to propose to the Board of Directors of the Issuer, the suspension of any of the Directors and to call a General Shareholders' Meeting, if it has not already been called, when it considers that the Directors should be substituted.

**Article 22. Responsibility.** - The Commissioner shall be responsible to the Holders of Instruments and, as the case may be, the Issuer for carrying out his term of office out of the relevant professional diligence.

#### **CHAPTER V** **General Arrangements**

**Article 23. Syndicate Expenses.** - Ordinary expenses resulting from the maintenance of the Syndicate shall be for the account of the Issuer, but they will not, in any case, exceed two per cent. of the gross annual interest accrued by the issued Instruments.

**Article 24. Accounts.** - The Commissioner shall be responsible for keeping the accounts of the Syndicate and will submit them for approval to the General Meeting and to the Board of Directors of the Issuer.

**Article 25. Dissolution of the Syndicate.** - If the Syndicate is dissolved for one of the reasons given in Article 3, the Commissioner in charge at the time shall continue with his duties until the dissolution of the Syndicate and shall produce final accounts of the Syndicate to the last General Meeting and to the Board of Directors of the Issuer.

**Article 26. Jurisdiction.** - For the purposes of any issues arising from these Regulations, the Holders of Instruments, by reason only of being such, expressly renounce their own jurisdiction for that of the courts of the city of Madrid.

**Article 27. (Additional).** - The current applicable legislation shall apply to matters for which no provision is made in these Regulations.

**Part 2:**  
**Provisions for the General Meeting of the Syndicate of Holders of Instruments under**  
**Condition 14A**

- (a) As used in this Section, the following expressions shall have the following meanings unless the context otherwise requires:
- (i) **“voting certificate”** shall mean a certificate in the English language issued by any Paying Agent or, as the case may be, any Registrar and dated, in which it is stated:
- (A) that on the date thereof outstanding Bearer Instruments of any Series (not being Bearer Instruments in respect of which a block voting instruction (as defined below) has been issued and is outstanding in respect of the meeting specified in such voting certificate) bearing specified serial numbers have been deposited to the order of such Paying Agent and that no such Bearer Instruments will be released until the first to occur of:
- I. the conclusion of the meeting specified in such certificate; and
- II. the surrender of the certificate to such Paying Agent; or
- (B) that on the date thereof Registered Instruments of any Series (not being Registered Instruments in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate) are registered in the books and records maintained by the Registrar in the names of specified registered Holders; and
- (C) that the bearer thereof or his duly appointed representative is entitled to attend and vote at such meeting in respect of the Instruments represented by such certificate; and
- (ii) **“block voting instruction”** shall mean a document in the English language issued by any Paying Agent or, as the case may be, any Registrar and dated, in which:
- (A) it is certified that outstanding Bearer Instruments of any Series (not being Bearer Instruments in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction) have been deposited to the order of such Paying Agent and that no such Bearer Instruments will be released until the first to occur of:
- I. the conclusion of the meeting specified in such document; and
- II. the surrender, not less than five days before the time for which such meeting is convened, of the receipt for each such deposited Bearer Instrument which has been deposited to the order of such Paying Agent, coupled with notice thereof being given by such Paying Agent to the Issuer; or
- (B) it is certified that Registered Instruments of any Series (not being Registered Instruments in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction) are registered in the books and records maintained by the Registrar in the names of specified registered Holders;
- (C) it is certified that each depositor of such Instruments or registered Holder thereof or a duly authorised agent on his or its behalf has instructed the Paying Agent or, as the case may be, the Registrar that the vote(s) attributable to his or its Instruments so deposited or registered should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting and that all such instructions are, during the period of five days prior to the time for which such

meeting or adjourned meeting is convened, neither revocable nor subject to amendment;

- (D) the total number, principal amount outstanding and the serial numbers (if any) and series numbers of the Instruments so deposited or registered are listed, distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
  - (E) any Holder of Instruments named in such document (hereinafter called a “**proxy**”) is authorised and instructed by the Paying Agent or, as the case may be, the Registrar to cast the votes attributable to the Instruments so listed in accordance with the instructions referred to in (C) and (D) above as set out in such document.
- (b) A registered Holder of a Registered Instrument may by an instrument in writing in the form for the time being available from the specified office of the Registrar in the English language (hereinafter called a “form of proxy”) signed by the Holder or its duly appointed attorney or, in the case of a corporation, executed under its seal or signed on its behalf by its duly appointed attorney or a duly authorised officer of the corporation, appoint any Holder of Instruments (hereinafter also called a “proxy”) to attend and act on his or its behalf in connection with any meeting or proposed meeting of the Holders of Instruments.
  - (c) Voting certificates, block voting instructions and forms of proxy shall be valid for so long as the relevant Instruments shall not have been released or, in the case of Registered Instruments, shall be duly registered in the name(s) of the registered Holder(s) certified in the relevant voting certificate or block voting instruction or, in the case of a form of proxy, in the name of the appointor but not otherwise and notwithstanding any other provision of this Section and during the validity thereof the Holder of any such voting certificate, block voting instruction or, as the case may be, the proxy shall, for all purposes in connection with any meeting of Holders of the Instruments, be deemed to be the Holder of the Instruments of the relevant Series to which such voting certificate, block voting instructions or form of proxy relates and, in the case of Bearer Instruments, the Paying Agent to the order of whom such Instruments have been deposited and, in the case of Registered Instruments, the registered Holder(s) shall nevertheless be deemed for such purposes not to be the Holder of those Instruments.
  - (d) Whenever the Issuer or the relevant Commissioner is about to convene any such General Meeting of the Syndicate of Holders it shall forthwith give notice in writing to the Issue and Paying Agent of the day, time and place (or way to held the General Meeting) thereof and of the nature of the business to be transacted thereat, subject to the regulations of the Syndicate Regulations. Every such General Meeting of the Syndicate of Holders shall be held in Madrid (or by way of conference call or by use of a videoconference platform) at such time as the Issue and Paying Agent may approve, subject to the regulations of the Syndicate Regulations.
  - (e) A copy of the notice shall be given to the Issuer unless the General Meeting of the Syndicate of Holders is convened by the Issuer and a copy shall be given to the Issue and Paying Agent and, in the case of Registered Instruments, the Registrar. Such notice shall be given in the manner provided in the Terms and Conditions and shall specify the terms of the resolutions to be proposed and shall include, inter alia, statements to the effect:
  - (f) that Bearer Instruments of the relevant Series may be deposited with (or to the order of) any Paying Agent for the purpose of obtaining voting certificates or appointing proxies until five days before the time fixed for the meeting but not thereafter;
  - (g) that (without prejudice to the provisions of paragraph 1(a)(i)(B)) registered Holders of Registered Instruments may obtain voting certificates or appoint proxies not later than (except in the case of a form of proxy) five days before the time fixed for the meeting but not thereafter.
  - (h) Subject to article 8 of the Syndicate Regulations, the Issue and Paying Agent, the Issuer and, in the case of Registered Instruments, the Registrar (through their respective representatives and

save as permitted by the provisions of the Dealership Agreement) and their respective financial and legal advisers shall be entitled to attend and speak at any meeting of the Holders of Instruments. No person shall be entitled to attend (save as aforesaid) or vote at any General Meeting of the Syndicate of Holders or to join with others in requesting the convening of such a meeting unless that person is the holder of an Instrument or a voting certificate or a proxy.

- (i) Each block voting instruction and each form of proxy, together (if so required by the Issuer) with proof satisfactory to the Issuer of its due execution, shall be deposited at such place as the Issuer shall reasonably designate not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxy named in the block voting instruction or form of proxy proposes to vote and in default the block voting instruction or form of proxy shall not be treated as valid unless the Commissioner decides otherwise before such meeting or adjourned meeting proceeds to business. A certified copy of each such block voting instruction and form of proxy and satisfactory proof as aforesaid (if applicable) shall, if required by the Issuer, be produced by the proxy at the meeting or adjourned meeting but the Issuer shall not thereby be obliged to investigate or be concerned with the validity of, or the authority of the proxy named in, any such block voting instruction or form of proxy.
- (j) Without prejudice to paragraph 1, any vote given in accordance with the terms of a block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or form of proxy or of any of the Instrument Holders' instructions pursuant to which it was executed, provided that no intimation in writing of such revocation or amendment shall have been received by the Issuer or by the Commissioner, within 24 hours before the commencement of the meeting or adjourned meeting at which the block voting instruction or form of proxy is used.
- (k) Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer.
- (l) Any Instruments which have been purchased or are held by (or on behalf of) the Issuer or any of its respective subsidiaries but which have not been cancelled shall, unless or until resold, be deemed not to be outstanding for the purposes of this Section.
- (m) For the purposes of this Section, "**principal amount outstanding**" means, on any date, the principal amount of that Instrument on its date of issue (i) less, in respect of any Instalment Instrument any instalment of principal in respect of that Instrument that has become due and payable and either has been paid to the relevant Holder or in respect of which the Relevant Date (as defined in the Terms and Conditions) shall have occurred.

**Part 3:**  
**Provisions for the Meeting of Holders of the Instruments under Condition 14B**

- (a) As used in this Section, the following expressions shall have the following meanings unless the context otherwise requires:
- (i) **“voting certificate”** shall mean a certificate in the English language issued by any Paying Agent or, as the case may be, any Registrar and dated, in which it is stated:
- (A) that on the date thereof outstanding Bearer Instruments of any Series (not being Bearer Instruments in respect of which a block voting instruction (as defined below) has been issued and is outstanding in respect of the meeting specified in such voting certificate) bearing specified serial numbers have been deposited to the order of such Paying Agent and that no such Bearer Instruments will be released until the first to occur of:
- I. the conclusion of the meeting specified in such certificate; and
- II. the surrender of the certificate to such Paying Agent; or
- (B) that on the date thereof Registered Instruments of any Series (not being Registered Instruments in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate) are registered in the books and records maintained by the Registrar in the names of specified registered Holders; and
- (C) that the bearer thereof or his duly appointed representative is entitled to attend and vote at such meeting in respect of the Instruments represented by such certificate; and
- (ii) **“block voting instruction”** shall mean a document in the English language issued by any Paying Agent or, as the case may be, any Registrar and dated, in which:
- (A) it is certified that outstanding Bearer Instruments of any Series (not being Bearer Instruments in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction) have been deposited to the order of such Paying Agent and that no such Bearer Instruments will be released until the first to occur of:
- I. the conclusion of the meeting specified in such document; and
- II. the surrender, not less than five days before the time for which such meeting is convened, of the receipt for each such deposited Bearer Instrument which has been deposited to the order of such Paying Agent, coupled with notice thereof being given by such Paying Agent to the Issuer; or
- (B) it is certified that Registered Instruments of any Series (not being Registered Instruments in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction) are registered in the books and records maintained by the Registrar in the names of specified registered Holders;
- (C) it is certified that each depositor of such Instruments or registered Holder thereof or a duly authorised agent on his or its behalf has instructed the Paying Agent or, as the case may be, the Registrar that the vote(s) attributable to his or its Instruments so deposited or registered should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting and that all such instructions are, during the period of five days prior to the time for which such meeting or adjourned meeting is convened, neither revocable nor subject to amendment;



- (D) the total number, principal amount outstanding and the serial numbers (if any) and series numbers of the Instruments so deposited or registered are listed, distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
  - (E) any Holder of Instruments named in such document (hereinafter called a “**proxy**”) is authorised and instructed by the Paying Agent or, as the case may be, the Registrar to cast the votes attributable to the Instruments so listed in accordance with the instructions referred to in (C) and (D) above as set out in such document.
- (b) A registered Holder of a Registered Instrument may by an instrument in writing in the form for the time being available from the specified office of the Registrar in the English language (hereinafter called a “**form of proxy**”) signed by the Holder or its duly appointed attorney or, in the case of a corporation, executed under its seal or signed on its behalf by its duly appointed attorney or a duly authorised officer of the corporation, appoint any Holder of Instruments (hereinafter also called a “**proxy**”) to attend and act on his or its behalf in connection with any meeting or proposed meeting of the Holders of Instruments.
- (c) Voting certificates, block voting instructions and forms of proxy shall be valid for so long as the relevant Instruments shall not have been released or, in the case of Registered Instruments, shall be duly registered in the name(s) of the registered Holder(s) certified in the relevant voting certificate or block voting instruction or, in the case of a form of proxy, in the name of the appointor but not otherwise and notwithstanding any other provision of this Section and during the validity thereof the Holder of any such voting certificate, block voting instruction or, as the case may be, the proxy shall, for all purposes in connection with any meeting of Holders of the Instruments, be deemed to be the Holder of the Instruments of the relevant Series to which such voting certificate, block voting instructions or form of proxy relates and, in the case of Bearer Instruments, the Paying Agent to the order of whom such Instruments have been deposited and, in the case of Registered Instruments, the registered Holder(s) shall nevertheless be deemed for such purposes not to be the Holder of those Instruments.
- (d) Each block voting instruction and each form of proxy, together (if so required by the Issuer) with proof satisfactory to the Issuer of its due execution, shall be deposited at such place as the Issuer shall reasonably designate not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxy named in the block voting instruction or form of proxy proposes to vote and in default the block voting instruction or form of proxy shall not be treated as valid unless the Chairperson (as defined in the Terms and Conditions) decides otherwise before such meeting or adjourned meeting proceeds to business. A certified copy of each such block voting instruction and form of proxy and satisfactory proof as aforesaid (if applicable) shall, if required by the Issuer, be produced by the proxy at the meeting or adjourned meeting but the Issuer shall not thereby be obliged to investigate or be concerned with the validity of, or the authority of the proxy named in, any such block voting instruction or form of proxy.
- (e) Without prejudice to paragraph 1, any vote given in accordance with the terms of a block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or form of proxy or of any of the Instrument Holders’ instructions pursuant to which it was executed, provided that no intimation in writing of such revocation or amendment shall have been received by the Issuer or by the Issue and Paying Agent or, in the case of Registered Instruments, the Registrar, within 24 hours before the commencement of the meeting or adjourned meeting at which the block voting instruction or form of proxy is used.
- (f) Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer.

- (g) Any Instruments which have been purchased or are held by (or on behalf of) the Issuer or any of its respective subsidiaries but which have not been cancelled shall, unless or until resold, be deemed not to be outstanding for the purposes of this Section.
- (h) For the purposes of this Section, “**principal amount outstanding**” means, on any date, the principal amount of that Instrument on its date of issue less, in respect of any Instalment Instrument any instalment of principal in respect of that Instrument that has become due and payable and either has been paid to the relevant Holder or in respect of which the Relevant Date (as defined in the Terms and Conditions) shall have occurred.

## SUMMARY OF PROVISIONS RELATING TO THE INSTRUMENTS WHILE IN GLOBAL FORM

### **Bearer Instruments**

Each Tranche of Instruments in bearer form (the “**Bearer Instruments**”) will initially be in the form of either a temporary global instrument in bearer form (the “**Temporary Global Instrument**”), without interest coupons, or a permanent global instrument in bearer form (the “**Permanent Global Instrument**”), with or without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Instrument or, as the case may be, Permanent Global Instrument (each a “**Global Instrument**”) which is not intended to be issued in new global note (“**NGN**”) form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Instruments with a depositary or a Common Depositary for Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system and each Global Instrument which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Instruments with a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg. In relation to CMU Global Instruments, each Temporary Global Instrument or, as the case may be, Permanent Global Instrument will be deposited with a sub-custodian for the CMU operated by the HKMA.

In the case of each Tranche of Bearer Instruments, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”)) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “**TEFRA D Rules**”) are applicable in relation to the Instruments or, if the Instruments do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### ***Temporary Global Instrument exchangeable for Permanent Global Instruments***

If the relevant Final Terms specifies the form of Instruments as being “**Temporary Global Instrument exchangeable for a Permanent Global Instrument**”, then the Instruments will initially be in the form of a Temporary Global Instrument which will be exchangeable, in whole or in part, for interests in a Permanent Global Instrument, with or without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Instruments upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Instrument unless exchange for interests in the Permanent Global Instrument is improperly withheld or refused. In addition, interest payments in respect of the Instruments cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Instrument is to be exchanged for an interest in a Permanent Global Instrument, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Instrument, duly authenticated and, in the case of an NGN, effectuated, to the bearer of the Temporary Global Instrument or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Instrument in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Instrument to or to the order of the Issue and Paying Agent; and
- (ii) receipt by the Issue and Paying Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Instruments represented by the Permanent Global Instrument shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership *provided, however*, that in no circumstances shall the principal amount of Instruments represented by the Permanent Global Instrument exceed the initial principal amount of Instruments represented by the Temporary Global Instrument.

If:

- (a) the Permanent Global Instrument has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary

Global Instrument has requested exchange of an interest in the Temporary Global Instrument for an interest in a Permanent Global Instrument; or

- (b) an Event of Default occurs in accordance with the Terms and Conditions,

the bearer of the Temporary Global Instrument may from time to time elect that Direct Rights under the provisions of (and as defined in) Condition 22 of the Terms and Conditions and, in addition (i) in the case of an English law Instrument, the Deed of Covenant (a copy of which is available for inspection at the specified office of the Issue and Paying Agent or may be provided by email to the bearer or an Account Holder following their prior written request to the Issue and Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Issue and Paying Agent) and which the Issuer acknowledges to apply to English law Instruments represented by the Temporary Global Instrument) and, (ii) in the case of a Spanish law Instrument, the Temporary Global Instrument, shall, in each case, come into effect in respect of a nominal amount of Instruments in respect of which the relevant event set out in (a) or (b) above has occurred. Such election shall be made by notice to the Issue and Paying Agent and presentation of this Temporary Global Instrument to or to the order of the Issue and Paying Agent. Upon each such notice being given, this Temporary Global Instrument shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect, for whatever reason.

The CMU may require that any such exchange for a Permanent Global Instrument is made in whole and not in part, and in such event no such exchange will be effected until all relevant account holders (as set out in a CMU Issue Position Report (as defined in the CMU Rules) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

***Permanent Global Instrument exchangeable for Definitive Instruments***

If the relevant Final Terms specifies the form of Instruments as being “**Permanent Global Instrument exchangeable for Definitive Instruments**”, then the Instruments will initially be in the form of a Permanent Global Instrument which will be exchangeable in whole, but not in part, for Bearer Instruments in definitive form (Definitive Instruments):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Instrument”, then if either of the following events occurs:
  - (A) Euroclear or Clearstream, Luxembourg or the CMU or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or
  - (B) any of the circumstances described in Condition 6 occurs.

Whenever the Permanent Global Instrument is to be exchanged for Definitive Instruments, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Instruments, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Instruments represented by the Permanent Global Instrument to the bearer of the Permanent Global Instrument against the surrender of the Permanent Global Instrument to or to the order of the Issue and Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Instruments have not been duly delivered by 5.00 p.m. (London time) (or in the case of CMU Instruments, 5.00 p.m. (Hong Kong time)) on the thirtieth day after the bearer has requested exchange of the Permanent Global Instrument for Definitive Instruments; or
- (b) the Permanent Global Instrument was originally issued in exchange for part only of a Temporary Global Instrument representing the Instruments and such Temporary Global Instrument becomes void in accordance with its terms; or
- (c) an Event of Default occurs in accordance with the Terms and Conditions,

the bearer of the Permanent Global Instrument may from time to time elect that Direct Rights under the provisions of (and as defined in) Condition 22 of the Terms and Conditions and, in addition (i) in the case of an English law Instrument, the Deed of Covenant (a copy of which is available for inspection at the specified office of the Issue and Paying Agent or may be provided by email to the bearer or an Account Holder following their prior written request to the Issue and Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Issue and Paying Agent) and which the Issuer acknowledges to apply to English law Instruments represented by the Permanent Global Instrument) and, (ii) in the case of a Spanish law Instrument, the Permanent Global Instrument, shall, in each case, come into effect in respect of a nominal amount of Instruments in respect of which the relevant event set out in (a), (b) or (c) above has occurred. Such election shall be made by notice to the Issue and Paying Agent and presentation of the Permanent Global Instrument to or to the order of the Issue and Paying Agent. Upon each such notice being given, the Permanent Global Instrument shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect, for whatever reason.

***Temporary Global Instrument exchangeable for Definitive Instruments***

If the relevant Final Terms specifies the form of Instruments as being “**Temporary Global Instrument exchangeable for Definitive Instruments**” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Instruments will initially be in the form of a Temporary Global Instrument which will be exchangeable, in whole but not in part, for Definitive Instruments not earlier than 40 days after the issue date of the relevant Tranche of the Instruments.

If the relevant Final Terms specifies the form of Instruments as being “**Temporary Global Instrument exchangeable for Definitive Instruments**” and also specifies that the TEFRA D Rules are applicable, then the Instruments will initially be in the form of a Temporary Global Instrument which will be exchangeable, in whole or in part, for Definitive Instruments not earlier than 40 days after the issue date of the relevant Tranche of the Instruments upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Instruments cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Instrument is to be exchanged for Definitive Instruments, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Instruments, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Instrument to the bearer of the Temporary Global Instrument against the surrender of the Temporary Global Instrument to or to the order of the Issue and Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (i) Definitive Instruments have not been duly delivered by 5.00 p.m. (London time) (or in the case of CMU Instruments, 5.00 p.m. (Hong Kong time)) on the thirtieth day after the bearer has requested exchange of the Temporary Global Instrument for Definitive Instruments; or
- (ii) an Event of Default occurs in accordance with the Terms and Conditions,

the bearer of the Temporary Global Instrument may from time to time elect that Direct Rights under the provisions of (and as defined in) Condition 22 of the Terms and Conditions and, in addition (i) in the case of an English law Instrument, the Deed of Covenant (a copy of which is available for inspection at the specified office of the Issue and Paying Agent or may be provided by email to the bearer or an Account Holder following their prior written request to the Issue and Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Issue and Paying Agent) and which the Issuer acknowledges to apply to English law Instruments represented by the Temporary Global Instrument) and, (ii) in the case of a Spanish law Instrument, the Temporary Global Instrument, shall in each case, come into effect in respect of a nominal amount of Instruments in respect of which the relevant event set out in (i) or (ii) above has occurred. Such election shall be made by notice to the Issue and Paying Agent and presentation of this Temporary Global Instrument to or to the order of the Issue and Paying Agent. Upon each such notice being given, this Temporary Global Instrument shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect, for whatever reason.

### ***Terms and Conditions applicable to the Instruments***

The terms and conditions applicable to any Definitive Instrument will be endorsed on that Instrument and will consist of the terms and conditions set out under “Terms and Conditions of the Instruments” above and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Instrument will differ from those terms and conditions which would apply to the Instrument were it in definitive form to the extent described under “Summary of Provisions Relating to the Instruments while in Global Form” below.

### ***Legend concerning United States persons***

Where TEFRA D is specified in the relevant Final Terms, each Bearer Instrument (other than a Temporary Global Instrument) having a maturity of more than one year, Coupon, Receipt and Talon will bear the following legend:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE.”

### **Registered Instruments**

Each Tranche of Instruments in registered form (the “**Registered Instruments**”) will be represented by either:

- (i) individual certificates in registered form (Individual Certificates); or
- (ii) one or more global certificates (Global Registered Instruments),

in each case as specified in the relevant Final Terms.

Each Global Registered Instrument will either be: (a) in the case of an Instrument which is not to be held under the NSS, registered in the name of a Common Depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Instrument will be deposited on or about the issue date with the Common Depository and will be exchangeable for Individual Certificates in accordance with its terms; or (b) in the case of an Instrument to be held under the NSS, be registered in the name of a Common Safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Instrument will be deposited on or about the issue date with the Common Safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Certificates in accordance with its terms; or (c) in the case of a CMU Global Registered Instrument, registered in the name of the HKMA as operator of the CMU.

If the relevant Final Terms specifies the form of Instruments as being “**Individual Certificates**”, then the Instruments will at all times be represented by Individual Certificates issued to each Holder in respect of their respective holdings.

### ***Global Registered Instrument exchangeable for Individual Certificates***

If the relevant Final Terms specifies the form of Instruments as being “**Global Registered Instrument exchangeable for Individual Certificates**”, then the Instruments will initially be represented by one or more Global Registered Instruments each of which will be exchangeable in whole, but not in part, for Individual Certificates

- (i) if the relevant Final Terms specifies “in the limited circumstances described in the Global Registered Instrument”, then if either of the following events occurs:
  - (A) Euroclear or Clearstream, Luxembourg or the CMU or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or
  - (B) if any of the circumstances described in Condition 6 occurs.

Whenever a Global Registered Instrument is to be exchanged for Individual Certificates, each person having an interest in a Global Registered Instrument must provide the Registrar (through the relevant clearing system) with such information as the Issuer and the Registrar may require to complete and deliver Individual Certificates

(including the name and address of each person in which the Instruments represented by the Individual Certificates are to be registered and the principal amount of each such person's holding).

Whenever a Global Registered Instrument is to be exchanged for Individual Certificates, the Issuer shall procure that Individual Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Instrument within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Instrument to the Registrar of such information as is required to complete and deliver such Individual Certificates against the surrender of the Global Registered Instrument at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Issue and Paying Agency Agreement and the regulations concerning the transfer and registration of Instruments scheduled to the Issue and Paying Agency Agreement and, in particular, shall be effected without charge to any Holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Certificates have not been delivered by 5.00 p.m. (London time) (or in the case of CMU Global Registered Instruments, 5.00 p.m. (Hong Kong time)) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Instrument; or
- (b) an Event of Default occurs in accordance with the Terms and Conditions,

the Holder of the Instruments represented by the Global Registered Instrument may (subject as provided below) from time to time elect that Direct Rights under the provisions of (and as defined in) Condition 22 of the Terms and Conditions and, in addition (i) in the case of an English law Instrument, the Deed of Covenant (a copy of which is available for inspection at the specified office of the Issue and Paying Agent or may be provided by email to a Holder following their prior written request to the Issue and Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Issue and Paying Agent, as the case may be) and which the Issuer acknowledges to apply to English law Instruments represented by the Global Registered Instrument) and, (ii) in the case of a Spanish law Instrument, the Global Registered Instrument, shall, in each case, come into effect in respect of a nominal amount of Instruments in respect of which the relevant event set out in (a) or (b) above has occurred. Such election shall be made by notice to the Issue and Paying Agent by the Holder of the Instruments represented by the Global Registered Instrument specifying the nominal amount of Instruments represented by the Global Registered Instrument in respect of which Direct Rights shall arise under the Deed of Covenant or the Global Registered Instrument, as applicable. Upon each such notice being given, the Global Registered Instrument and the corresponding entry in the Register shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect, for whatever reason.

#### ***Terms and Conditions applicable to the Instruments***

The terms and conditions applicable to any Individual Certificate will be endorsed on that Individual Certificate and will consist of the terms and conditions set out under "Terms and Conditions of the Instruments" above and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Instrument will differ from those terms and conditions which would apply to the Instrument were it in Individual Certificate form to the extent described under "*Summary of Provisions Relating to the Instruments while in Global Form*" below.

### **Summary of Provisions relating to the Instruments while in Global Form**

#### ***Clearing System Account Holders***

In relation to any Tranche of Instruments represented by a Global Instrument, references in the Terms and Conditions of the Instruments to "Holder" are references to the bearer of the relevant Global Instrument which, for so long as the Global Instrument is held by a depositary or a Common Depositary, in the case of a CGN, or a Common Safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or Common Depositary or, as the case may be, Common Safekeeper.

In relation to any Tranche of Instruments represented by one or more Global Registered Instruments, references in the Terms and Conditions of the Instruments to “Holder” are references to the person in whose name the relevant Global Registered Instrument is for the time being registered in the Register which, for so long as the Global Registered Instrument is held by or on behalf of a depositary or a Common Depositary or a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or Common Depositary or Common Safekeeper or a nominee for that depositary or Common Depositary or Common Safekeeper, or in relation to a CMU Global Registered Instrument, the HKMA. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or the CMU and/or any other relevant clearing system as being entitled to an interest in a Global Instrument or a Global Registered Instrument (each an “**Account Holder**”) must look solely to Euroclear, Clearstream, Luxembourg, the CMU and/or such other relevant clearing system (as the case may be) for such Account Holder’s share of each payment made by the Issuer to the holder of such Global Instrument or Global Registered Instrument and in relation to all other rights arising under such Global Instrument or Global Registered Instrument. The extent to which, and the manner in which, Account Holders may exercise any rights arising under a Global Instrument or Global Registered Instrument will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg or the CMU and any other relevant clearing system from time to time. For so long as the relevant Instruments are represented by a Global Instrument or Global Registered Instrument, Account Holders shall have no claim directly against the Issuer in respect of payments due under the Instruments and such obligations of the Issuer will be discharged by payment to the holder of such Global Instrument or Global Registered Instrument.

In relation to CMU Instruments, while a CMU Global Instrument or a CMU Global Registered Instrument is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such CMU Global Instrument or CMU Global Registered Instrument are credited as being held with the CMU in accordance with the CMU Rules shall be the only person(s) entitled (or, in the case of CMU Global Registered Instruments, directed or deemed by the CMU as entitled) to receive payments in respect of CMU Instruments represented by such CMU Global Instrument or CMU Global Registered Instrument and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such CMU Global Instrument or CMU Global Registered Instrument are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU as the beneficial holder of a particular nominal amount of CMU Instruments represented by such CMU Global Instrument or CMU Global Registered Instrument must look solely to the CMU for his share of each payment so made by the Issuer in respect of such CMU Global Instrument or CMU Global Registered Instrument.

### ***Conditions applicable to Global Instruments***

Each Global Instrument and Global Registered Instrument will contain provisions which modify the Terms and Conditions of the Instruments as they apply to the Global Instrument or Global Registered Instrument. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Instrument or Global Registered Instrument which, according to the Terms and Conditions of the Instruments, require presentation and/or surrender of an Instrument, certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Instrument or Global Registered Instrument to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Instruments. On each occasion on which a payment of principal or interest is made in respect of the (i) Global Instrument, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg and (ii) Global Registered Instrument, the Issuer shall procure that if such Instrument is held under the NSS, the payment is entered into pro rata in the records of Euroclear and Clearstream Luxembourg.

*Payment Business Day:* In the case of a Global Instrument or a Global Registered Instrument, the requirement under the Terms and Conditions for a day of payment to be a local banking day shall not apply.

*Payment Record Date:* Each payment in respect of a Global Registered Instrument will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each clearing system for which the Global Registered Instrument is being held is open for business. In relation to CMU Instruments, while a CMU Global Instrument or CMU Global Registered Instrument is held through the CMU, any payments of principal, interests (if any) or any other



amounts shall be made to the person(s) for whose account(s) interests in the relevant CMU Global Instrument or CMU Global Registered Instrument are credited (as set out in the records of the CMU) at the close of business on the CMU Business Day immediately prior to the date for payment (where “**CMU Business Day**” means a day on which the CMU is operating and open for business) and, save in the case of final payment, no presentation of the relevant CMU Global Instrument or CMU Global Registered Instrument shall be required for such purpose.

*Exercise of put option:* In order to exercise the option contained in Condition 5.09 the bearer of a Permanent Global Instrument or the holder of a Global Registered Instrument must, within the period specified in the Terms and Conditions for the deposit of the relevant Instrument and put notice, give written notice of such exercise to the Issue and Paying Agent (or in the case of CMU Instruments, the CMU Lodging and Paying Agent) specifying the principal amount of Instruments in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 5.07 in relation to some only of the Instruments, the Permanent Global Instrument or Global Registered Instrument may be redeemed in part in the principal amount specified by the Issuer in accordance with the Terms and Conditions and the Instruments to be redeemed will not be selected as provided in the Terms and Conditions but in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg or of the CMU (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg or of the CMU as either a pool factor or a reduction in principal amount, at their discretion).

*Notices:* notwithstanding Condition 16, while all the instruments are represented by a Permanent Global Instrument (or by a Permanent Global Instrument and/or a Temporary Global Instrument) or a Global Registered Instrument and the Permanent Global Instrument is (or the Permanent Global Instrument and/or the Temporary Global Instrument are), or the Global Registered Instrument is (i) deposited with a depositary or a Common Depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (other than the CMU, in respect of which see (ii) below) or a Common Safekeeper, notices to Holders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Holders in accordance with Condition 16 on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or (ii), deposited with a sub-custodian for the CMU, notices to Holders may be given by delivery of the relevant notice to the CMU and any such notice shall be deemed to have been given to Holders in accordance with Condition 16 on the day of delivery to the CMU.

## USE OF PROCEEDS

The net proceeds of the issue of each Series of Instruments will be used:

- (a) for the general funding purposes of the Group;
- (b) to finance, refinance or invest in, in whole or in part, Green Eligible Assets meeting the Eligibility Criteria, in which case the relevant Instruments will be identified as “Green Bonds” in the relevant Final Terms (“**Green Bonds**”);
- (c) to finance, refinance or invest in, in whole or in part, Social Eligible Assets meeting the Eligibility Criteria, in which case the relevant Instruments will be identified as “Social Bonds” in the relevant Final Terms (“**Social Bonds**”); or
- (d) to finance, refinance or invest in, in whole or in part, a combination of Green Eligible Assets and Social Eligible Assets, in each case, meeting the Eligibility Criteria, in which case the relevant Instruments will be identified as “Sustainable Bonds” in the relevant Final Terms (“**Sustainable Bonds**”).

“**Eligibility Criteria**” means the criteria prepared by the Bank as set out in the Bank’s Green, Social and Sustainability Funding Global Framework.

“**Green Eligible Assets**” means assets falling under the “Green eligible categories”, as described in the Bank’s Green, Social and Sustainability Funding Global Framework, and any other “green” assets set out in the ICMA Green Bond Principles from time to time.

“**Social Eligible Assets**” means assets falling under the “Social eligible categories”, as described in the Banks’s Global Sustainable Bond Framework and any other “social” assets set out in the ICMA Social Bond Principles from time to time.

“**Green, Social and Sustainability Funding Global Framework**” means the Green, Social and Sustainability Funding Global Framework published by Banco Santander, S.A., available at <https://www.santander.com/content/dam/santander-com/en/contenido-paginas/nuestro-compromiso/financiaci%C3%B3n-de-proyectos-sostenibles/prf-santander-green-bond-funding-framework-february-2022-en.pdf>.

“**ICMA Green Bond Principles**” means the Green Bond Principles published by the International Capital Markets Association, as updated from time to time.

“**ICMA Social Bond Principles**” means the Social Bond Principles published by the International Capital Markets Association, as updated from time to time.

The Green, Social and Sustainability Funding Global Framework and any Series of Green Bonds, Social Bonds or Sustainable Bonds may be subject to external review by a second party opinion provider. A second party opinion (the “**Second Party Opinion**”) in relation to the Green, Social and Sustainability Funding Global Framework is available at [www.santander.com/en/our-approach/inclusive-and-sustainable-growth/supporting-the-green-transition](http://www.santander.com/en/our-approach/inclusive-and-sustainable-growth/supporting-the-green-transition). The Second Party Opinion has confirmed the alignment of the Green, Social and Sustainability Funding Global Framework with the ICMA Green Bond Principles.

Investors should have regard to the factors described under the section headed “*Risk in relation to the instruments - Instruments issued as “Green Bonds”, “Social Bonds” or “Sustainable Bonds”, as described in “Use of Proceeds”, may not meet investor expectations or be suitable for an investor’s investment criteria*”.

None of the Green, Social and Sustainability Funding Global Framework nor any of the above reports, opinions or contents of any of the above websites are incorporated in or form part of this Base Prospectus.

## REGULATION

*The following is a summary of the most relevant aspects of the regulatory framework applicable to the Santander Group, as well as the main factors that have directly or indirectly affected or are currently affecting its operations in a significant way.*

*In addition, see “Risk Factors”, which includes the specific and significant factors that the Group believes could significantly affect its operations.*

### ***EU fiscal and banking union***

The project of achieving a European banking union was launched in the summer of 2012. Its main goal is to resume progress towards the European single market for financial services by restoring confidence in the European banking sector and ensuring the proper functioning of monetary policy in the eurozone.

The banking union is expected to be achieved through new harmonised banking rules (the single rulebook) and a new institutional framework with stronger systems for both banking supervision and resolution that will be managed at the European level. Its two main pillars are the Single Supervision Mechanism (the “SSM”) and the Single Resolution Mechanism (the “SRM”).

The SSM (comprised by both the ECB and the national competent authorities) is designed to assist in making the banking sector more transparent, unified and safer. In accordance with the SSM Regulation, the ECB fully assumed its new supervisory responsibilities within the SSM, in particular direct supervision of the largest European banks (including the Group), on 4 November 2014.

The SSM represented a significant change in the approach to bank supervision at a European and global level, and resulted in the direct supervision by the ECB of the largest financial institutions, including the Group, and indirect supervision of around 3,500 financial institutions and is now one of the largest in the world in terms of assets under supervision. In the coming years, the SSM is expected to continue working on the establishment of a new supervisory culture importing best practices from the 19 national competent authorities that are part of the SSM and promoting a level playing field across participating Member States. Several steps have already been taken in this regard such as the publication of the Supervisory Guidelines; the approval of the Regulation (EU) No 468/2014 of the ECB of 16 April 2014, establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the “**SSM Framework Regulation**”); the approval of a Regulation (Regulation (EU) 2016/445 of the European Central Bank of 14 March 2016 on the exercise of options and discretions available in Union law) and a set of guidelines on the application of CRR’s national options and discretions, etc. In addition, the SSM represents an extra cost for the financial institutions that funds it through payment of supervisory fees.

The other main pillar of the EU banking union is the SRM, the main purpose of which is to ensure a prompt and coherent resolution of failing banks in Europe at minimum cost for the taxpayers and the real economy. The SRM Regulation establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the SRM and a Single Resolution Fund (the “SRF”). Under the intergovernmental agreement (IGA) signed by 26 EU member states on 21 May 2014, contributions by banks raised at national level were transferred to the SRF. The new Single Resolution Board (SRB), which is the central decision-making body of the SRM, started operating on 1 January 2015 and has fully assumed its resolution powers on 1 January 2016. The SRB is responsible for managing the SRF and its mission is to ensure that credit institutions and other entities under its oversight, which face serious difficulties, are resolved effectively with minimal costs to taxpayers and the real economy. From that date onwards, the SRF is also in place, funded by contributions from European banks in accordance with the methodology approved by the Council of the EU. The SRF is expected to reach a total amount of €80 billion by 2024 and to be used as a separate backstop only after an 8 per cent. bail-in of a bank’s liabilities has been applied to cover capital shortfalls (in line with the BRRD).

In order to complete such banking union, a single deposit guarantee scheme is still needed, which may require a change to the existing European treaties. This is the subject of continued negotiation by European leaders to ensure further progress is made in European fiscal, economic and political integration.

Regulations adopted towards achieving a banking and/or fiscal union in the EU and decisions adopted by the ECB in its capacity as the main supervisory authority of the Group may have a material impact on its business, financial condition and results of operations.

Moreover, regulations adopted on structural measures to improve the resilience of EU credit institutions may have a material impact on the business, financial condition, results of operations and prospects of the Group. These regulations, if adopted, may also cause the Group to invest significant management attention and resources to make any necessary changes.

## ***Capital, liquidity and funding requirements***

### ***Overview***

As a Spanish financial institution, the Bank is subject to the Capital Requirements Regulation (Regulation (EU) No 575/2013) (“**CRR**”) and the Capital Requirements Directive (Directive 2013/36/EU) (“**CRD IV**”), through which the EU began implementing the Basel III capital reforms from 1 January 2014. While the CRD IV required national transposition, the CRR was directly applicable in all the EU member states. This regulation is complemented by several binding technical standards and guidelines issued by the European Banking Authority (“**EBA**”), directly applicable in all EU member states, without the need for national implementation measures. The implementation of the CRD IV into Spanish law has taken place through Royal Decree Law 14/2013 and Law 10/2014, Royal Decree 84/2015, Bank of Spain Circular 2/2014 and Bank of Spain Circular 2/2016.

On 27 June 2019, a comprehensive package of reforms amending CRR, CRD IV, European Bank Recovery and Resolution Directive (Directive 2014/59/EU) (“**BRRD**”) and Regulation (EU) No 1093/2010 (the “**SRM Regulation**”) came into force: (i) Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending CRD IV with respect to exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (“**CRD V**”); (ii) Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending BRRD with respect to the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC (“**BRRD II**”); (iii) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending CRR with respect to the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) 648/2012 (“**CRR II**”); and (iv) Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation with respect to the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (“**SRMR II**”, and, together with CRD V, BRRD II and CRR II, the “**EU Banking Reforms**”).

The EU Banking Reforms cover multiple areas, including the Pillar 2 framework, the leverage ratio, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of “non-preferred” senior debt that should only be bailed-in after junior ranking instruments but before other senior liabilities, changes to the definitions of Tier 2 and Additional Tier 1 instruments, the MREL framework and the integration of the TLAC standard into EU legislation as mentioned above. With respect to the European Commission’s proposal to create a new asset class of “non-preferred” senior debt, on 27 December 2017, Directive 2017/2399 amending Directive 2014/59/EU with respect to the ranking of unsecured debt instruments in insolvency hierarchy was published in the Official Journal of the EU and sets forth a harmonised national insolvency ranking of unsecured debt instruments to facilitate the issuance by credit institutions of senior “non-preferred” instruments. Before that, Royal Decree-Law 11/2017, of 23 June, approving urgent measures on financial matters created in Spain the new asset class of senior-non preferred debt.

CRD V Directive and BRRD II were partially implemented into Spanish law through Royal Decree-Law 7/2021, of 27 April, (“**RDL 7/2021**”) which has amended, amongst others, Law 10/2014 and Law 11/2015, of 18 June, on the Recovery and Resolution of Credit Institutions and Investment Firms (“**Law 11/2015**”). Furthermore, Royal Decree 970/2021, of 8 November, which amended Royal Decree 84/2015, and Circulars 5/2021 and 3/2022 of the Bank of Spain, which amended Circular 2/2016, completed the implementation into Spanish law of CRD V. In addition, Royal Decree 1041/2021, of 23 November, amended Royal Decree 1012/2015, of 6 November, which implemented Law 11/2015 (“**Royal Decree 1012/2015**”) and completed the implementation of BRRD II into Spanish law. Given such recent implementation of CRD V and BRRD II. Of

note, however, is the uncertainty regarding how the EU Banking Reforms will be applied by the relevant authorities.

On 27 October 2021, the European Commission published legislative proposals to amend CRR and the CRD IV, as well as a separate legislative proposal to amend CRR and BRRD in the area of resolution. In particular, the main objectives of the European Commission's legislative proposals are to strengthen the risk-based capital framework, enhance the focus on environmental, social and governance (ESG) risks in the prudential framework, further harmonise supervisory powers and tools and reduce institutions' administrative costs related to public disclosures and to improve access to institutions' prudential data. Moreover, these legislative proposals include the following: (i) a directive of the European Parliament and of the Council amending CRD IV with respect to supervisory powers, sanctions, third-country branches, and environmental, social and governance risks; (ii) a regulation of the European Parliament and of the Council and its annex amending CRR with respect to requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor; and (iii) a regulation of the European Parliament and of the Council amending CRR and BRRD with respect to the prudential treatment of global systemically important institutions with a multiple point of entry resolution strategy and a methodology for the indirect subscription of instruments eligible for meeting the minimum requirement for own funds and eligible liabilities (the so-called "daisy chain" proposal). The European Parliament and the Council adopted on 19 October 2022 Regulation (EU) 2022/2036 amending CRR and BRRD, which partially started to apply on 14 November 2022. Although the final report by the European Parliament is expected during the first quarter of 2023, the timing for the final implementation of the legislative proposals referred to in limbs (i) and (ii) above is unclear as of the date of this Base Prospectus and new or amended elements may be introduced through the course of the legislative process. Furthermore, with respect to (i) above, the Directive will need to be implemented in each of the Member States, and the way it will be implemented may vary depending on the relevant Member State.

### ***Capital requirements***

Credit institutions, such as the Bank, are required, on a standalone and consolidated basis, to hold a minimum amount of regulatory capital of 8 per cent. of risk weighted assets (of which at least 4.5 per cent. must be CET1 capital and at least 6 per cent. must be Tier 1 Capital). In addition to the minimum regulatory capital requirements, the CRD IV also introduced five capital buffer requirements that must be met with CET1 capital: (1) the capital conservation buffer for unexpected losses, requiring additional CET1 of up to 2.5 per cent. of total risk weighted assets; (2) the institution-specific counter-cyclical capital buffer (consisting of the weighted average of the counter-cyclical capital buffer rates that apply in the jurisdictions where the relevant credit exposures are located), which may require as much as additional CET1 capital of 2.5 per cent. of total risk weighted assets or higher pursuant to the requirements set by the competent authority; (3) the G-SIIs buffer requiring additional CET1 which shall be no less than 1 per cent. of risk weighted assets; (4) the other systemically important institutions buffer, which may be as much as 3 per cent. of risk weighted assets; and (5) the CET1 systemic risk buffer to prevent systemic or macro prudential risks of at least 1 per cent. of risk weighted assets (to be set by the competent authority). Entities are required to comply with the "combined buffer requirement" (broadly, the combination of the capital conservation buffer, the institution-specific counter-cyclical buffer and the higher of (depending on the institution) the systemic risk buffer, the G-SIIs buffer and the other systemically important institutions ("O-SII") buffer, in each case as applicable to the institution). Under the CRD V, where an institution is subject to a systemic risk buffer, that buffer will be cumulative with the applicable G-SIIs buffer or the other systemically important institution buffer.

While the capital conservation buffer and the G-SII buffer are mandatory, the Bank of Spain has greater discretion in relation to the counter-cyclical capital buffer, the O-SII buffer and the systemic risks buffer. The ECB also has the ability to provide certain recommendations in this respect.

As of the date of this Base Prospectus, the Bank is required to maintain a capital conservation buffer of additional CET1 capital of 2.5 per cent. of risk weighted assets, a G-SII buffer of additional CET1 capital of 1 per cent. of risk weighted assets and a counter-cyclical capital buffer of additional CET1 capital of 0.0253 per cent. of risk weighted assets. On 14 December 2022 the Bank of Spain agreed to maintain the counter-cyclical buffer applicable to credit exposures in Spain at 0 per cent. for the first quarter of 2023.

Moreover, Article 104 of the CRD IV, as implemented by Article 68 of Law 10/2014 and similarly Article 16 of the SSM Regulation, also contemplate that in addition to the minimum Pillar 1 capital requirements and any applicable capital buffer, supervisory authorities may impose further Pillar 2 capital requirements to cover other risks, including those risks incurred by the individual institutions due to their activities not considered to be

fully captured by the minimum capital requirements under the CRD IV and CRR, which should be set according to the specific situation of an institution excluding macroprudential or systemic risks, but including the risks incurred by individual institutions due to their activities (including those reflecting the impact of certain economic and market developments on the risk profile of an individual institution). This may result in the imposition of additional capital requirements on the Bank and/or the Group pursuant to this Pillar 2 framework.

In accordance with Articles 104a and b of the CRD V, as implemented in Spain by Article 69 and 69bis of Law 10/2014, the specific Pillar 2 capital shall consist of two parts: Pillar 2 requirements and Pillar 2 guidance. Pillar 2 requirements are binding and breaches can have direct legal consequences for banks, while Pillar 2 guidance is not directly binding and a failure to meet Pillar 2 guidance does not automatically trigger legal action, even though the ECB expects banks to meet Pillar 2 guidance. Failure to comply with the Pillar 2 guidance is not relevant for the purposes of triggering the automatic restriction of the distribution and calculation of the Maximum Distributable Amount (as defined below) but, in addition to certain other measures, competent authorities are entitled to impose further Pillar 2 capital requirements where an institution repeatedly fails to follow the Pillar 2 capital guidance previously imposed.

Although CRR and CRD V do not require disclosure of the Pillar 2 guidance, the Market Abuse Regulation (MAR) ESMA Guidelines on delay in the disclosure of inside information and interaction with prudential supervision, as amended on 5 January 2022, provide that Pillar 2 guidance may be inside information if, for example, the difference between the Pillar 2 guidance and the institution's level of capital is not minor and is likely to involve a major reaction by the institution, such as a capital increase; or if the institution's Pillar 2 guidance is not in line with market expectations. To the extent that Pillar 2 guidance constitutes inside information, it will need to be disclosed pursuant to the obligations applicable to the Bank contained in Regulation (EU) No 596/2014 of April 16, 2014, on market abuse.

In addition to the above, the EBA published on 19 December 2014 its final guidelines for common procedures and methodologies in respect of its SREP, as revised on 18 March 2022 with the aim of implementing the amendments to the CRD V Directive and CRR II and promoting convergence towards best supervisory practices (the “**EBA SREP Guidelines**”). Included in this were the EBA's proposed guidelines for a common approach to determining the amount and composition of additional Pillar 2 capital requirements implemented on 1 January 2016. Under these guidelines, national supervisors must set a composition requirement for the Pillar 2 additional capital requirements to cover certain specified risks of at least 56 per cent. CET1 capital and at least 75 per cent Tier 1 Capital. Under Article 104(a) of CRD V (implemented into Spanish law by Article 94.6 of Royal Decree 84/2015), EU banks are now allowed to meet Pillar 2 requirements with these minimum proportions of CET1 capital and Tier 1 Capital.

The EBA SREP Guidelines also contemplate that national supervisors should not set additional capital requirements in respect of risks which are already covered by capital buffer requirements and/or additional macro-prudential requirements; and, accordingly, the above “combined buffer requirement” is in addition to the Pillar 1 and Pillar 2 capital requirements. Therefore capital buffers would be the first layer of capital to be eroded pursuant to the applicable stacking order, as set out in the “Opinion of the EBA on the interaction of Pillar 1, Pillar 2 and combined buffer requirements and restrictions on distributions” published on 16 December 2015. In this regard, under Article 141 of the CRD IV, Member States of the EU must require that an institution that fails to meet the “combined buffer requirement” be prohibited from paying any Discretionary Payments (which are defined broadly by the CRD IV as payments relating to CET1, variable remuneration and discretionary pension benefits and distributions relating to Additional Tier 1 Instruments), until it calculates its applicable restrictions and communicates them to the regulator. Thereafter, any such discretionary payments shall be subject to such restrictions. The restrictions shall be scaled according to the extent of the breach of the “combined buffer requirement” and calculated as a percentage of the profits of the institution since the last distribution of profits or Discretionary Payment. Such calculation shall result in a “**Maximum Distributable Amount**” in each relevant period. As an example, the scaling is such that in the bottom quartile of the “combined buffer requirement”, no “discretionary distributions” will be permitted to be paid. Articles 43 to 49 of Law 10/2014 and Chapter II of Title II of Royal Decree 84/2015 implement the above provisions in Spain. In particular, Article 48 of Law 10/2014 and Articles 73 and 74 of Royal Decree 84/2014 deal with restrictions on distributions. Furthermore, pursuant to article 16bis of Law 11/2015 and article 48ter of Law 10/2014, the calculation of the Maximum Distributable Amount, as well as consequences of, and pending, such calculation could also take place as a result of the breach of MREL and a breach of the leverage ratio buffer requirement.

CRD V further clarifies that Pillar 2 requirements should be positioned in the relevant stacking order of own funds requirements above the Pillar 1 capital requirements and below the “combined buffer requirement” or the

leverage ratio buffer requirement, as applicable. In addition, CRD V also clarifies that Pillar 2 requirements should be set in relation to the specific situation of an institution excluding macroprudential or systemic risks, but including the risks incurred by individual institutions due to their activities (including those reflecting the impact of certain economic and market developments on the risk profile of an individual institution). Under Article 104(a) of CRD V (implemented into Spanish law by Article 94.6 of Royal Decree 84/2015), EU banks are now allowed to meet Pillar 2 requirements with these minimum proportions of CET1 capital and Tier 1 Capital.

The Bank announced on 22 December 2022 that it had received from the ECB its decision regarding the prudential minimum capital requirements effective as of 1 January 2023, following the results of SREP. The ECB decision required the Group to maintain a CET1 ratio of at least 8.91 per cent. on a consolidated basis. This 8.91 per cent. capital requirement includes: the minimum Pillar 1 requirement (4.5 per cent.); the Pillar 2 requirements (0.89 per cent.); the capital conservation buffer (2.5 per cent.); the requirement deriving from its consideration of the Bank as a G-SII (1.0 per cent.) and the counter-cyclical buffer (0.0253 per cent.). The ECB decision also requires that the Group maintains a CET1 capital ratio of at least 7.85 per cent. on an individual basis. As of 31 December 2022, on a consolidated basis, the Group's total capital ratio was 15.99 per cent. while its CET1 ratio was 12.18 per cent. If the Group did not apply the transitory IFRS 9 provisions, nor the subsequent amendments introduced by Regulation 2020/873 of the EU, the fully-loaded CET1 ratio would have been 12.04 per cent.

As described above, Santander maintains a surplus of capital over these requirements, both at a consolidated and an individual level. Therefore, these capital requirements do not imply any limitation on discretionary payments, including to holders of Santander's Additional Tier 1 Instruments.

In addition to the above, the CRR also contains a binding 3 per cent. Tier 1 leverage ratio (“**LR**”) requirement, and which institutions must meet in addition and separately to their risk-based requirements.

Moreover, article 92.1a of CRR include a leverage ratio buffer for G-SIIs to be met with Tier 1 Capital and set at 50 per cent. of the applicable risk weighted G-SIIs buffer and that is in force since 1 January 2023. Pursuant to Article 141b of the CRD IV and Article 48ter of Law 10/2014, G-SIIs are also obliged to determine their Maximum Distributable Amount and restrict Discretionary Payments where they do not meet the leverage ratio buffer requirement under Article 92.1a of CRR.

### ***MREL requirements***

Under article 92a of CRR, institutions such as the Bank that are identified as resolution entities and are G-SII shall satisfy the following requirements for own funds and eligible liabilities: (a) 18 per cent of risk weighted assets, and (b) 6.75 per cent. of its leverage ratio exposure (the Pillar 1 TLAC/MREL Requirements for G-SIIs). On top of that, Article 45 of the BRRD provides that Member States shall ensure that institutions meet, at all times, a minimum MREL requirement (the “**TLAC/MREL Requirements**”). The EU Banking Reforms integrate the total loss absorbing capacity (“**TLAC**”) standard into the existing MREL rules and to ensure that both requirements are met with the largely similar instruments, with the exception of the subordination requirement which will be partially institution-specific and determined by the resolution authority. Therefore, institutions such as the Bank could be subject to an institution-specific TLAC/MREL Requirement, which may be higher than the Pillar 1 TLAC/MREL Requirements for G-SIIs.

Although the specific MREL requirements may vary depending on the specific characteristics of the credit entity (its application falls on resolution institution or resolution group, being entities subject to resolution following a Single Point of Entry or Multiple Point of Entry resolution strategy) and the resolution process, BRRD II together with CRR II introduce a relevant change for complying with MREL which now includes two different ratios (i) a risk ratio (percentage of total risk weighted assets of the resolution entity) and (ii) a non-risk ratio (percentage of the resolution entity's total exposure), as well as empower the Relevant Resolution Authority to authorise or require (a) complying with additional CET1, Additional Tier 1 or Tier 2 capital ratios (which was not foreseen in the previous MREL rules) and (b) that certain level of senior liabilities issued by the resolution entity can be subject to Bail-in.

MREL application is also subject to a different regime depending on the nature of the entity based on its resource volume and systemic profile. Thus, the MREL requirements are different for G-SIIs, “top tier” entities (which are not G-SIIs with aggregated asset volume of over €100 billion), O-SIIs (which are institutions that, due to their systemic importance, are more likely to create risks to financial stability) and the rest of the resolution institutions. In particular, G-SIIs, “top tier” banks and O-SIIs are subject to Pillar 1 requirements: 18 per cent.

(including the combined buffer requirements under CRD IV), and 13 per cent. of risk weighted assets and 6.75 per cent. and 5 per cent. of leverage exposure, respectively for G-SIIs and “top tier” banks and O-SIIs. These requirements are complemented by further Pillar 2 requirements, which would be determined on a case-by-case basis for the rest of the resolution institutions.

The EU Banking Reforms have introduced limited adjustments to the existing MREL Rules ensuring technical consistency with the structure of any requirements for G-SIIs. Since 1 January 2022, the TLAC/MREL Requirements are fully applicable (a 18 per cent. minimum TLAC requirement).

According to Article 16.a) of the BRRD, any failure by an institution to meet the “combined buffer requirement” when considered in addition to the applicable minimum TLAC/MREL Requirements is intended to be treated in a similar manner as a failure to meet the “combined buffer requirement” on top of its minimum regulatory capital requirements (i.e. a resolution authority will have the power to impose restrictions or prohibitions on discretionary payments by the Bank). The referred Article 16.a) of the BRRD includes a potential nine-month grace period whereby the resolution authority will assess on a monthly basis whether to exercise its powers, after such nine-month period the resolution authority is compelled to exercise its power to restrict discretionary payments (subject to certain limited exceptions). These restrictions have been implemented in Spain by means of Article 16bis of Law 11/2015.

The Bank announced on 20 May 2022 that it had received formal notification from the Bank of Spain of its binding minimum MREL requirement, both total and subordinated, for the Resolution Group at a sub-consolidated level, as determined by the SRB. The requirement became effective on 1 January 2022 and replaced the previously applicable one. The total MREL requirement was set at 30.32 per cent. for 2024 and at 28.95 per cent. as intermediate target for 2022 of the Resolution Group’s total risk weighted assets. The subordination requirement was set at 9.04 per cent. As of 31 December 2022 the structure of own funds and eligible liabilities of the Resolution Group met the intermediate target of the requirement determined by the SRB effective 1 January 2022, and its funding plan has been built to further strengthen MREL ratio and to comply with the final requirement determined by the SRB. Future requirements are subject to ongoing review by the resolution authority.

Additionally, the Basel Committee is currently in the process of reviewing and issuing recommendations in relation to risk asset weightings which may lead to increased regulatory scrutiny of risk asset weightings in the jurisdictions that are members of the Basel Committee.

#### ***Deposit Guarantee Fund (“DGF”) and Single Resolution Fund (“SRF”)***

The Group belongs to the DGF, which is aimed at guaranteeing the return of guaranteed deposits when the depository institution has been declared bankrupt (*concurso de acreedores*) or when deposits are not returned, provided an agreement has not been reached to commence a resolution process of the institution up to the limit contemplated in Royal Decree-Law 16/2011, of 14 October 2011, creating the Deposit Guarantee Fund for Credit Institutions. The standard annual contribution to be made by institutions to the fund is determined by the DGF Management Committee, pursuant to the provisions of Bank of Spain Circular 5/2016 of 27 May on the calculation method to ensure that the contributions by member institutions of the Deposit Guarantee Fund are proportional to their risk profile, as amended by Circular 1/2018 of 31 January 2018.

In addition, in March 2014, the European Parliament and the Council reached a political agreement on the creation of the second pillar of the banking union, the Single Resolution Mechanism (“SRM”). The main objective of the SRM is to ensure that all possible bankruptcies that occur in the future in the banking union are managed efficiently, at a minimum cost to taxpayers and the actual economy. The SRM’s scope of activity is identical to that of the SSM, being a central authority.

The regulations governing the banking union are aimed at ensuring that the banks and their shareholders (primarily) and, if required, the bank’s creditors (partly), are those that finance resolutions. Nevertheless, another source of finance must also be available, if the contributions by shareholders and bank creditors are insufficient. This is the SRF, administered by the SRB, which is the ultimate entity responsible for deciding whether or not the resolution of the bank should be initiated, while the operating decisions are made in conjunction with the national resolution authorities. The regulations establish that banks must contribute to the SRF for eight years.



The SRB calculates the contributions to be made by each entity to the SRF, in accordance with the provisions of Regulation (EU) 806/2014 of the European Parliament and of the Council of 15 July 2014. The calculation is based on:

- (a) contributions that are calculated in proportion to the individual entity's liabilities, excluding net worth and guaranteed deposits, with respect to the total liabilities minus net worth and guaranteed deposits of all the authorised entities in the participating Member States («annual base contribution»); and
- (b) contributions that are calculated according the entity's risk profile («risk-adjusted contribution»).

The expense accounted for in financial years 2022 and 2021 for contributions by the Bank to the Deposit Guarantee Fund and the SRF amounted to €1,258 million and €1,016 million, respectively.

### ***Non-performing exposures***

On 15 March 2018, the ECB published its supervisory expectations on prudent levels of provision for non-performing loans (“NPLs”). The document was published as a subsequent addendum (the “**Addendum**”) to the ECB's guidance on non-performing loans for credit institutions of 20 March 2017, which clarified the ECB's supervisory expectations with regard to the identification, measurement, management and write-off of NPLs. The ECB states that the Addendum sets out what it considers to be prudential provisioning of non-performing exposures (“NPEs”), in order to avoid an excessive build-up of non-covered aged NPLs on banks' balance sheets in the future, which would require specific supervisory measures.

In this respect, the ECB states that it will assess any differences between banks' practices and the prudential provisioning expectations laid out in the Addendum at least annually and will link the supervisory expectations in this Addendum to new NPLs classified as such from 1 April 2018 onwards. In addition, banks will therefore be asked to inform the ECB of any differences between their practices and the prudential provisioning expectations, as part of the SREP supervisory dialogue, as from early 2021. This could ultimately result in the ECB requiring banks to apply specific adjustments to their net worth calculations when the accounting treatment applied by the bank is not considered prudent from a supervisory perspective which, in turn, could have an impact on the banks' capital position.

In August 2019, the ECB further revised its supervisory expectations for prudential provisioning of new NPEs taking into account the adoption of the new Regulation (EU) 2019/630, which outlines the Pillar 1 treatment for NPEs, complements existing prudential rules and requires a deduction from own funds when NPEs are not sufficiently covered by provisions or other adjustments.

Notwithstanding the foregoing, on 20 March 2020 among the package of measures adopted in reaction to the covid-19 pandemic outbreak, the ECB announced further measures introducing supervisory flexibility regarding the treatment of NPLs, in particular to allow banks to fully benefit from guarantees and moratoriums put in place by public authorities to tackle the current distress. In light of that scenario, the EBA has also issued statements regarding the prudential framework in relation to the classification of loans in default, classification of exposures under the definition of forbearance or as defaulted under distressed restructuring, and their accounting treatment. In particular, the EBA has clarified that generalised payment delays due to legislative initiatives and addressed to all borrowers do not lead to any automatic classification in default, forborne or unlikelihood to pay (individual assessments of the likelihood to pay should be prioritised) and has clarified the requirements for public and private moratoria, which if fulfilled, are expected to help avoid the classification of exposures under the definition of forbearance or as defaulted under distressed restructuring.

### ***Loss absorbing powers by the Relevant Resolution Authority***

The BRRD (which has been implemented in Spain through Law 11/2015 and Royal Decree 1012/2015) is designed to provide authorities with tools to intervene sufficiently early and quickly in unsound or failing institutions so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

See “*Risk Factors – Risks General risks relating to the Instruments – Risks related to early intervention and resolution - Law 11/2015 enables a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under Law 11/2015 could materially affect the value of any debt securities*” for additional information.

### *New rules on real estate loans*

Law 5/2019 of 15 March 2019 regulating real estate credit agreements and Royal Decree 309/2019 of 26 April 2019 (“**Real Estate Credit Regulations**”) implemented Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014, with the aim of strengthening the legal protection, transparency and prudential regime of real estate credit agreements.

In short, the protection regime of the Real Estate Credit Regulations extends to all natural persons, regardless of whether they are consumers or not, in conjunction with the current regulations on transparency in mortgage credit established by Order EHA/2899/2011, of 28 October, on the transparency and protection of customer banking services and Bank of Spain Circular 5/2012 and related regulations, in three areas: (i) establishment of rules of transparency and conduct that impose obligations upon lenders and credit intermediaries, as well as upon their appointed representatives; (ii) establishment of the legal regime governing real estate credit intermediaries and real estate lenders; and (iii) establishment of the penalty regime applicable in the event of a breach of the obligations contained therein.

The protection regime of the Real Estate Credit Regulations exceeds the level of protection established by Directive 2014/47/EU and has a direct impact on the granting and intermediation of real estate credit, imposing additional operating requirements that must be fulfilled by lenders (mainly to produce documents, such as the European Standardised Information Sheet, considered a binding offer during the agreed term until the signing of the agreement with at least 10 days’ notice, the Standardised Warning Sheet, which contains relevant clauses or elements, the Separate Document (*Documento Separado*) and a copy of the draft agreement with a breakdown of all the costs), protective measures (limitation of default interest, in-depth assessment of the borrower’s capacity, definition of financial concepts, determining of the regime governing related practices and cross-practices, accuracy of the content of the basic information that must appear in advertising materials) and the redistribution of the financial costs between lender and borrower (including the payment of stamp duty (*Actos Jurídicos Documentados*) by the lender, the cost of the property valuation and payment of the copies of the deed requested by the borrower).

The foreclosure regime is regulated by Article 24, which establishes the cumulative requirements for foreclosure:

- (i) Absolute Requirement – refers to the borrower’s default on payment of part of the loan principal or interest;
- (ii) Quantitative requirement – taking into account the life of the loan (first or second half of the repayment period) the amount of instalments due and not paid shall be (i) in the first half of the loan (a) 3 per cent. of the principal granted or (b) 12 instalments (or the equivalent amount); or (ii) in the second half of the loan (a) 7 per cent. or (b) 15 instalments (or the equivalent amount);
- (iii) Subjective requirement – the lender has claimed payment from the borrower, granting the borrower at least one month to comply and stating that if the borrower fails to comply, the lender will demand full repayment of the outstanding amount of the loan.

This mandatory regime differs from the regime established by the Spanish Law of Civil Procedure (“*Ley de Enjuiciamiento Civil*”) (the “**Law of Civil Procedure**”), which required default of at least three monthly instalments to enable early termination of the loan by the lender, although this requirement has been extensively qualified by a number of court judgments, until the entry into force of Law 5/2019 on 16 June 2019. The Supreme Court ruling of 11 September 2019 on the effects of the annulment of an early maturity clause in mortgage loans clarified the regime, stating that (a) the annulment of a certain early maturity clause of a mortgage loan agreement does not imply the automatic annulment of the agreement; and (b) the early maturity clause annulled is replaced by Article 24 (which is mandatory).

In addition to the above, a limit on default interest is established in Article 25, which is also mandatory, as the interest of the loan plus three percentage points during the term of repayment of the loan and accrued only on the principal due and payable, without the possibility of capitalisation (except in the case of Article 579.2.a) of the Law of Civil Procedure). This mandatory regime thus differs from the previous regime, in which there was margin of choice, subject to a maximum limit (mainly determined by case law and ranging from 2 points above the loan interest rate to 2.5 times the statutory interest rate).

Furthermore, the Supreme Court judgment of 11 September 2019 on the effects of the annulment of early maturity clauses in mortgage loans amended the conditions of early maturity, stating that (a) the annulment of a certain early maturity clause in a mortgage loan does not imply the automatic annulment of the loan agreement; (b) alternatively, the early maturity clause annulled must be replaced by Article 24 of Law 5/2019 (mandatory), which imposes minimum terms that must be respected by the lending institution for foreclosure of the mortgage, referenced to percentages of the capital (3 per cent. and 7 per cent.).

On 24 November 2022, Royal Decree-Law 19/2022, of 22 of November 2022, came into force with the purpose of protecting certain mortgage debtors and prevent difficulties to make payments on their debt as a result of the rise in interest rates. Among other measures, Royal Decree-Law 19/2022 sets up a new Code of Good Practice which will be in force for a two-year period for the restructuring of the mortgage debt of mortgagors at risk of vulnerability due to rising interest rates, and amending the former Code of Good Practice established by Royal Decree-Law 6/2012.

The Bank acceded to the new Code of Good Practice on 30 November 2022 and will benefit individuals with mortgage loans secured by their first residence and a purchase price not exceeding €300,000 who request the novation of the loan no later than 24 November 2024 if such individual: (i) has a household income which does not exceed by 3.5 times the annual 14-payment IPREM (Public Income Index); (ii) has been subject to a mortgage burden increase of 1.2 times during the four years prior to the request for novation; and (iii) has seen its monthly mortgage payment exceed 30 per cent. of its household income.

Under these circumstances, the new Code of Good Practice contemplates either: (i) the extension of the maturity of the loan for up to seven years with the option of applying a grace period of 12 months for payment of principal (provided that the outstanding principal of the loan will accrue interest at a rate representing a reduction of 0.5 per cent. of the net present value of the loan and the extension cannot result in a reduction of mortgage monthly payments below what was being paid on 1 June 2022); or (ii) a conversion of the loan to fixed rate. The novation of the loan as a result of any of such alternatives may not result in the maturity exceeding 40 years.

### ***Digital Service Tax in Spain***

On 15 October 2020, Spain enacted the Law 4/2020 that introduced a new tax on certain digital services. This law entered into force on 16 January 2021. The Digital Services Tax (“**DST**”) is an indirect tax applicable to the provision of certain digital services when users are located in Spain (online advertising services targeted at users, online intermediary services and data transmissions) at a rate of 3 per cent. over gross income. Companies will be subject to the tax if (i) net turnover is over €750 million (globally), and (ii) total revenues from taxable digital services in Spain are over €3 million. The Preamble of the Law states the provisional nature of the DST until an international consensus on the taxation of digital business models is reached.

### ***PSD2***

Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market (the “**PSD2 Directive**”) has been fully transposed into Spanish law, which took place after the deadline for PSD2 transposition (13 January 2018); notwithstanding the additional transitional period until 31 December 2020 in relation to the requirements on security measures (mainly due to their potential negative impact on electronic commerce) by means of Royal Decree-Law 19/2018 of 23 November 2018 on payment services and other urgent measures in financial matters, Royal Decree 736/2019 of 20 December 2019 on the legal regime for payment services and payment institutions and Order ECE/1263/2019 of 26 December 2019 on transparency of conditions and information requirements applicable to payment services. The PSD2 Directive essentially regulates (a) transparency conditions and (b) the rights and obligations in contracts between payment service providers and users, applying its regime to the objective scope of payment services provided by credit institutions, payment service entities and electronic money institutions. In addition, it provides for a set of precautionary measures (prohibition of surcharges for the use of payment instruments at commercial establishments or online, unconditional right to the return for direct debits in euros, reduction of liability for unauthorised payments), security requirements (protection of consumer financial data and enhanced security requirements for electronic payments).

In particular, the new payment services introduced by PSD2 feature the services of (a) payment initiation; and (b) account information. Both services involve access by third parties (suppliers to third parties) to payment service users’ accounts held with credit institutions. This means the opening up of the payment market to these

new competitors (“third-party providers”), who can operate directly through the payment service user’s account at their credit institution, without having to open an account themselves to operate. This PSD2 Directive regime and the operational and technological efforts made to adapt it, together with the introduction of the so-called “open banking”, will have a substantial impact on the business model for payment services offered by credit institutions, by allowing third parties not related to credit institutions to access their infrastructure, for the purposes of obtaining account information and initiating payment services with bank customers/potential new users of third-party payment services, subject to specific limitations under Articles 66, 67 et seq. In essence, this leads to an increase in the regulatory cost of adaptation of credit institutions, a strengthening of their technological systems for operational and integration purposes and an intensification of competition in the payment services sector, represented mainly by non-credit institution providers subject to a less onerous regulatory regime or, directly, not subject to a prudential supervision regime.

### ***Temporary Banking Tax in Spain***

On 29 December 2022, Spain enacted Law 38/2022 for the establishment of temporary levies on energy and credit institutions and the creation of the temporary solidarity tax for high-net-worth individuals (*Ley 38/2022, de 27 de diciembre, para el establecimiento de gravámenes temporales energético y de entidades de crédito y establecimientos financieros de crédito y por la que se crea el impuesto temporal de solidaridad de las grandes fortunas, y se modifican determinadas normas tributarias*). This law creates a temporary levy for credit institutions operating in Spain with a total interest and commission income in the year ended 31 December 2019 equal to or greater than €800 million (on an individual or a consolidated basis). This bank levy will apply during the years 2023 and 2024 (unless the Spanish Government decides to make this levy permanent) and taxes, at a rate of 4.8 per cent., the sum of the net interest income and commission income and expenses derived from the activity carried out in Spain. Amounts payable for the proposed levy will not be tax deductible in the taxable base for the purposes of the Corporate Income Tax (*Impuesto sobre Sociedades*). Moreover, the law expressly prohibits the direct or indirect pass-through of payments of the levy and failure to comply with this obligation would result in sanctions to the corresponding credit institution in the amount of 150 per cent. of the amount passed through.

### ***New accounting framework***

The Bank of Spain Circular 4/2017, of 27 November 2017, to credit institutions, on public and confidential financial reporting rules and standard financial statements (“**Circular 4/2017**”), which repealed the former Bank of Spain Circular 4/2004 of 22 December 2004, after successive amendments, adapts the accounting system of Spanish credit institutions to the changes resulting from the adoption of International Financial Reporting Standards (IFRS) - IFRS 9 and IFRS 15, applicable as from 1 January 2018, in relation to the accounting criteria applicable to financial instruments and ordinary revenue.

Annex IX of Circular 4/2017 (“**Annex IX**”) develops the general framework for credit risk management in accounting terms, essentially maintaining the amendments introduced by Circular 4/2016, of 27 April 2016 and mainly regulates the policies for the granting, modifying, evaluating, monitoring and controlling of transactions, which include their accounting and the estimation of credit risk loss hedging. In addition, a generally stricter regime is introduced for revaluation, mainly with respect to the general procedures of valuation and monitoring of real estate collateral and the valuation of properties used as collateral for mortgage loans (supplemented by the application of automatic methods to obtain Automated Valuation Model valuations and specific criteria applicable to valuations performed by valuation companies, with strict requirements).

Adaptation to the accounting criteria of IFRS 9 and IFRS 15 since 2018 has had a substantial influence on the accounting plans of credit institutions, mainly due to the effects of the impairment of financial assets, which are subject to new classification criteria and the move from the “incurred losses” model to the “expected credit losses” model, applicable to financial assets measured at amortised cost and to financial assets valued at fair value, with changes in other overall results. This has had a significant impact on credit institutions’ provisioning models, leading to accounting adjustments/reduced reserves, in addition to the major regulatory costs that credit institutions had to bear in 2018.

## *Data privacy and cybersecurity*

The Group receives, maintains, transmits, stores and otherwise processes proprietary, sensitive and confidential data, including public and non-public personal information of its customers, employees, counterparties and other third parties, including, but not limited to, personally identifiable information and personal financial information. The collection, sharing, use, retention, disclosure, protection, transfer and other processing of this information is governed by stringent federal, state, local and foreign laws, rules and regulations, and the regulatory framework for data privacy and cybersecurity is in considerable flux and evolving rapidly. As data privacy and cybersecurity risks for banking organisations and the broader financial system have significantly increased in recent years, data privacy and cybersecurity issues have become the subject of increasing legislative and regulatory focus.

Internationally, virtually every jurisdiction in which the Group operates has established its own data privacy and cybersecurity legal framework with which the Group must comply. For example, on 25 May 2018, the Regulation (EU) 2016/279 of the European Parliament and of the Council of 27 April 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the “**General Data Protection Regulation**” or “**GDPR**”) became directly applicable in all Member States of the EU. To align the Spanish legal regime with the GDPR, Spain has enacted the Organic Law 3/2018, of 5 December, on Data Protection and the safeguarding of digital rights which has repealed the Spanish Organic Law 15/1999, of 13 December, on data protection. Additionally, following the UK’s withdrawal from the EU, the Group is also subject to the UK General Data Protection Regulation (“**UK GDPR**”).

Although a number of basic existing principles have remained the same, the GDPR and the UK GDPR introduced extensive new obligations on both data controllers and processors, as well as rights for data subjects.

The GDPR and UK GDPR, together with national legislation, regulations and guidelines of the EU Member States governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, use, retain, protect, disclose, transfer and otherwise process personal data. In particular, the GDPR and UK GDPR include obligations and restrictions concerning the consent and rights of individuals to whom the personal data relates, the transfer of personal data out of the European Economic Area (“**EEA**”), security breach notifications and the security and confidentiality of personal data. The GDPR and UK GDPR also impose significant fines and penalties for non-compliance of up to the higher of 4 per cent. of annual worldwide turnover or €20 million (or £17.5 million under the UK GDPR), whichever is greater. While the UK GDPR currently imposes substantially the same obligations as the GDPR, the UK GDPR will not automatically incorporate changes to the GDPR going forward (which would need to be specifically incorporated by the UK government). Moreover, the UK government has publicly announced plans to reform the UK GDPR in ways that, if formalised, are likely to deviate from the GDPR, all of which creates a risk of divergent parallel regimes and related uncertainty, along with the potential for increased compliance costs and risks for affected businesses.

The implementation of the GDPR, UK GDPR and other data protection regimes has required substantial amendments to the procedures and policies of the Group. The changes have impacted, and could further adversely impact, its business by increasing its operational and compliance costs. The Group expects the number of jurisdictions adopting their own data privacy and cybersecurity laws to increase, which will likely require the Group to devote additional significant operational resources for its compliance efforts and incur additional significant expenses. It is also likely to increase its exposure to risk of claims that the Group has not complied with all applicable data privacy and cybersecurity laws, rules and regulations.

Recent legal developments in the EEA, including recent rulings from the CJEU and from various EU Member State data protection authorities, have created complexity and uncertainty regarding transfers of personal data from the EEA to the United States and other so-called third countries outside the EEA. While the European Commission announced in March 2022 that an agreement in principle had been reached between EU and US authorities regarding a new transatlantic data privacy framework, no formal agreement has been finalised, and any such agreement, if formalised, is likely to face challenge at the CJEU. Similar complexities and uncertainties also apply to transfers from the UK to third countries. While the Group has taken steps to mitigate the impact of such complexities and uncertainties, such as implementing the supplementary measures applicable in accordance with the regulatory risk of the country of destination of the personal data, the efficacy and longevity of these mechanisms remains uncertain.

Data privacy and cybersecurity laws, rules and regulations continue to evolve and may result in ever-increasing public scrutiny and escalating levels of enforcement and sanctions. The Group may become subject to new

legislation or regulations concerning data privacy or cybersecurity, which could require to incur significant additional costs and expenses in an effort to comply. The Group could also be adversely affected if new legislation or regulations are adopted or if existing legislation or regulations are modified or interpreted such that the Group is required to alter its systems or require changes to its business practices, processes or privacy policies. If cybersecurity, data privacy, data protection, data transfer or data retention laws, rules or regulations are implemented, interpreted or applied in a manner inconsistent with the Group's current practices or policies, or if it fails to comply (or is perceived to have failed to comply) with applicable laws, rules and regulations relating to data privacy and cybersecurity, the Group may be subject to substantial fines, civil or criminal penalties, costly litigation (including class actions), claims, proceedings, judgments, awards, penalties, sanctions, regulatory enforcement actions, government investigations or inquiries, or other adverse impacts, or be ordered to change its business practices, policies or systems in a manner that adversely impacts the Group's operating results, any of which could have a material adverse effect on its business.

## TAXATION

*The following is a general description of certain tax considerations relating to the Instruments. It does not purport to be a complete analysis of all tax considerations relating to the Instruments. Prospective purchasers of Instruments should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of Instruments and receiving any payments under the Instruments. Prospective purchasers should be aware that the tax legislation of any jurisdiction where they are resident or otherwise subject to taxation (as well as the jurisdictions discussed below) may have an impact on the tax consequences of an investment in the Instruments including in respect of any income received from the Instruments. The Issuers makes no representations as to the completeness of the information nor undertake any liability of whatsoever nature for the tax implications for investors. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.*

### ***The proposed European Financial Transactions Tax***

On 14 February 2013, the European Commission published the Commission's proposal for a Directive for a Financial Transactions Tax in the Participating Member States. However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced in its current form, impose a tax at generally not less than 0.1 per cent., generally determined by reference to the amount of consideration paid, on certain dealings in instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of Instruments should, however, be exempt. The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the Instruments would be subject to higher costs, and the liquidity of the market for the Instruments may be diminished.

Under the Commission's proposal, the Financial Transactions Tax could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in instruments where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

In the ECOFIN meeting of 17 June 2016, the EU FTT was discussed between the EU Member States. It was reiterated in this meeting that participating Member States envisage introducing an FTT by the so-called enhanced cooperation process.

The proposed Directive defines how the EU FTT would be implemented in participating Member States. It involves a minimum 0.1 per cent. tax rate for transactions in all types of financial instruments, except for derivatives that would be subject to a minimum 0.01 per cent. tax rate.

On 3 December 2018, the finance ministers of France and Germany outlined a joint proposal for a limited FTT based on a system already in place in France. Under the new proposal, the tax obligation would apply only to transactions involving shares issued by domestic companies with a market capitalisation of over €1 billion.

The Commission's proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the Participating Member States may decide to withdraw. Prospective Holders are advised to seek their own professional advice in relation to the consequences of the Financial Transactions Tax associated with subscribing for, purchasing, holding and disposing of the Instruments.

Prospective holders of the Instruments are advised to seek their own professional advice in relation to the EU FTT.

## **Taxation in Spain**

*The following is a general description of certain Spanish tax considerations relating to the Instruments. It does not purport to be a complete analysis of all tax considerations relating to the Instruments. Prospective purchasers of Instruments should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of Instruments and receiving any payments under the Instruments. The information contained within this section is based upon the law as in effect on the date of this document and is subject to any change in law that may take effect after such date.*

*In the event of an issue of unlisted Instruments, the applicable tax regime will be set out in the relevant Final Terms.*

### **Introduction**

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this document:

- (a) of general application, First Additional Provision of Law 10/2014 and Royal Decree 1065/2007;
- (b) for individuals resident for tax purposes in Spain which are subject to the Individual Income Tax (“**IIT**”), Law 35/2006 of 28 November, on the IIT and on the Partial Amendment of the Corporate Income Tax Law, the Non-Residents Income Tax Law and the Net Wealth Tax Law, as amended, and Royal Decree 439/2007, of 30 March, promulgating the IIT Regulations, along with Law 19/1991, of 6 June, on Net Wealth Tax, as amended, Law 29/1987, of 18 December on the Inheritance and Gift Tax, and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes;
- (c) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax (“**CIT**”), Law 27/2014, of 27 November, on CIT and Royal Decree 634/2015, of 10 July, promulgating the CIT Regulations; and
- (d) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax (“**NRIT**”), Royal Legislative Decree 5/2004, of 5 March, promulgating the Consolidated Text of the NRIT Law, as amended, and Royal Decree 1776/2004 of 30 July promulgating the NRIT Regulations, along with Law 19/1991, of 6 June, on Net Wealth Tax as amended, Law 29/1987, of 18 December, on the Inheritance and Gift Tax, and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortune.

Whatever the nature and residence of the beneficial owner, the acquisition and transfer of Instruments will be exempt from indirect taxes in Spain, i.e., exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December regulating such tax.

### **Individuals with Tax Residency in Spain**

#### ***Individual Income Tax (Impuesto sobre la Renta de las Personas Físicas)***

Personal Income Tax is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever its source and wherever the relevant payer is established. Accordingly, income obtained from the Instruments will be taxed in Spain when obtained by individuals that are considered resident in Spain for tax purposes. The fact that a Spanish company pays interest under an Instrument will not lead an individual being considered tax-resident in Spain.

Both interest payments periodically received and income derived from the transfer, redemption or repayments of the Instruments obtained by individuals who are resident in Spain constitute a return on investment obtained from the transfer of a person’s own capital to third parties in accordance with the provisions of Section 25 of the IIT Law, and therefore must be included in the investor’s IIT savings taxable base pursuant to the provisions of the aforementioned law and generally taxed at a flat rate of (i) 19 per cent. on the first €6,000; (ii) 21 per cent. from €6,001 up to €50,000; (iii) 23 per cent. from €50,000.01 up to €200,000; and (iv) 26 per cent. for



any amount in excess of €200,000; (iv) 27 per cent. from €200,000.01 up to €300,000; and (v) 28 per cent. for any amount in excess of €300,000.

According to Section 44.5 of Royal Decree 1065/2007, and in the opinion of the Issuer, the Issuer will pay interest without withholding to individual Holders who are resident for tax purposes in Spain provided that the information about the Instruments required by Exhibit I is submitted, notwithstanding the information obligations of the Issuer under general provisions of Spanish tax legislation. In addition, income obtained upon transfer, redemption or exchange of the Instruments may also be paid without withholding.

Notwithstanding the above withholding tax at the applicable tax rate of 19 per cent. may have to be deducted by other entities (such as depositaries, custodians or financial entities) provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spain.

Amounts withheld may be credited against the final IIT liability.

### ***Reporting Obligations***

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to Holders of the Instruments who are individuals resident in Spain for tax purposes.

### ***Net Wealth Tax (Impuesto sobre el Patrimonio)***

Individuals with tax residency in Spain are subject to Net Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (Comunidad Autónoma). Therefore, they should take into account the value of the Instruments which they hold as of 31 December in each year, the applicable rates ranging between 0.2 per cent. and 3.5 per cent. although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

Notwithstanding the above, the so-called “solidarity tax” was approved in December 2022, which is a two-year direct wealth tax that, in general terms, applies, under certain conditions, to those residents in an autonomous region where the Net Wealth Tax is partial or fully exempt (as Madrid and Andalusia). As regards the Basque Country and Navarra, its application is excluded, although it is foreseen that its application will be agreed in the Mixed Commission of the Economic Agreement with the Basque Country and the Commission of the Economic Agreement with Navarra.

The rates of the “solidarity tax” are (i) 1.7 per cent. on a net worth between €3 million and €5 million, (ii) 2.1 per cent. on a net worth between €5 million and €10 million and (iii) 3.5 per cent. on a net worth of more than €10 million. Note that the regulation lays down a minimum exempt amount of €700,000.00 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, are greater than €3.7 million. Prospective investors are advised to seek their own professional advice in this regard.

### ***Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any Instruments by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The effective tax rates currently may range between 0 per cent. (full exemption) and 81.6 per cent. depending on relevant factors (such as previous net wealth or family relationship between the transferor and transferee), and depending on any applicable regional tax laws.

## **Legal Entities with Tax Residency in Spain**

### ***Corporate Income Tax (Impuesto sobre Sociedades)***

Legal entities with tax residency in Spain are subject to Corporate Income Tax on a worldwide basis.

Both interest received periodically and income derived from the transfer, redemption or repayment of the Instruments are subject to CIT at the current general tax rate of 25 per cent. in accordance with the rules for this tax. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

In accordance with Section 44.5 of Royal Decree 1065/2007, and in the opinion of the Issuer, there is no obligation to withhold on income payable to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds). Consequently, the Issuer will not withhold tax on income payments to Spanish CIT taxpayers provided that the information about the

Instruments required by Exhibit I is submitted, notwithstanding the information obligations of the Issuer under general provisions of Spanish tax legislation.

However, in the case of Instruments held by a Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Instruments or income obtained upon the transfer, redemption or repayment of the Instruments, may be subject to withholding tax at the generally applicable rate of 19 per cent., if the Instruments do not comply with exemption requirements specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 in which case the required withholding will be made by the depositary or custodian.

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final CIT liability.

### ***Reporting Obligations***

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to Holders who are legal persons or entities resident in Spain for tax purposes.

### ***Net Wealth Tax (Impuesto sobre el Patrimonio)***

Legal entities resident in Spain for tax purposes are not subject to Net Wealth Tax.

### ***Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Instruments by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the Instruments in their taxable income for Spanish CIT purposes.

## **Individuals and Legal Entities with no tax residency in Spain**

### ***Non-resident Income Tax (Impuesto sobre la renta de No Residentes)***

#### **(a) *With permanent establishment in Spain***

If the Instruments form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Instruments are, generally, the same as those previously set out for Spanish CIT taxpayers. See “*Taxation in Spain—Legal Entities with Tax Residency in Spain—Corporate Income Tax (Impuesto sobre Sociedades)*”. Ownership of the Instruments by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

#### **(b) *With no permanent establishment in Spain***

Both interest payments received periodically and income derived from the transfer, redemption or repayment of the Instruments, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Instruments, through a permanent establishment in Spain, are exempt from NRIT.

In order for the exemption to apply, it is necessary to comply with certain information obligations relating to the Instruments, in the manner detailed under “*Information about the Instruments in Connection with Payments*” as laid down in section 44 of Royal Decree 1065/2007. If these information obligations are not complied within the manner indicated, the Issuer will withhold at the general rate of 19 per cent. and the Issuer will not pay additional amounts.

Holders not resident in Spain for tax purposes and entitled to exemption from NRIT but where the Issuer does not timely receive the information about the Instruments in accordance with the procedure described in detail as set forth in Exhibit I hereto would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish NRIT Law.

### ***Reporting Obligations***

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to Holders who are individuals or legal entities not resident in Spain for tax purposes who act with respect to the Instruments through a permanent establishment in Spain.

### ***Net Wealth Tax (Impuesto sobre el Patrimonio)***

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Net Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject to Net Wealth Tax, the applicable rates ranging between 0.2 per cent. and 3.5 per cent.

However, non-Spanish resident individuals will be exempt from Net Wealth Tax in respect of the Instruments which income is exempt from NRIT as described above.

Notwithstanding the above, the so-called “solidarity tax” was approved in December 2022, which is a two-year direct wealth tax that applies, in general terms and under certain conditions, to those Non-Spanish tax resident individuals whose properties and rights are located in Spain, or that can be exercised within the Spanish territory when the highest value of their assets and rights are located, can be exercised or must be fulfilled on an autonomous region where the Net Wealth Tax is partial or fully exempt (as Madrid and Andalusia).

The rates of the “solidarity tax” are (i) 1.7 per cent. on a net worth between €3 million and €5 million, (ii) 2.1 per cent. on a net worth between €5 million and €10 million and (iii) 3.5 per cent. on a net worth of more than €10 million. Prospective investors are advised to seek their own professional advice in this regard.

Non-Spanish resident legal entities are not subject to Net Wealth Tax.

### ***Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over Instruments by inheritance, gift or legacy, will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and state rules, unless they reside in a country for tax purposes with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax. In such case, the provisions of the relevant double tax treaty will apply.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to inheritance and gift tax in accordance with Spanish legislation. The applicable Spanish Inheritance and Gift Tax rate would range between 0 per cent. (full exemption) and 81.6 per cent., depending on relevant factors.

However, if the deceased, heir or the donee do not have tax residency in Spain, depending on the specific situation, the applicable rules will be those corresponding to the relevant autonomous regions according to the law.

Non-Spanish resident legal entities which acquire ownership or other rights over the Instruments by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Such acquisitions will be subject to NRIT (as described above), except as provided in any applicable double tax treaty entered into by Spain. In general, double tax treaties provide for the taxation of this type of income in the country of tax residence of the Holder.

## **Spanish FTT**

The Spanish law which implements the Spanish FTT was approved on 7 October 2020 (the “**FTT Law**”) and the FTT Law was published in the Spanish Official Gazette (*Boletín Oficial del Estado*) on 16 October 2020. The Spanish FTT came into force three months after the publication of the FTT Law in the Spanish Official Gazette (that is, on 16 January 2021).

Spanish FTT will charge a 0.2 per cent. rate on specific acquisitions of listed shares issued by Spanish companies whose market capitalisation exceeds €1 billion, regardless of the jurisdiction of residence of the parties involved in the transaction but it does not affect transactions involving bonds or debt or similar instruments, such as preferred securities or derivatives.

The list of the Spanish companies with a market capitalisation exceeding €1 billion at 1 December of each year will be published on the Spanish tax authorities’ website before 31 December each year. For the purposes of transactions closed during 2023, the Spanish tax authorities issued a list of entities whose market capitalisation exceeded €1 billion as of 1 December 2022, that will fall within the scope of the Spanish FTT and the Bank was included in such list.

This being said, the Spanish FTT would not apply in relation to the Instruments since the Spanish FTT only applies on the acquisition of shares of certain Spanish companies, so while transactions involving bonds or debt or similar instruments, such as preferred securities or derivatives, are not affected by such tax.

## **Tax Rules for Instruments not listed on a Multilateral Trading Facility, Regulated Market or any Organised Market in an OECD Country**

### ***Withholding on Account of IIT, CIT and NRIT***

If the Instruments are not listed on a multilateral trading facility, regulated market or any other organised market in an OECD country on any Payment Date, interest or income from redemption or repayment obtained by Holders in respect of the Instruments will be subject to withholding tax at the general rate of 19 per cent., except in the case of Holders which are: (a) resident in a Member State of the EU (other than Spain) or in a member state of the European Economic Area (other than Spain) which has entered into an effective exchange of tax information agreement with Spain, and obtain the interest income either directly or through a permanent establishment located in another Member State of the EU (other than Spain) or in a member state of the European Economic Area (other than Spain) which has entered into an effective exchange of tax information agreement with Spain, provided that such Holders (i) do not obtain the interest income on the Instruments through a permanent establishment in Spain and (ii) are not resident of, or are not located in, nor obtain income through, a tax haven (as defined by Royal Decree 1080/1991, of 5 July, as amended) or a non-cooperative jurisdiction (*jurisdicción no cooperativa*) (as set out in the First Additional Provision of Spanish Act 36/2006, of 29 November, as amended); or (b) Spanish financial entities which comply with the requirements established in Article 61.c) or Spanish securitisation funds which comply with the requirements established in Article 61.k) of Royal Decree 634/2015, of 10 July 2015 or non-Spanish financial entities acting through a Spanish branch as referred to in the second paragraph of Article 8.1 of the Non-Resident Income Tax Regulations approved by Royal Decree 1776/2004, of 30 July 2004; or (c) resident for tax purposes of a country which has entered into a convention for the avoidance of double taxation with Spain which provides for an exemption from Spanish tax or a reduced withholding tax rate with respect to interest payable to any Holder, provided that each Holder delivers to the Issuer, as soon as reasonably practicable but before any payment of interest is due or made, whichever comes first, a valid certificate of tax residence (or the specific form required under the relevant convention for the avoidance of double taxation) duly issued by the competent tax authorities of its country of tax residence evidencing such Holder as resident for tax purposes in that country and, if the Holder is resident of a country which has entered into a convention for the avoidance of double taxation with Spain, accrediting such Holder as tax resident in the relevant jurisdiction within the meaning of the relevant convention for the avoidance of double taxation, issued not more than 12 months prior to the date on which the relevant amount is due. For the avoidance of doubt, if the certificate of tax residence refers to a specific tax period it will only be deemed to be valid in relation with payments made during the referred tax period..

### ***Net Wealth Tax (Impuesto sobre el Patrimonio)***

See “Taxation in Spain Individuals with Tax Residency in Spain–Net Wealth Tax (Impuesto sobre el Patrimonio)” and “Taxation in Spain–Individuals and legal entities with no tax residency in Spain – Net Wealth Tax (Impuesto sobre el Patrimonio)”.

## **Information about the Instruments in Connection with Payments**

As described above, interest and other income paid with respect to the Instruments will not be subject to Spanish withholding tax unless the procedures for delivering to the Issuer the information described in Exhibit I of this Base Prospectus are not complied with.

The information obligations to be complied with in order to apply the exemption are those laid down in Section 44 of Royal Decree 1065/2007 (“**Section 44**”).

In accordance with Section 44, the following information with respect to the Instruments must be submitted to the Issuer before the close of business on the Business Day (as defined in the Terms and Conditions) immediately preceding the date on which any payment of interest, principal or of any amounts in respect of the early redemption of the Instruments (each, a “**Payment Date**”) is due.

Such information comprises:

- (a) the identification of the Instruments with respect to which the relevant payment is made;

- (b) the date on which the relevant payment is made;
- (c) the total amount of the relevant payment;
- (d) the amount of the relevant payment paid to each entity that manages a clearing and settlement system for securities situated outside of Spain.

In particular, the Issue and Paying Agent must certify the information above about the Instruments by means of a certificate in the Spanish language, an English language form of which is attached as Exhibit I of this Base Prospectus.

In light of the above, the Issuer and the Issue and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Instruments by the close of business on the Business Day immediately preceding each relevant Payment Date. If, despite these procedures, the relevant information is not received by the Issuer on each Payment Date, such Issuer will withhold tax at the then-applicable rate, generally 19 per cent. from any payment in respect of the relevant Instruments. The Issuer will not pay any additional amounts with respect to any such withholding.

If, before the tenth day of the month following the month in which interest is paid, the Issue and Paying Agent provides such information, the Issuer, will reimburse the amounts withheld.

**Prospective Holders of Instruments should note that neither the Issuer nor any of the Dealers accepts any responsibility relating to the procedures established for the collection of information concerning the Instruments. Accordingly, neither the Issuer nor any of the Dealers will be liable for any damage or loss suffered by any Holder who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because these procedures prove ineffective. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding. See “Risk Factors - Risks in relation to the Instruments - Taxation”.**

*Set out below is Exhibit I. The information set out in Exhibit I has been translated from the original Spanish and has been presented in this document in English only as the language of this Base Prospectus is English. However, only the Spanish language text of Exhibit I is recognised under Spanish law. In the event of any discrepancy between the English language translation of the information in Exhibit I appearing herein, and the Spanish language information appearing in the corresponding certificate provided by the Issue and Paying Agent to the Issuer, the Spanish language information shall prevail.*

## EXHIBIT I

**Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007**

**Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos**

**Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes**

**Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes**

**Don (nombre), con número de identificación fiscal (....)<sup>1</sup>, en nombre y representación de (entidad declarante), con número de identificación fiscal (....)<sup>1</sup> y domicilio en (....)<sup>1</sup> en calidad de (marcar la letra que proceda):**

Mr. (*name*), with tax identification number (....)<sup>1</sup>, in the name and on behalf of (*entity*), with tax identification number (....)<sup>1</sup> and address in (...) as (*function - mark as applicable*):

- (a) **Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**
- (a) Management Entity of the Public Debt Market in book entry form.
- (b) **Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**
- (b) Entity that manages the clearing and settlement system of securities resident in a foreign country.
- (c) **Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**
- (c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.
- (d) **Agente de pagos designado por el emisor.**
- (d) Paying Agent appointed by the issuer.

**Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:**

Makes the following statement, according to its own records:

**1 En relación con los apartados 3 y 4 del artículo 44:**

**1** In relation to paragraphs 3 and 4 of Article 44:

**1.1 Identificación de los valores.....**

1.1 Identification of the securities.....

**1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**

1.2 Income payment date (or refund if the securities are issued at discount or are segregated)

**1.3 Importe total de los rendimientos (o total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados)**

1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)

**1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora**

1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved.....

**1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados)**

1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).

**2 En relación con el apartado 5 del artículo 44**

2 In relation to paragraph 5 of Article 44.

**2.1 Identificación de los valores**

2.1 Identification of the securities.....

**2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**

2.2 Income payment date (or refund if the securities are issued at discount or are segregated) .....

**2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados)**

2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)

**2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A**

2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.

**2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B**

2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.

**2.6 Importe correspondiente a la entidad que el sistema de compensación y liquidación de valores con sede en el extranjero C**

2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

**Lo que declare en ..... a ... de ..... de .....**

I declare the above in ..... on the... of ..... of ....

(1) **En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia.**

(1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

## **Irish Taxation**

*The following is a summary of the Irish withholding tax treatment of the Instruments. It is based on the laws and practice of the Revenue Commissioners currently in force in Ireland as at the date of this Base Prospectus and may be subject to change. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant to a decision to purchase, own or dispose of the Instruments. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular Holder of Instruments. Prospective investors in the Instruments should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Instruments and the receipt of payments thereon under any laws applicable to them.*

### ***Withholding Tax***

Irish withholding tax applies to certain payments including payments of:

- Irish source yearly interest (yearly interest is interest that is capable of arising for a period in excess of one year);
- Irish source annual payments (annual payments are payments that are capable of being made for a period in excess of one year and are pure income-profit in the hands of the recipient); and
- Distributions (including interest that is treated as a distribution under Irish law) made by companies that are resident in Ireland for the purposes of Irish tax;

at the standard rate of income tax (currently 20 per cent.).

On the basis that the Issuer is not resident in Ireland for the purposes of Irish tax, nor does the Issuer operate in Ireland through a branch or agency with which the issue of the Instruments is connected, nor are the Instruments held in Ireland through a depository or otherwise located in Ireland, then to the extent that payments of interest or annual payments arise on the Instruments, such payments should not be regarded as payments having an Irish source for the purposes of Irish taxation. In addition, the mere offering of Instruments to Irish investors will not cause any payments to have an Irish source.

Accordingly, the Issuer or any paying agent acting on behalf of the Issuer should not be obliged to deduct any amount on account of these Irish withholding taxes from payments made in connection with the Instruments.

Separately, for as long as the Instruments are quoted on a stock exchange, a purchaser of the Instruments should not be obliged to deduct any amount on account of Irish tax from a payment made by it in connection with the purchase of the Instruments.

### ***Encashment Tax***

Payments on any Instruments paid by a paying agent in Ireland or collected or realised by an agent in Ireland acting on behalf of the beneficial owner of Instruments will be subject to Irish encashment tax at the standard rate of Irish tax (currently 20 per cent.), unless it is proved, on a claim made in the required manner to the Revenue Commissioners of Ireland, that the beneficial owner of the Instruments entitled to the interest or distribution is not resident in Ireland for the purposes of Irish tax and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be income of another person that is resident in Ireland.



## **German Taxation**

*The following general overview does not consider all aspects of income taxation in the Federal Republic of Germany (“Germany”) that may be relevant to a prospective investor in the Instruments in the light of the investor’s particular circumstances and income tax situation. This general overview is based on German tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retrospective effect.*

### **German tax resident investors holding the Instruments as private assets**

#### ***Taxation of income from the Instruments***

If the Instruments are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Instruments are generally taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and, if applicable to the individual investor, church tax (*Kirchensteuer*)).

The same applies to capital gains from the sale or redemption of the Instruments. The capital gain is generally determined as the difference between the proceeds from the sale or redemption of the Instruments and the acquisition costs. Expenses directly and factually related (*unmittelbarer sachlicher Zusammenhang*) to the sale or redemption of the Instruments are taken into account in computing the taxable capital gain. Otherwise, the deduction of related expenses for tax purposes is not permitted. Where the Instruments are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted in Euro at the time of sale, and only the difference will then be computed in Euro.

The flat tax is generally collected by way of withholding (see subsequent paragraph – Withholding tax) and the tax withheld shall generally satisfy the individual investor’s tax liability with respect to the Instruments. If, however, no or not sufficient tax was withheld other than by virtue of a withholding tax exemption request (*Freistellungsauftrag*) (e.g., in case there is no Domestic Paying Agent, as defined in the subsequent paragraph – Withholding tax) the investor will have to include the income received with respect to the Instruments in its annual income tax return. The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor’s aggregated flat tax liability on investment income (e.g., because of available losses carried forward or foreign tax credits). If the investor’s individual income tax rate which is applicable on all taxable income including the investment income is lower than 25 per cent., the investor may opt to be taxed at its individual progressive tax rate with respect to its investment income.

Capital losses from the sale or redemption of Instruments held as private assets are generally tax-recognised irrespective of the holding period of the Instruments. The offsetting of losses incurred by an individual investor, if the Instruments are held as private assets, is however subject to several restrictions. Losses incurred with respect to the Instruments can generally only be offset against investment income realised in the same or the following years. Capital losses of individual investors resulting from a bad debt loss (*Forderungsausfall*), a waiver of a receivable (*Forderungsverzicht*), if the Instruments expire worthless or from a transfer of worthless Instruments can only be set-off against investment income up to an amount of €20,000 per annum. Losses exceeding that threshold can be carried forward and set-off against investment income up to an amount of €20,000 per annum in subsequent years, subject to certain requirements. Based on recent guidance provided by the German tax authorities, losses within the scope of the afore-mentioned loss offset limitation will in principle not be recognised for withholding tax purposes but need to be claimed by way of tax assessment (see below).

Any tax-recognised capital losses may not be used to offset other income like employment or business income but may only be offset against other investment income within the limitations described above.

Individual investors are annually entitled to a saver’s lump sum tax allowance (*Sparer-Pauschbetrag*) for investment income of €1,000 per year (€2,000 for jointly assessed taxpayers such as married couples and registered partners). The saver’s lump sum tax allowance is also taken into account for purposes of withholding tax (see subsequent paragraph – Withholding tax) if the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent (as defined below). The deduction of related expenses for tax purposes is not permitted.

According to the act on the reduction of the solidarity surcharge (*Gesetz zur Rückführung des Solidaritätszuschlags*), solidarity surcharge shall only be levied for wage tax and income tax purposes from the assessment period 2021 onwards if the individual income tax of the investor exceeds the threshold of €16,956 (€33,912 for married couples and registered partners assessed jointly). For the assessment period 2023 this threshold increased to €17,543 (€35,086 for married couples and registered partners assessed jointly) and in the assessment period 2024 the threshold shall increase to €18,130 (€36,260 for married couples and registered partners assessed jointly). The solidarity surcharge shall however continue to be applicable for withholding tax, i.e. the flat tax regime. If the income tax burden for an individual investor is lower than the flat tax of 25 per cent. and the holder applies for his/her capital investment income being assessed at its individual progressive tax rate (see above) the solidarity surcharge would be refunded.

### ***Withholding tax***

If the Instruments are kept or administered from the time of their acquisition in a domestic securities depository account with a German credit institution (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*) (or with a German branch of a foreign credit or financial services institution), or with a German securities institution (*Wertpapierinstitut*) (each a “**Domestic Paying Agent**”) which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent., is levied on the capital gains. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the holder of the Instruments has filed a blocking notice (*Sperrvermerk*) with the German Federal Tax Office (*Bundeszentralamt für Steuern*).

Capital gains from the sale (including the redemption) of the Instruments are also subject to the 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, if the Instruments are kept or administered by a Domestic Paying Agent effecting the sale or redemption from the time of their acquisition. If the Instruments were sold or redeemed after being transferred to a securities depository account with a Domestic Paying Agent, 25 per cent. withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent. of the proceeds from the sale or the redemption, unless the investor or the previous depository bank was able and allowed to prove evidence for the investor’s actual acquisition costs. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the holder has filed a blocking notice with the German Federal Tax Office.

## **German resident investors holding the Instruments as business assets**

### ***Taxation of income from the Instruments***

If the Instruments are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), capital gains from the Instruments are subject to personal income tax at individual progressive rates up to 45 per cent. or corporate income tax at a rate of 15 per cent. (plus a 5.5 per cent. solidarity surcharge thereon and church tax, if applicable to the individual investor) and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor (*Gewerbesteuer-Hebesatz*) of the relevant municipality where the business is located. In case of individual investors, the trade tax may, however, be partially or fully creditable against the investor’s personal income tax liability depending on the applicable trade tax factor and the investor’s particular circumstances.

Capital losses from the sale or redemption of the Instruments should generally be tax-recognised and may generally be offset against other income subject to certain limitations.

### ***Withholding tax***

If the Instruments are kept or administered by a Domestic Paying Agent which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent., is generally levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the holder has filed a blocking notice with the German Federal Tax Office.

No withholding is generally required on capital gains from the disposal or redemption of the Instruments which is derived by German resident corporate investors and, upon application, by individual investors holding the Instruments as assets of a German business, subject to certain requirements.

Any capital losses incurred from the disposal or redemption of the Instruments will not be taken into account for withholding tax purposes. The withholding tax does not satisfy the investor's personal or corporate income tax liability with respect to the Instruments. The income from the Instruments will have to be included in the investor's personal or corporate income tax return. Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

#### ***Non-German tax resident investors***

Income derived from the Instruments by investors who are not tax resident in Germany is in general not subject to German income taxation, and no withholding tax shall be withheld, unless (i) the Instruments are held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor or (ii) the income derived from the Instruments does otherwise constitute German source income.

If the income derived from the Instruments is subject to German taxation according to (i) to (ii) above, the income is subject to German income taxation and withholding tax similar to that described above for German tax residents. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

#### **Substitution of the Issuer**

If the Issuer exercises the right to substitute the Instruments, the substitution might, for German tax purposes, be treated as a redemption of the Instruments in exchange for new Instruments. In particular, such a substitution could result in the recognition of a taxable gain or loss for any investor of the Instruments.

#### **Inheritance tax and gift tax**

The transfer of the Instruments to another person by way of gift or inheritance may be subject to German gift or inheritance tax, respectively, if *inter alia*

- i. the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association (*Personenvereinigung*) or estate (*Vermögensmasse*), has its seat or place of management in Germany at the time of the transfer,
- ii. except as provided under (i), the testator's or donor's Instruments belong to business assets attributable to a permanent establishment or a permanent representative in Germany.

Special regulations may apply to certain German expatriates.

Prospective holders are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

#### **Other taxes**

The purchase, sale or other disposal of the Instruments does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sale of Instruments to other entrepreneurs which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

## Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Instruments, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Instruments, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Instruments, such withholding would not apply to foreign passthru payments prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Instruments that have a fixed term and are not treated as equity for U.S. federal income tax purposes, issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding on foreign passthru payments unless materially modified after such date. However, if additional instruments (as described under “*Terms and Conditions—Further Issues*”) that are not distinguishable from previously issued Instruments are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Instruments, including the Instruments offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Instruments, no person will be required to pay additional amounts as a result of the withholding. Prospective purchasers should consult their own tax advisors regarding how these rules may apply to their investment in the Instruments.

## SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealership agreement dated 13 March 2023 (the “**Dealership Agreement**”) between the Issuer, the Dealers (the “**Permanent Dealers**”) and the Arrangers, the Instruments will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Instruments directly on its own behalf to Dealers that are not Permanent Dealers but are appointed under the Dealership Agreement. The Instruments may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Instruments may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealership Agreement also provides for Instruments to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Instruments subscribed by it. The Issuer has agreed to reimburse the Arrangers for their expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Instruments. The Dealership Agreement entitles the Dealers to terminate any agreement that they make to subscribe Instruments in certain circumstances prior to payment for such Instruments being made to the Issuer.

### **Selling Restrictions**

#### ***Prohibition of sales to EEA Retail Investors***

Unless the relevant Final Terms in respect of any Instruments specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation.
- (b) The expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

If the relevant Final Terms in respect of any Instruments specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable” in relation to each Relevant Member State, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms in relation thereto to the public in that Relevant Member State, except that it may make an offer of such Instruments to the public in that Relevant Member State:

- (a) if the relevant Final Terms in relation to any Instruments specify that an offer of those Instruments may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant Member State (a “**Non-Exempt Public Offer**”), following the date of publication of a prospectus in relation to such Instruments which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Regulation or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such

prospectus has subsequently been completed by the relevant Final Terms contemplating such Non-Exempt Public Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or such Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-Exempt Public Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Instruments referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Instruments to the public” in relation to any Instruments in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

### ***United States of America***

#### ***Regulation S Category 2; TEFRA.***

The Instruments have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Instruments are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and U.S. Treasury regulations promulgated thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealership Agreement, it will not offer, sell or (in the case of Bearer Instruments) deliver the Instruments of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of such Tranche, within the United States or to or for the account or benefit of U.S. persons, and only in accordance with Rule 903 of Regulation S (the “**distribution compliance period**”). Each Dealer has further agreed that it will have sent to each dealer to which it sells Instruments during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the distribution of any identifiable Tranche of Instruments, any offer or sale of Instruments within the United States by any dealer (whether or not participating in the offering of such Tranche) may violate the registration requirements of the Securities Act.

The Instruments are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Instruments outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Instruments, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

## **UK**

### *Prohibition of sales to UK Retail Investors*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

### *Other regulatory restrictions*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Instruments which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) It has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the UK.

## **Spain**

Neither the Instruments nor the Base Prospectus have been registered with the Spanish Securities Market Regulator (*Comisión Nacional del Mercado de Valores*, the “**CNMV**”). On such basis, the Instruments may not be offered, sold or distributed, nor may any subsequent resale of Instruments be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain in compliance with all legal and regulatory requirements under Spanish securities laws. No publicity or marketing of any kind shall be made in Spain in relation to the Instruments.

## **Japan**

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “**FIEA**”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Instruments, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means

any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws and regulations of Japan.

### ***Switzerland***

The offering of the Instruments in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act (“**FinSA**”). This Base Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Instruments.

### ***Belgium***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available, and will not sell, offer or otherwise make available, any Instruments to any consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended, in Belgium.

### ***Singapore***

This Base Prospectus has not been registered as a prospectus with the MAS, and the Instruments will be offered pursuant to exemptions under the SFA. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Instruments or caused the Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell any Instruments or cause the Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Instruments, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA pursuant to Section 275(1) of the SFA), or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Instruments are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Instruments pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

**Notification under Section 309B of the SFA** - Unless otherwise stated in the relevant Final Terms, all Instruments shall be prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Product and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).



### **Italy**

The offering of the Instruments has not been registered pursuant to Italian securities legislation and, accordingly, no Instruments may be offered, sold or delivered, nor may copies of this Base Prospectus (including, without limitation, any supplement to the Base Prospectus) or any other document relating to the Instruments be distributed in the Republic of Italy (“**Italy**”), except in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or delivered, and will not offer, sell or deliver any Instruments or distribute any copy of this Base Prospectus or any other document relating to the Instruments in Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the “**Prospectus Regulation**”) and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and/or Italian CONSOB regulations; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

In any event, any offer, sale or delivery of the Instruments or distribution of copies of the Base Prospectus (including, without limitation, any supplement to the Base Prospectus) or any other document relating to the Instruments in Italy under (a) or (b) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”); and
- (ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

### **Taiwan**

Unless the offer of the Instruments has been and will be registered with the Financial Supervisory Commission or other regulatory authorities or agencies of Taiwan, the Republic of China pursuant to relevant securities laws and regulations, the Instruments may not be sold, issued or offered within Taiwan, the Republic of China through a public offering or in a circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission or other regulatory authorities or agencies of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of any Instruments in Taiwan, the Republic of China.

### **France**

Each of the Dealers has represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, any Instruments in France to, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Instruments to qualified investors as defined in Article 2(e) of the Prospectus Regulation.

### **Hong Kong**

Each Dealer has represented, warranted and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Instruments other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Instruments, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Instruments which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

***SFC Code of Conduct – Important Notice to CMI (including private banks)***

This notice to CMI (including private banks) is a summary of certain obligations the SFC Code imposes on CMI, which require the attention and cooperation of other CMI (including private banks). Certain CMI may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMI should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Instruments. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMI are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Base Prospectus and/or the relevant Final Terms.

CMI should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMI). CMI should enquire with their investor clients regarding any orders which appear unusual or irregular. CMI should disclose the identities of all investors when submitting orders for the relevant Instruments (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMI should not place “X-orders” into the order book.

CMI should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMI (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMI (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Instruments. CMI are informed that a private bank rebate may be payable as stated above and in the relevant Final Terms, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMI.

When placing an order for the relevant Instruments, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Dealer (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMI (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor.
- A unique identification number for each investor.
- Whether an underlying investor has any “Associations” (as used in the SFC Code).
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code).
- Whether any underlying investor order is a duplicate order.
- Underlying investor information in relation to omnibus order should be sent to: the Managers named in the relevant Final Terms.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

### ***Canada***

Each Dealer has represented, warranted and agreed that the Instruments may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Instruments must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any supplement or amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

### ***General***

No action has been taken in any jurisdiction that would permit an offering of any of the Instruments or possession or distribution of the Base Prospectus or any other offering material or any Final Terms in any country or jurisdiction where action for that purpose is required.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, to the best of its knowledge and belief, it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Instruments or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) after the date

hereof in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph above.

*Issues of Instruments with a Specified Denomination of less than €100,000 (or its equivalent) to be admitted to trading on an EEA Regulated Market and/or offered in the EEA*

***Offers other than Non-Exempt Public Offers in certain EEA Jurisdictions***

Unless otherwise expressly indicated in the relevant Final Terms, and notwithstanding the “Prohibition of Sales to EEA Retail Investors” selling restriction set out above regarding the “Prohibition of Sales to EEA Retail Investors” applicable to the Instruments, in relation to Instruments with a Specified Denomination of less than €100,000 (or its equivalent in any other currency) to be admitted to trading on an EEA regulated market and/or offered in any EEA Member State on an exempt basis as contemplated under Article 1(4) of the Prospectus Regulation:

- (a) each Dealer has represented and agreed, and each further Dealer appointed under the Dealership Agreement will be required to represent and agree, that (i) neither it nor its affiliates have offered or sold, (ii) neither it nor its affiliates will offer or sell, and (iii) it will use reasonable efforts to ensure that no offer or sale is made whether through financial intermediaries or otherwise of, any such Instruments to the public in any EEA Member State by means of the Base Prospectus, the relevant Final Terms or any other document, other than to qualified investors (as defined in the Prospectus Regulation);
- (b) each Dealer has acknowledged, and each further Dealer appointed under the Dealership Agreement will be required to acknowledge, that no action has been taken by the Issuer or any other person that would, or is intended to permit an offer to the public of any such Instruments in any country or jurisdiction at any time where any such action for that purpose is required; and
- (c) each Dealer has undertaken, and each further Dealer appointed under the Dealership Agreement will be required to undertake, that (i) such Dealer and its affiliates will not, and (ii) such Dealer will, in the case of financial intermediaries, use reasonable efforts to ensure that any such financial intermediaries will not, offer or sell any such Instruments or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of any such Instruments by such Dealer or its affiliates or by such financial intermediaries will be made on these terms, and provided that no such offer or sale of Instruments by such Dealer or its affiliates or by any such financial intermediaries shall require the Issuer, such Dealer, any such affiliate or such financial intermediaries to publish a prospectus pursuant to Article 3 of the Prospectus Regulation (or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation) or to take any other action in any jurisdiction other than as described above (unless otherwise expressly agreed in writing with the Issuer).

***Non-Exempt Public Offers in certain EEA Jurisdictions***

Notwithstanding the “Prohibition of Sales to EEA Retail Investors” selling restriction set out above applicable to the Instruments, where the relevant Final Terms expressly indicate that a Non-Exempt Public Offer of Instruments in Non-Exempt Public Offer Jurisdictions is intended or permitted, the Issuer agrees that the Dealers identified as Managers in such Final Terms involved in the offer and such other persons and/or classes of persons as the Issuer may nominate and/or describe in the relevant Final Terms will, on the terms and conditions of the Non-Exempt Public Offer contained in such Final Terms, be able to use such Final Terms and the Base Prospectus for a Non-Exempt Public Offer of the Instruments only in such Non-Exempt Public Offer Jurisdictions during the Offer Period specified in such relevant Final Terms.

Upon the execution by the relevant Dealers so identified in the applicable Final Terms and by the Issuer of the agreement to issue and purchase or subscribe for the Instruments (the “**Agreement**”), each such Dealer is authorised to, and accordingly may, during the Offer Period specified in such Final Terms, make a Non-Exempt Public Offer using the Base Prospectus (as may be supplemented) and the relevant Final Terms only in any of the Non-Exempt Public Offer Jurisdictions and otherwise in accordance with the terms and conditions of the Agreement, the Base Prospectus (as so supplemented) and the relevant Final Terms.

Each Dealer has represented and agreed, and each further Dealer appointed under the Dealership Agreement will be required to represent and agree, that neither it nor its affiliates (a) has offered or sold and (b) will offer or sell in any EEA Member State, any Instruments other than by (i) a Non-Exempt Public Offer, provided that any such EEA Member State is a Non-Exempt Public Offer Jurisdiction during the Offer Period pursuant to, and in accordance

with, the Base Prospectus (as may be supplemented) and the relevant Final Terms (without modification or supplement); or (ii) an offer to qualified investors (as defined in the Prospectus Regulation) or otherwise in compliance with Article 1(4) of the Prospectus Regulation and that during the Offer Period, each such Dealer will use reasonable efforts to ensure that any Authorised Offerors (as defined in the relevant Final Terms) purchasing from such Dealer any of the Instruments is aware of the foregoing provisions of this section “Non-Exempt Public Offers in certain EEA Jurisdictions”.

Each Dealer has also represented and agreed, and each further Dealer appointed under the Dealership Agreement will be required to represent and agree, that the following provisions contained in the relevant Final Terms under the heading “Terms and Conditions of the Non-Exempt Public Offer” (including where repeated in the Summary of the Instruments annexed to the relevant Final Terms), in the second sentence of the section entitled “Offer Price”, in the second sentence of the section entitled “Conditions to which the offer is subject”, in the section entitled “Description of the application process”, in the section entitled “Details of the minimum and/or maximum amount of application (whether in number of Instruments or aggregate amount to invest)”, in the second sentence of the section entitled “Method and time limits for paying up the Instruments and for delivery of the Instruments” and in the section entitled “Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made” relating to it and its offer and sale process are true and accurate in all respects and that it has not made any Authorised Offerors as such known to the Issuer other than any Authorised Offerors who are identified as such in the relevant Final Terms.

Save as described above and in the relevant Final Terms, no action has been taken by the Issuer or any other person that would, or is intended to, permit a Non-Exempt Public Offer in the Non-Exempt Public Offer Jurisdictions at any time other than during the Offer Period pursuant to, and in accordance with, the Base Prospectus (as may be supplemented) and the relevant Final Terms or in any other country or jurisdiction at any time where any such action for that purpose is required.

Each Dealer has undertaken, and each further Dealer appointed under the Dealership Agreement will be required to undertake, that (a) such Dealer and its affiliates will not, and (b) such Dealer will, in the case of financial intermediaries, use reasonable efforts to ensure that any such financial intermediaries will not, offer or sell any such Instruments or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of any such Instruments by such Dealer or its affiliates or by such financial intermediaries will be made on these terms, and provided that no such offer or sale of Instruments by such Dealer or its affiliates or by any such financial intermediaries, shall require the Issuer, such Dealer, any such affiliate or such financial intermediaries to publish a prospectus pursuant to Article 3 of the Prospectus Regulation (or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation) or to take any other action in any jurisdiction other than as described above (unless otherwise expressly agreed in writing with the Issuer).

For the purposes of this section “Non-Exempt Public Offers in certain EEA Jurisdictions”, the expression a “**Non-Exempt Public Offer**” shall have the meaning given to this term in section “*Subscription and Sale – Selling Restrictions – Prohibition of sales to EEA Retail Investors*”.

## PRO FORMA FINAL TERMS 1

*Set out below is the form of Final Terms which will be completed for each Tranche of Instruments issued under the Programme which have a Specified Denomination of less than €100,000 (or its equivalent in any other currency).*

*Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU, as amended (“**MiFID II**”); and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. [*Consider any negative market*]. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**OR**

**[MiFID II product governance / retail investors, professional investors and ECPs target market**– Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU, as amended (“**MiFID II**”); **EITHER** [and (ii) all channels for distribution of the Instruments are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Instruments to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales][and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].]

**[EU PRIIPs Regulation / PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**EU PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]<sup>1</sup>

**[UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the

<sup>1</sup> Delete legend if the Instruments do not constitute “packaged” products, in which case, insert “Not Applicable” in paragraph [41] below. Include legend if the Instruments may constitute “packaged” products and the Issuer intends to prohibit the Instruments being offered, sold or otherwise made available to EEA retail investors. In this case insert “Applicable” in paragraph [41] below.

[European Union (Withdrawal) Act 2018][EUWA] (“**UK MiFIR**”); and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

**UK PRIIPs Regulation / PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 [“(EUWA)”]; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**[Notification under Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”) –** In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined the classification of the Instruments to be [capital markets products other than] prescribed capital markets products (as defined in the CMP Regulations 2018) and [Excluded]/ [Specified] Investment Products (as defined in the Monetary Authority of Singapore (the “**MAS**”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]<sup>2</sup>

[Amounts payable under the Instruments may be calculated by reference to [*specify benchmark (as this term is defined in the Benchmark Regulation)*] which is provided by [*legal name of the benchmark administrator*]. As at the date of this Final Terms, [*legal name of the benchmark administrator*] [appears / does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (“**EU BMR**”). [As far the Issuer is aware, the transitional provisions in Article 51 of the EU BMR apply, such that [*legal name of the benchmark administrator*] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence)]]

**Final Terms dated [ ]**

**Banco Santander, S.A.**

**Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Instruments*]  
under the €50,000,000,000 Programme for the Issuance of Debt Instruments**

[Any person making or intending to make an offer of the Instruments may only do so (i) in those Non-Exempt Public Offer Jurisdictions mentioned in paragraph [43] below, provided such person is an Authorised Offeror in that paragraph and that such offer is made during the Offer Period specified for such purpose therein and that any conditions relevant to the use of the Base Prospectus are complied with; or (ii) otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the

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<sup>2</sup> Legend to be included on front of the Final Terms if the Instruments do not constitute prescribed capital markets products as defined under the CMP Regulations 2018.

Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Instruments in any other circumstances.

The expression “**Prospectus Regulation**” means Regulation (EU) No. 2017/1129, as amended.]

## PART A — CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Terms and Conditions**”) set forth in the Base Prospectus dated 13 March 2023 [and the Supplement[s] to the Base Prospectus dated [ ]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation. [This document constitutes the Final Terms of the Instruments described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]]<sup>3</sup> in order to obtain all the relevant information. [The Base Prospectus [and the Supplement[s] to the Base Prospectus] [is] [are] available for viewing at the head office of the Issuer (being Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain), the offices of the Issue and Paying Agent, The Bank of New York Mellon, London Branch at 160 Queen Victoria Street, EC4V 4LA and at the offices of each Paying Agent and copies may be obtained from the addresses specified above. The Base Prospectus has been published on the websites of the Issuer ([www.santander.com](http://www.santander.com)) and Euronext Dublin (<https://live.euronext.com/>).]

[The Instruments have not been and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than professional institutional investors (“**Professional Institutional Investors**”) as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the Republic of China (“**ROC**”). Purchasers of the Instruments are not permitted to sell or otherwise dispose of the Instruments except by transfer to a Professional Institutional Investor.] (*To be inserted if Instruments are admitted to listing on the Taipei Exchange.*)

*(The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Terms and Conditions**”) set forth in the Base Prospectus dated [14 March 2022][15 March 2021, and the Supplement to it dated 7 January 2022][16 March 2020][12 March 2019][8 March 2018][6 March 2017, and the Supplement to it dated 7 July 2017] which [is/are] incorporated by reference in the Base Prospectus dated 13 March 2023. This document constitutes the Final Terms of the Instruments described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 13 March 2023 [and the Supplement[s] to the Base Prospectus dated [ ]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the “**Base Prospectus**”) in order to obtain all the relevant information, save in respect of the Terms and Conditions which are extracted from the Base Prospectus dated [14 March 2022][15 March 2021, and the Supplement to it dated 7 January 2022][16 March 2020][12 March 2019][8 March 2018][6 March 2017, and the Supplement to it dated 7 July 2017]. The Base Prospectus has been published on the websites of the Issuer ([www.santander.com](http://www.santander.com)) and Euronext Dublin (<https://live.euronext.com/>).]

*Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.*

- |   |                        |                       |
|---|------------------------|-----------------------|
| 1 | Issuer:                | Banco Santander, S.A. |
| 2 | (i) Series Number:     | [ ]                   |
|   | [(ii)] Tranche Number: | [ ]                   |

<sup>3</sup> [In the case of listing the Instruments on an unregulated market or unlisted Instruments, this language will be removed (except where there is a Non-Exempt Public Offer).]



- [(If fungible with an existing Series, details of that Series, including the date on which the Instruments become fungible).]
- 3 Specified Currency: [ ]
- 4 Aggregate Principal Amount: [ ]
- (i) Series: [ ]
- (ii) Tranche: [ ]
- 5 Issue Price: [ ] per cent. of the Aggregate Principal Amount [plus accrued interest from *[date]* (if applicable)] / [ ] per cent. per Instrument of [ ] Specified Denomination
- 6 Specified Denominations: [ ]
- 7 Calculation Amount: *[the Specified Denomination]*
- 8 (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [ ] [Issue Date]
- (iii) Trade Date: [ ]
- 9 Maturity Date: *[Date or (for Floating Rate — Instruments) Interest Payment Date falling in the relevant month and year]<sup>4</sup>*
- 10 Interest Basis: [[ ] per cent. Fixed Rate] [with Range Accrual]  
 [Reset Instruments] [with Range Accrual]  
 [Floating Rate: [difference between] [EURIBOR] [and] [SONIA] [and] [SOFR] [and] [€STR] [and] [SARON] [and] [TONA] [and] [CNH HIBOR] [and] *[insert Floating Rate Option]* [+/-] [multiplied by] [ ] per cent.] [with Range Accrual]  
 [Steepener: [difference between] [EURIBOR] [and] [SONIA] [and] [SOFR] [and] [€STR] [and] [SARON] [and] [TONA] [and] [CNH HIBOR] [and] *[insert Floating Rate Option]* [and] *[constant maturity swap rate appearing on the Relevant Screen Page]* [+/-] [multiplied by] [ ] per cent.]  
 [Fixed/Floating Rate Instruments] [with Range Accrual]  
 [Zero Coupon]  
 [CMS-Linked: *[constant maturity swap rate appearing on the Relevant Screen Page]* +/- [ ] per cent.] [with Range Accrual]
- 11 Redemption/Payment Basis: [Redemption at par]  
 [Instalment]
- 12 Put/Call Options: [Not Applicable]  
 [Call Option]  
 [Put Option]  
 [Issuer Call – Clean-Up Redemption Option]  
 [(further particulars specified below)]

<sup>4</sup> Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Instruments where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

- 13 [(i)] Status of the Instruments: [Ordinary Senior Instruments/ Senior Non Preferred Instruments/ Subordinated Instruments-Senior Subordinated Instruments/Subordinated Instruments-Tier 2 Subordinated Instruments]  
[The Subordinated Instruments-Tier 2 Subordinated Instruments are intended to constitute Tier 2 Instruments of the Issuer]
- [(ii)] Ordinary Senior Instruments – Events of Default: [Conditions 6.01 and 6.02 are [not] applicable]
- [[iii)] [Date [Executive Committee] approval for issuance of Instruments obtained:
- 14 Method of distribution: [Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15 Fixed Rate Instrument Provisions: [Applicable/ Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable] (*If applicable, Condition 4A of the Terms and Conditions of the Instruments will apply*) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate[(s)] of Interest: [ ] per cent. per annum [for the [ ] Interest Period][*repeat information if necessary*]  
[ ] per cent. per annum [payable [annually/semi-annually/ quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] [in each year] [adjusted in accordance with [*Business Day Convention*]]<sup>5</sup>
- (iii) Fixed Coupon Amount[(s)]: [ ] per [ ] Specified Denomination [for the [ ] Interest Period] [*repeat information if necessary*]<sup>6</sup>
- (iv) Day Count Fraction: [30/360]/[360/360]/[Bond Basis]  
[30E/360]/ [EuroBond Basis]  
[Actual/Actual]/ [Actual/Actual (ISDA)]  
[Actual/365 (Fixed)][  
[Actual/Actual (ICMA)]  
[Actual/360]  
[30E/360 (ISDA)]
- [(v)] Determination Dates: [ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*).

<sup>5</sup> Note that for certain Renminbi or Hong Kong dollar denominated Fixed Rate Instruments the Interest Payment Dates are subject to modification and the following words should be added: “provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.”

<sup>6</sup> For Renminbi or Hong Kong dollar denominated Fixed Rate Instruments where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, in the case of Renminbi denominated Fixed Rate Instruments or to the nearest HK\$0.01, in the case of Hong Kong dollar denominated Fixed Rate Instruments, CNY0.005 or HK\$0.005, respectively, being rounded upwards.”

(N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))

- (vi) Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the [Issue and Paying Agent]): [ ]
- (vii) Step Up Provisions: [Applicable/Not Applicable]  
 — Step Up Margin: [ ] per cent.
- (viii) Redemption Coupon Provisions: [Applicable/Not Applicable]  
 — Redemption Coupon Amount: [[ ]/[ ] per cent. [per annum]] per [ ] Specified Denomination  
 — Day Count Fraction: [ ]
- 16 Reset Instrument Provisions [Applicable/Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable)  
*(If applicable, Condition 4B of the Terms and Conditions of the Instruments will apply)*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Initial Rate of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) First Margin: [+/-][ ] per cent. per annum
- (iii) Subsequent Margin: [[+/-][ ] per cent. per annum] [Not Applicable]
- (iv) Interest Payment Date(s): [ ] in each year [adjusted in accordance with *[Business Day Convention]*]/[not adjusted].
- (v) Fixed Coupon Amount up to (but excluding) the First Reset Date: [ ] per [ ] Specified Denomination [for the [ ] Interest Period] *[repeat information if necessary]*
- (vi) First Reset Date: [ ] [adjusted in accordance with *[Business Day Convention]*]/[not adjusted].
- (vii) Second Reset Date: [ ]/[Not Applicable] [adjusted in accordance with *[Business Day Convention]*]/[not adjusted].
- (viii) Subsequent Reset Date(s): [ ] [and [ ]] [adjusted in accordance with *[Business Day Convention]*]/[not adjusted].
- (ix) Reset Reference Rate: [Mid-Swap Rate/Sterling Reference Bond Rate/Non-Sterling Reference Bond Rate/U.S. Treasury Rate]
- (x) Reset Determination Time: [ ]
- (xi) Relevant Screen Page: [ ]
- (xii) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- (xiii) Mid-Swap Maturity: [ ]
- (xiv) Fixed Leg Swap Duration: [ ]

- (xv) Day Count Fraction: [30/360]/[360/360]/[Bond Basis]  
[30E/360]/ [EuroBond Basis]  
[Actual/Actual]/ [Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/Actual (ICMA)]  
[Actual/360]  
[30E/360 (ISDA)]
- (xvi) [Determination Dates: [ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*).
- (xvii) Reset Business Centre: [ ]
- (xiii) Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the [Issue and Paying Agent]):
- (xix) Step Up Provisions: [Applicable/Not Applicable]  
— Step Up Margin: [ ] per cent.
- (xx) Redemption Coupon Provisions: [Applicable/Not Applicable]  
— Redemption Coupon Amount: [[ ]/[ ] per cent. [per annum]] per [ ] Specified Denomination  
— Day Count Fraction: [ ]
- 17 Floating Rate, CMS-Linked and Steepener Instruments Provisions: [Applicable/ Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable]
- (If applicable, Condition 4C of the Terms and Conditions of the Instruments will apply)*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Payment Date(s): [ ] in each year [adjusted in accordance with [Business Day Convention]
- (ii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (iii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Issue and Paying Agent]): [ ]
- (iv) Margin Plus Rate: [Applicable/Not Applicable] (*If Steepener Instruments Provisions are applicable select “Not Applicable” and delete the remaining sub-paragraphs of this paragraph*)  
— Margin(s): [[ ]/[ ] per cent.] per annum

- (v) Specified Percentage Multiplied by Rate: [Applicable/Not Applicable] *(If Steeper Instruments Provisions are applicable select “Not Applicable” and delete the remaining sub-paragraphs of this paragraph)*
- Specified Percentage: [ ] per cent.
- (vi) Difference in Rates: [Applicable/Not Applicable] *(If Steeper Instruments Provisions are applicable select “Not Applicable” and delete the remaining sub-paragraphs of this paragraph)*
- Rate 1: [Screen Rate Determination] [ISDA Determination]
- Rate 2: [Screen Rate Determination] [ISDA Determination]
- Specified Percentage: [ ] per cent.
- (vii) Steeper Instruments Provisions: [Applicable/Not Applicable] *(If not applicable select “Not Applicable” and delete the remaining sub-paragraphs of this paragraph)*
- Leverage: [ ] [1]
- Spread: [ ] per cent.
- Steeper Rate: [Screen Rate Determination] [ISDA Determination] (Constant maturity swap rate(s)) [Difference of Spread Linked Rates] (see paragraph [(viii)][(ix)][(x)] below)
- [— Spread Linked Rate 1: [Screen Rate Determination] [ISDA Determination] (Constant maturity swap rate(s)) [Difference of Spread Linked Rates] (see paragraph [(viii)][(ix)][(x)] below) *(Remove if Difference of Spread Linked Rates is not applicable)*]
- [— Spread Linked Rate 2: [Screen Rate Determination] [ISDA Determination] (Constant maturity swap rate(s)) [Difference of Spread Linked Rates] (see paragraph [(viii)][(ix)][(x)] below) *(Remove if Difference of Spread Linked Rates is not applicable)*]
- (viii) Screen Rate Determination: [Applicable/Not Applicable] *(If not applicable select “Not Applicable” and delete the remaining sub-paragraphs of this paragraph)*
- (In case of Steeper Instruments Provisions and Difference of Spread Linked Rates are applicable, include a reference to “Spread Linked Rate 1” and “Spread Linked Rate 2” in the relevant sub-paragraphs of this paragraph)*
- Reference Rate: [EURIBOR][SONIA][SOFR][€STR][SARON][TONA] [CNH HIBOR] [constant maturity swap rate]
- Interest Determination Date(s): [ ]
- [ ] London Banking Days prior to each Interest Payment Date  
*(Include where the Reference Rate is SONIA)*
- [ ] U.S. Government Securities Business Days prior to each Interest Payment Date  
*(Include where the Reference Rate is SOFR)*
- [ ] TARGET Business Days prior to each Interest Payment Date  
*(Include where the Reference Rate is €STR)*

Zurich Banking Days prior to each Interest Payment Date  
(Include where the Reference Rate is SARON)

Tokyo Banking Days prior to each Interest Payment Date  
(Include where the Reference Rate is TONA)

- Relevant Screen Page:   
[Other examples: EURIBOR 01]
- (i) Calculation Method: *Include where the Reference Rate is SONIA:* [SONIA Compounded Daily]/[SONIA Index Compounded Daily]/[SONIA Weighted Average]  
*[Include where the Reference Rate is SOFR:* [SOFR Arithmetic Mean]/[SOFR Compound: [SOFR Compound with Lookback]/[SOFR Compound with Observation Period Shift]/[SOFR Compound with Payment Delay]/[SOFR Index with Observation Shift]]  
*Include where the Reference Rate is €STR:* [€STR Compounded Daily]/[€STR Index Compounded Daily]/[€STR Weighted Average]  
*Include where the Reference Rate is SARON:* [SARON Compounded Daily]/[SARON Index Compounded Daily]/[SARON Weighted Average]  
*Include where the Reference Rate is TONA:* [TONA Compounded Daily]/[TONA Index Compounded Daily]/[TONA Weighted Average]
- (ii) Observation Method: *[Include where the Calculation Method is SONIA/€STR/SARON/TONA Compounded Daily:* [Lag]/[Lock-out]/[Shift]
- (iii) p:  [London Banking Days]/[U.S. Government Securities Business Days]/[TARGET Business Days]/[Zurich Banking Days]/[Tokyo Banking Days]/[As per the Conditions]/[Not applicable]  
*(Include where the Reference Rate is SONIA, €STR, SARON, TONA or SOFR (where the Calculation Method is SOFR Compound: SOFR Compound with Lookback))*
- (iv) Observation Shift Days:  U.S. Government Securities Business Days]/[As per the Conditions]/[Not applicable]  
*(Include where the Reference Rate is SOFR and the Calculation Method is SOFR Compound: SOFR with Observation Period Shift or SOFR Index with Observation Shift)*
- (v) Interest Payment Delay: [Not Applicable /  U.S. Government Securities Business Day(s)]  
*(Include where the Reference Rate is SOFR)*
- (vi) Interest Period End Dates:  [specify] [The Interest Payment Date for such Interest Period] [Not Applicable]  
*(Include where the Reference Rate is SONIA, €STR, SARON or TONA and the Observation Method is “Shift” or SOFR and the Calculation Method is Compound with Payment Delay)*
- (vii) [SOFR Cut-Off Date: [As per Conditions]/ [specify] U.S. Government Securities Business Days]/[ Not applicable]]

		( <i>Include where the Reference Rate is SOFR. Must apply where the Calculation Method is SOFR Arithmetic Mean</i> )
(viii)	[SOFR Replacement Alternatives Priority:	[As per Conditions]/[specify order of priority of SOFR Replacement Alternatives listed in Condition 4C.05(D).]
	— Relevant Time:	[ ]/[Not applicable] [ <i>For example, 11.00 a.m. London time/Brussels/Zurich/Tokyo time</i> ]
(ix)	ISDA Determination:	[Applicable/Not Applicable] ( <i>If not applicable delete the remaining sub-paragraphs of this paragraph</i> )  ( <i>In case of Steeper Instruments Provisions and Difference of Spread Linked Rates are applicable, include a reference to “Spread Linked Rate 1” and “Spread Linked Rate 2” in the relevant sub-paragraphs of this paragraph</i> )
	— ISDA Definitions	[2006 ISDA Definitions]/[2021 ISDA Definitions]
	— Floating Rate Option:	[ ]
	— Designated Maturity:	[ ]
	— Reset Date:	[ ]
	— Compounding:	[Applicable/Not Applicable] ( <i>If not applicable delete the remaining sub-paragraphs of this paragraph</i> )
	— [Compounding Method:	[Compounding with Lookback Lookback: [ ] Applicable Business Days]
		[Compounding with Observation Period Shift Observation Period Shift: [ ] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [ ]/[Not Applicable]]
		[Compounding with Lock-out Lock-out: [ ] Lock-out Period Business Days Lock-out Period Business Days: [ ]/[Applicable Business Days]]
	— Averaging:	[Applicable/Not Applicable] ( <i>If not applicable delete the remaining sub-paragraphs of this paragraph</i> )
	— [Averaging Method:	[Averaging with Lookback Lookback: [ ] Applicable Business Days]
		[Averaging with Observation Period Shift Observation Period Shift: [ ] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [ ]/[Not Applicable]]
		[Averaging with Lock-out Lock-out: [ ] Lock-out Period Business Days Lock-out Period Business Days: [ ]/[Applicable Business Days]]

	— Index Provisions:	[Applicable/Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
	— [Index Method:	Compounded Index Method with Observation Period Shift Observation Period Shift: [ ] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [ ]/[Not Applicable]]
(x)	Constant maturity swap rate(s):	[ ] [[Spread Linked Rate 1: [ ] [Spread Linked Rate 2: [ ] <i>(Only applicable where the Steeper Instruments Provisions are applicable)</i> ]]
(xi)	Minimum Rate of Interest:	[ ] per cent. per annum
(xii)	Maximum Rate of Interest:	[ ] per cent. per annum
(xiii)	Day Count Fraction:	[30/360]/[360/360]/[Bond Basis] [30E/360]/ [EuroBond Basis] [Actual/Actual]/ [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/Actual (ICMA)] [Actual/360] [30E/360 (ISDA)]
(xiv)	Step Up Provisions:	[Applicable/Not Applicable]
	— Step Up Margin:	[ ] per cent.
(xv)	Redemption Coupon Provisions:	[Applicable/Not Applicable]
	— Redemption Coupon Amount:	[[ ]/[ ] per cent. [per annum]] per [ ] Specified Denomination
	— Day Count Fraction:	[ ]
18	Fixed/Floating Rate Instruments Provisions:	[Applicable/Not Applicable] <i>(If applicable, Condition 4D of the Terms and Conditions of the Instruments will apply) (If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Change of Interest Basis:	[Issuer Change of Interest Basis/Automatic Change of Interest Basis]
(ii)	Switch Date:	[ ]
(iii)	Rate of Interest applicable to the Interest Periods preceding the Switch Date (excluded):	Determined in accordance with [Condition 4A, as though the Instrument was a Fixed Rate Instrument] / [Condition 4C, as though the Instrument was a Floating Rate Instrument] with further variables set out in paragraph [15/17] of these Final Terms
(iv)	Rate of Interest applicable to the Interest Periods following the	Determined in accordance with [Condition 4A, as though the Instrument was a Fixed Rate Instrument] / [Condition 4C, as though the Instrument was a Floating Rate Instrument] with further variables set out in paragraph [15/17] of these Final Terms



- Switch Date  
(included):
- (v) Notice Period: [ ] / Not Applicable (*only applicable where Change of Interest Basis is specified as “Issuer Change of Interest Basis”*)
- (vi) Step Up Provisions: [Applicable/Not Applicable]  
— Step Up Margin: [ ] per cent.
- (vii) Redemption  
Coupon Provisions: [Applicable/Not Applicable]  
— Redemption  
Coupon Amount: [[ ]/[ ] per cent. [per annum]] per [ ] Specified Denomination  
— Day Count  
Fraction: [ ]
- 19 Zero Coupon Instrument Provisions: [Applicable/Not Applicable]  
*(If applicable, Condition 4F of the Terms and Conditions of the Instruments will apply)*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [ ] per cent. Per annum
- (ii) Day Count Fraction relating to Early Redemption Amounts: [30/360]/[360/360]/[Bond Basis]  
[30E/360]/ [EuroBond Basis]  
[Actual/Actual]/ [Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/Actual (ICMA)]  
[Actual/360]  
[30E/360 (ISDA)]
- 20 Range Accrual Provisions: [Applicable/Not Applicable]  
*(If applicable, Condition 4F.03 of the Terms and Conditions of the Instruments will apply)*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Single Range Accrual Provisions: [Applicable/Not Applicable]*(If not applicable delete the remaining sub-paragraphs of this paragraph)*  
— Range Accrual Reference Rate: [EURIBOR][SONIA][SOFR][€STR][SARON][TONA][CNH HIBOR][*constant maturity swap rate*] [Not Applicable] *(If Spread Range Accrual is applicable, select “Not Applicable” and delete the remaining sub-paragraphs of this paragraph)*  
— Specified Currency: [ ] [As set out in item 3 above]  
— Specified Maturity: [ ] [month[s]] [year[s]]  
— Relevant Screen Page: [ ]  
— Relevant Time: [ ]  
— Relevant Financial Centre: [ ]  
— Rate Cut-off Date: [ ] [As specified in Condition 4F]

- Spread Range Accrual: [Applicable][Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Spread Accrual Rate 1: [EURIBOR][SONIA][SOFR][€STR][SARON][TONA][CNH HIBOR][constant maturity swap rate]
- Specified Currency: [ ] [As set out in item 3 above]
- Specified Maturity: [ ] [month[s]] [year[s]]
- Relevant Screen Page: [ ]
- Relevant Time: [ ]
- Relevant Financial Centre: [ ]
- Spread Accrual Rate 2: [EURIBOR][SONIA][SOFR][€STR][SARON][TONA][CNH HIBOR][constant maturity swap rate]
- Specified Currency: [ ] [As set out in item 3 above]
- Specified Maturity: [ ] [month[s]] [year[s]]
- Relevant Screen Page: [ ]
- Relevant Time: [ ]
- Relevant Financial Centre: [ ]
- Rate Cut-off Date: [ ] [As specified in Condition 4F.03]
- Cap: [[ ] per cent. per annum [in respect of the Interest Period ending [ ]]] [Not Applicable]  
[For the purposes of the definition of “N1” in Condition 4F.03, [less than or equal to][less than] shall apply.]
- Floor: [[ ] per cent. per annum [in respect of the Interest Period ending [ ]]] [Not Applicable]  
[For the purposes of the definition of “N1” in Condition 4F.03, [greater than or equal to][greater than] shall apply.]
- (ii) Dual Range Accrual Provisions: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Range Accrual Reference Rate 1: [EURIBOR][SONIA][SOFR][€STR][SARON][TONA][CNH HIBOR][constant maturity swap rate]
- Specified Currency: [ ] [As set out in item 3 above]
- Specified Maturity: [ ] [month[s]] [year[s]]

- Relevant Screen Page: [ ]
- Relevant Time: [ ]
- Relevant Financial Centre: [ ]
- Rate Cut-off Date: [ ] [As specified in Condition 4F.03]
- Cap: [[ ] per cent. per annum [in respect of the Interest Period ending [ ]]] [Not Applicable]  
[For the purposes of the definition of “N1” in Condition 4F.03, [less than or equal to][less than] shall apply.]
- Floor: [[ ] per cent. per annum [in respect of the Interest Period ending [ ]]] [Not Applicable]  
[For the purposes of the definition of “N1” in Condition 4F.03, [greater than or equal to][greater than] shall apply.]
- Range Accrual Reference Rate 2: [EURIBOR][SONIA][SOFR][€STR][SARON][TONA][CNH HIBOR][*constant maturity swap rate*]
- Specified Currency: [ ] [As set out in item 3 above]
- Specified Maturity: [ ] [month[s]] [year[s]]
- Relevant Screen Page: [ ]
- Relevant Time: [ ]
- Relevant Financial Centre: [ ]
- Rate Cut-off Date: [ ] [As specified in Condition 4F.03]
- Cap: [[ ] per cent. per annum [in respect of the Interest Period ending [ ]]] [Not Applicable]  
[For the purposes of the definition of “N1” in Condition 4F.03, [less than or equal to][less than] shall apply.]
- Floor: [[ ] per cent. per annum [in respect of the Interest Period ending [ ]]] [Not Applicable]  
[For the purposes of the definition of “N1” in Condition 4F.03, [greater than or equal to][greater than] shall apply.]
- (iii) RA Business Day: [ ] [As specified in Condition 4F.03]

(iv) RA Common Business Day:  [As specified in Condition 4F.03]  [Not Applicable] *(Only applicable in case of Single Range Accrual Instruments that specify Spread Range Accrual as applicable and Dual Range Accrual Instruments)*

**PROVISIONS RELATING TO REDEMPTION**

- 21 Call Option:  [Applicable/Not Applicable]  
*(The clearing systems require a minimum of 5 business days' notice if such an option is to be exercised)*
- (i) Early Redemption Amount (Call) of each Instrument:  per Instrument of  Specified Denomination
- (ii) Notice period:  days
- (iii) Early Redemption Date(s):
- 22 Put Option:  [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Early Redemption Date(s):
- (ii) Early Redemption Amount (Put) of each Instrument:  per Instrument of  Specified Denomination
- (iii) Notice period:
- 23 Clean-Up Redemption Option:
- (i) Clean-Up Percentage:  [[75] per cent. /  per cent.]
- (ii) Early Redemption Amount(s) (Clean-Up Call) of each Instrument and method, if any, of calculation of such amount(s):  per Instrument of  Specified Denomination /
- 24 Maturity Redemption Amount of each Instrument:  per Instrument of  Specified Denomination]

- 25 [Early Termination Amount], [Early Redemption Amount (Tax)], [Early Redemption Amount (Capital Disqualification Event)] and [Early Redemption Amount (TLAC/MREL Disqualification Event)]
- TLAC/MREL Disqualification Event [Applicable/Not Applicable]
- Early Redemption Amount(s) of each Instrument payable on redemption for (1) taxation reasons, [(2) on a Capital Disqualification Event], [(3) on a TLAC/MREL Disqualification Event] or (4) on event of default: [ ]

#### GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

- 26 Form of Instruments: Bearer Instruments:
- [Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Instrument]
- [Temporary Global Instrument exchangeable for Definitive Instruments]
- [Permanent Global Instrument exchangeable for Definitive Instruments on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Instrument]
- [Instruments shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian law of 14<sup>th</sup> December, 2005<sup>7</sup>]
- Registered Instruments:
- [Global Registered Instrument exchangeable for Individual Certificates in the limited circumstances specified in the Global Registered Instrument]
- [Global Registered Instrument (US\$/€[ ] nominal amount) registered in the name of [a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)] / [the Hong Kong Monetary Authority as operator of the CMU (the "CMU Operator")]]]
- [Individual Certificates]
- 27 New Global Note: [Yes] [No]
- 28 Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): [Yes] [No] [ ]
- 29 Relevant Financial Centre: [ ]

<sup>7</sup> Include for Instruments that are to be offered in Belgium.

- 30 Relevant Financial Centre Day: [ ]
- 31 Amount of each instalment (Instalment Amount), date on which each payment is to be made (Instalment Date): [Not Applicable] [ ]
- 32 Organisation of Holders of Instruments: [Syndicate of Holders of the Instruments]/[Meeting of Holders of the Instruments]
- 33 Commissioner: [Not applicable] / [ ]
- 34 Waiver of Set-off: [Applicable/Not Applicable]
- 35 Substitution and Variation: [Applicable/Not Applicable]
- 36 Governing law: [English law/Spanish law]

## DISTRIBUTION

- 37 If syndicated: [Not Applicable] [ ]
- (i) Names and addresses of Managers and underwriting commitments: [Not Applicable] [ ]
- (ii) Date of the [underwriting/subscription agreement]: [Not Applicable] [ ]
- 38 If non-syndicated, name and address of Dealer/Manager: [Not Applicable] / [ ]
- 39 Stabilisation Manager(s): [Not Applicable] [ ]
- 40 Total commission and concession: [ ] per cent. of the Aggregate Principal Amount
- 41 Prohibition of Sales to EEA Retail Investors: [Not Applicable/Applicable] *(If the Instruments clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Instruments may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified and the legend entitled “Prohibition of Sales to EEA Retail Investors” on the cover page of the Final Terms should be included. For the purpose of the above, a “packaged” product shall designate a “packaged retail investment product” which means in accordance with Regulation (EU) No. 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor.)*
- 42 US Selling Restrictions: (Categories of potential investors to which the Instruments are offered) Reg. S Compliance Category 2; [TEFRA C/TEFRA D/ TEFRA not applicable]
- 43 Non-Exempt Public Offer: [Not Applicable] [An offer of the Instruments may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 1(4) of the Prospectus Regulation in Ireland (“**Non-Exempt Public Offer Jurisdiction**”) during the period from [specify date] until [specify date] (“**Offer Period**”). See further the section entitled “*Terms and Conditions of the Non-Exempt Public Offer*” of Part B below.

*(If applicable, the Terms and Conditions of the Non-Exempt Public Offer will apply)*

*(If not applicable, delete Section 8 of Part B (Terms and Conditions of the Non-Exempt Public Offer) below)*

44 Hong Kong SFC Code of Conduct:

- (i) Rebates: [A rebate of [●] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Instruments subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Instruments distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
- (ii) Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent: [Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – Overall Coordinators to provide] / [Not Applicable]
- (iii) Marketing and Investor Targeting Strategy: [Give details if different from the Base Prospectus]

**THIRD PARTY INFORMATION**

[[*Relevant third party information*] has been extracted from [*source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

“[ANNEX – ISSUE SPECIFIC SUMMARY]  
*(Issue specific summary to be inserted where applicable)*”



**CONFIRMED**

**BANCO SANTANDER, S.A.**

By:

---

*Authorised Signatory*

Date

## PART B — OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

[Application has been made by the Issuer (or on its behalf) for the Instruments to be listed on [the Official List of Euronext Dublin]<sup>8</sup>/[any unregulated market]/[any other listing authority] [any other stock exchange] [any other quotation system] and application is expected to be made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on [the Regulated Market of Euronext Dublin] [any other unregulated market] [any other listing authority] [any other stock exchange] [any other quotation system] with effect from [ ].]<sup>9</sup> [Not Applicable.]

[Application has [also] been made by the Issuer (or on its behalf) for the Instruments to be admitted to listing and trading on the Taipei Exchange in the Republic of China (“TPEX”). TPEX is not responsible for the content of these Final Terms, the Base Prospectus [and the amendment[s] and/or supplement[s] thereto] and no representation is made by TPEX to the accuracy or completeness of these Final Terms [and], the Base Prospectus [and the amendment[s] and/or supplement[s] thereto]. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of these Final Terms [and] the Base Prospectus [and the amendment[s] and/or supplement[s] thereto]. Admission to listing and trading of the Instruments on TPEX shall not be taken as an indication of the merits of the Issuer or the Instruments. No assurance can be given as to whether the Instruments will be, or will remain, listed on TPEX. If the Instruments fail to or cease to be listed on TPEX, certain investors may not invest in, or continue to hold or invest in, the Instruments] *(To be inserted if Instruments are listed on the Taipei Exchange)*

Estimate of total expenses related to admissions to trading: [●]/[Not Applicable]

*(Where documenting a fungible issue, indicate that the original Instruments are already admitted to trading.)*

### 2 [RATINGS]

[Not Applicable/if Applicable: The Instruments to be issued have been rated:

[S&P:[ ]]

An obligation rated ‘[ ]’ [*Insert definition of [ ] available via weblink below*].

The [plus (+) / minus (-)] [*Delete as applicable*] sign show relative standing within the rating categories.

(Source: S&P, [https://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceId/504352](https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352))

[Moody’s: [ ]]

An obligation rated ‘[ ]’ [*Insert definition of [ ] available via weblink below*].

The modifier [‘1’ indicates that the obligation ranks in the higher end of its generic category / ‘2’ indicates a mid-range ranking / ‘3’ indicates a ranking in the lower end of that generic rating category] [*Delete as applicable*].

(Source: Moody’s, <https://www.moodys.com/Pages/amr002002.aspx>)

[Fitch: [ ]]

An obligation rated ‘[ ]’ [*Insert definition of [ ] available via weblink below*].

The [plus (+) / minus (-)] [*Delete as applicable*] sign show relative differences of probability of default or recovery for issues.

(Source: Fitch, <https://www.fitchratings.com/research/structured-finance/rating-definitions-21-03-2022>)

<sup>8</sup> [In the case of listing the Instruments on an unregulated market, this language and any references to the Prospectus Regulation will be removed.]

<sup>9</sup> [In the case of unlisted Instruments, this language and any references to the Prospectus Regulation will be removed.]

[[Other]: [ ]]

[These credit ratings have been issued by [S&P Global Ratings Limited], [Moody’s Investor Services España, S.A.] [and Fitch Ratings Ireland Limited] [other].

Each of [S&P Global Ratings Limited], [Moody’s Investor Services España, S.A.] [,][and] [Fitch Ratings Ireland Limited] [and] [Specify Other] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). As such each of [S&P Global Ratings Limited], [Moody’s Investor Services España, S.A.] [,][and] [Fitch Ratings Ireland Limited] [and] [Specify Other] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

[A list of rating agencies registered under the CRA Regulation can be found at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.]

[[Insert the legal name of the relevant credit rating agency entity] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). [Insert the legal name of relevant credit rating agency entity] is therefore not included in the list of credit rating agencies published by the European Securities and Market Authority on its website in accordance with such Regulation.]<sup>10</sup>

*(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider)*

*(The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

*(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below.)*

[Save as discussed in section “*Subscription and Sale*” of the Base Prospectus for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)]*

### 4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

[Reasons for the offer: [ ] [see “*Use of Proceeds*” in the Base Prospectus / *Give details*] *(Use of proceeds if other than for general funding purposes of the Group.)* The Instruments are specified as being [“Green Bonds”][“Social Bonds”][“Sustainable Bonds”] and the net proceeds from the issuance of the Instruments will be used as described in “*Use of Proceeds*” in the Base Prospectus.]

Estimated net proceeds: [●]

### 5 [Fixed Rate Instruments only— YIELD

Indication of yield: [ ]

<sup>10</sup> [For Instruments that receive ratings only.]

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]]

## 6 [Floating Rate Instruments only – HISTORIC INTEREST RATES

[Details of historic [EURIBOR/other] rates can be obtained from [Reuters/Other]]

## 7 OPERATIONAL INFORMATION

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) CUSIP number: [ ]
- (iv) WKN: [ ] [Not applicable]
- (v) Any other clearing system other than Euroclear and Clearstream Banking, S.A. and the relevant identification numbers: [CMU / Clearstream Banking AG] [ ]  
[The Instruments will be cleared through CMU. CMU Instrument Number: [●]]  
[Persons holding a beneficial interest in the Instruments through Euroclear or Clearstream, Luxembourg will hold their interests through an account opened and held by Euroclear or Clearstream, Luxembourg (as applicable) with the CMU Operator.]  
[Not applicable]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] [include this text for registered Instruments] and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][if “yes” selected and the Instruments are deposited with an ICSD, the Instruments must be issued in NGN form]  
[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered Instruments]. Note that this does not necessarily mean that the Instruments will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 8 [TERMS AND CONDITIONS OF THE NON-EXEMPT PUBLIC OFFER

An offer of the Instruments may be made by each of the Managers [and [ ]] and any [other] Authorised Offerors (authorised directly or indirectly by the Issuer or any of the Managers), other than pursuant to Article 1(4) of the Prospectus Regulation, in the Non-Exempt Public Offer Jurisdiction during the Offer Period (as defined below).

The above consent is subject to the following conditions: [ ].

- |        |  |   |
|--------|--|---|
| (i)    | Offer Period:  | From the date of and following publication of these Final Terms being [ ] 20[ ] to [ ] 20[ ]. |
| (ii)   | Offer Price:   | [Not Applicable]/[ ]  |
| (iii)  | Conditions to which the offer is subject:  | [Not Applicable]/[ ]  |
| (iv)   | Description of the application process:  | [Not Applicable]/[ ]  |
| (v)    | Description of possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:                            | [Not Applicable]/[ ]  |
| (vi)   | Details of the minimum and/or maximum amount of application (whether in number of Instruments or aggregate amount to invest):                | [Not Applicable]/[ ]  |
| (vii)  | Method and time limits for paying up the Instruments and for delivery of the Instruments:  | [Not Applicable]/[ ]  |
| (viii) | Manner in and date on which results of the offer are to be made public:  | [Not Applicable]/[ ]  |
| (ix)   | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not Applicable]/[ ]  |
| (x)    | Whether Tranche(s) have been reserved for certain countries:   | [Not Applicable]/[ ]  |
| (xi)   | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:      | [Not Applicable]/[ ]  |
| (xii)  | Amount of any expenses and taxes specifically charged to the subscriber or purchaser:  | [Not Applicable]/[ ]  |
| (xiii) | Consent of the Issuer to use the Prospectus during the Offer Period:   | [Not Applicable / Applicable with respect to any Authorised Offeror specified below]          |

- |       |  |   |
|-------|--|---|
| (xiv) | Authorised Offeror(s) in the various countries where the offer takes place:  | [Not Applicable]/ <i>Name(s) and address(es) of the financial intermediary(ies) appointed by the Issuer to act as Authorised Offeror(s)/ Any financial intermediary which satisfies the conditions set out below in item “Conditions attached to the consent of the Issuer to use the Base Prospectus” (general consent)</i>  |
| (xiv) | Conditions attached to the consent of the Issuer to use the Base Prospectus: | [Not Applicable / <i>Where the Issuer has given a general consent to any financial intermediary to use the Base Prospectus, specify any additional conditions to or any condition replacing those set out in the section entitled “Important information relating to Non-Exempt Public Offers of Instruments” of this Base Prospectus or indicate “See conditions set out in the Base Prospectus”. Where Authorised Offeror(s) have been designated herein, specify any condition</i> ] |

## 9 [ROC TAXATION]

*(To be inserted if Instruments are listed on the Taipei Exchange)*

The following is a general description of the principal of the Republic of China (“**ROC**”) tax consequences for investors receiving interest in respect of, or disposing of, the Instruments and is of a general nature based on the Issuer’s understanding of current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice.

This general description is based upon the law as in effect on the date hereof and that the Instruments will be issued, offered, sold and re-sold, directly or indirectly, to professional institutional investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC only. This description is subject to change potentially with retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Instruments.

### ***Interest on the Instruments***

As the Issuer is not an ROC statutory tax withholder, there is no ROC withholding tax on the interest [or deemed interest] to be paid on the Instruments.

ROC corporate holders must include the interest [or deemed interest] (*applicable for Zero Coupon Instruments only*) receivable under the Instruments as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is under NT\$120,000), as they are subject to income tax on their worldwide income on an accrual basis. The alternative minimum tax (“AMT”) is not applicable.

### ***Sale of the Instruments***

In general, the sale of corporate bonds or financial bonds is subject to a 0.1 per cent. securities transaction tax (“**STT**”) on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Instruments will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Instruments will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC corporate holders are not subject to income tax on any capital gains generated from the sale of the Instruments. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the ordinary income tax calculated pursuant to the Income Basic Tax Act of the ROC (also known as the AMT Act), the excess becomes the ROC corporate holders’ AMT payable. Capital losses, if any, incurred by such holders may be carried over 5 years to offset against capital gains of the same category of income for the purposes of calculating their AMT.

*[Specify]*

## **10 [ROC SETTLEMENT AND TRADING]**

*(To be inserted if Instruments are listed on the Taipei Exchange)*

[investor with a securities book-entry account with a ROC securities broker and a foreign currency deposit account with a ROC bank may request the approval of the Taiwan Depository & Clearing Corporation (“**TDCC**”) to the settlement of the Instruments through the account of TDCC with Euroclear or Clearstream, Luxembourg and if such approval is granted by the TDCC, the Instruments may be so cleared and settled. In such circumstances, TDCC will allocate the respective Instruments position to the securities book-entry account designated by such investor in the ROC. The Instruments will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEX as domestic bonds.

In addition, an investor may apply to TDCC (by filing in a prescribed form) to transfer the Instruments in its own account with Euroclear or Clearstream, Luxembourg to the TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets.

For such investors who hold their interests in the Instruments through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the Instruments to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second ROC business day following TDCC’s receipt of such payment (due to time difference, the payment is expected to be received by TDCC one ROC business day after the distribution date). However, when the holders will actually receive such distributions may vary depending upon the daily operations of the ROC banks with which the holder has the foreign currency deposit account.]

## PRO FORMA FINAL TERMS 2

*Set out below is the form of Final Terms which will be completed for each Tranche of Instruments issued under the Programme which have a minimum Specified Denomination of at least €100,000 (or its equivalent in any other currency).*

*Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU, as amended (“**MiFID II**”); and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. [*Consider any negative market*]. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

**OR**

**[MiFID II product governance / retail investors, professional investors and ECPs target market**– Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU, as amended (“**MiFID II**”); ***EITHER*** [and (ii) all channels for distribution of the Instruments are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] ***OR*** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Instruments to retail clients are appropriate – investment advice[,/ and] portfolio management[,/ and][ non-advised sales][and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].]

**[EU PRIIPs Regulation / PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**EU PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]<sup>1</sup>

**[UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is only eligible

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<sup>1</sup> Delete legend if the Instruments do not constitute “packaged” products, in which case, insert “Not Applicable” in paragraph [41] below. Include legend if the Instruments may constitute “packaged” products and the Issuer intends to prohibit the Instruments being offered, sold or otherwise made available to EEA retail investors. In this case insert “Applicable” in paragraph [41] below.



counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the [European Union (Withdrawal) Act 2018][EUWA] (“UK MiFIR”); and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Instruments (a “distributor”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

**UK PRIIPs Regulation / PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 [“EUWA”]; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[**Notification under Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time** (the “SFA”) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined the classification of the Instruments to be [capital markets products other than] prescribed capital markets products (as defined in the CMP Regulations 2018) and [Excluded]/ [Specified] Investment Products (as defined in the Monetary Authority of Singapore (the “MAS”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]<sup>2</sup>

[Amounts payable under the Instruments may be calculated by reference to [specify benchmark (as this term is defined in the Benchmark Regulation)] which is provided by [legal name of the benchmark administrator]. As at the date of this Final Terms, [legal name of the benchmark administrator] [appears / does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (“EU BMR”). [As far the Issuer is aware, the transitional provisions in Article 51 of the EU BMR apply, such that [legal name of the benchmark administrator] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence)]]

**Final Terms dated [ ]**

**Banco Santander, S.A.**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Instruments]  
under the €50,000,000,000 Programme for the Issuance of Debt Instruments**

## **PART A — CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Terms and Conditions”) set forth in the Base Prospectus dated 13 March 2023 [and the Supplement[s] to the

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<sup>2</sup> Legend to be included on front of the Final Terms if the Instruments do not constitute prescribed capital markets products as defined under the CMP Regulations 2018.

Base Prospectus dated [ ] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation. [This document constitutes the Final Terms of the Instruments described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]]<sup>3</sup> in order to obtain all the relevant information. [The Base Prospectus [and the Supplement[s] to the Base Prospectus] [is] [are] available for viewing at the head office of the Issuer (being Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain), the offices of the Issue and Paying Agent, The Bank of New York Mellon, London Branch at 160 Queen Victoria Street , EC4V 4LA and at the offices of each Paying Agent and copies may be obtained from the addresses specified above. The Base Prospectus has been published on the websites of the issuer ([www.santander.com](http://www.santander.com)) and Euronext Dublin (<https://live.euronext.com/>).]

[The Instruments have not been and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than professional institutional investors (“**Professional Institutional Investors**”) as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the Republic of China (“**ROC**”). Purchasers of the Instruments are not permitted to sell or otherwise dispose of the Instruments except by transfer to a Professional Institutional Investor.] *(To be inserted if Instruments are admitted to listing on the Taipei Exchange.)*

*(The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Terms and Conditions**”) set forth in the Base Prospectus dated [14 March 2022][15 March 2021, and the Supplement to it dated 7 January 2022][16 March 2020][12 March 2019][8 March 2018][6 March 2017, and the Supplement to it dated 7 July 2017] which [is/are] incorporated by reference in the Base Prospectus dated 13 March 2023. This document constitutes the Final Terms of the Instruments described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 13 March 2023 [and the Supplement[s] to the Base Prospectus dated [ ]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the “**Base Prospectus**”) in order to obtain all the relevant information, save in respect of the Terms and Conditions which are extracted from the Base Prospectus dated [14 March 2022][15 March 2021, and the Supplement to it dated 7 January 2022][16 March 2020][12 March 2019][8 March 2018][6 March 2017, and the Supplement to it dated 7 July 2017]. The Base Prospectus has been published on the websites of the Issuer ([www.santander.com](http://www.santander.com)) and Euronext Dublin (<https://live.euronext.com/>).]

*Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.*

- |   |   |  |
|---|---|--|
| 1 | Issuer:   | Banco Santander, S.A.  |
| 2 | (i) Series Number:  | [ ]  |
|   | [(ii)] Tranche Number:  | [ ]  |
|   | [(If fungible with an existing Series, details of that Series, including the date on which the Instruments become fungible).] |  |
| 3 | Specified Currency:   | [ ]  |
| 4 | Aggregate Principal Amount:   | [ ]  |
|   | [(i) Series:  | [ ]  |
|   | [(ii) Tranche:  | [ ]]   |
| 5 | Issue Price:  | [ ] per cent. of the Aggregate Principal Amount [plus accrued interest from [date] (if applicable)] / [ ] per cent. per Instrument of [ ] Specified Denomination |

<sup>3</sup> [In the case of listing the Instruments on an unregulated market or unlisted Instruments, this language will be removed.]

6	Specified Denominations:	[ ]
7	Calculation Amount:	<i>[the Specified Denomination]</i>
8	(i) Issue Date:	[ ]
	(ii) Interest Commencement Date:	[ ] [Issue Date]
	(iii) Trade Date:	[ ]
9	Maturity Date:	<i>[Date or (for Floating Rate — Instruments) Interest Payment Date falling in the relevant month and year]<sup>4</sup></i>
10	Interest Basis:	[[ ] per cent. Fixed Rate] [with Range Accrual] [Reset Instruments] [with Range Accrual] [Floating Rate: [difference between] [EURIBOR] [and] [SONIA] [and] [SOFR] [and] [€STR] [and] [SARON] [and] [TONA] [and] [CNH HIBOR] [and] <i>[insert Floating Rate Option]</i> [+/-] [multiplied by] [ ] per cent.] [with Range Accrual] [Steepener: [difference between] [EURIBOR] [and] [SONIA] [and] [SOFR] [and] [€STR] [and] [SARON] [and] [TONA] [and] [CNH HIBOR] [and] <i>[insert Floating Rate Option]</i> [and] <i>[constant maturity swap rate appearing on the Relevant Screen Page]</i> [+/-] [multiplied by] [ ] per cent.] [Fixed/Floating Rate Instruments] [with Range Accrual] [Zero Coupon] [CMS-Linked: <i>[constant maturity swap rate appearing on the Relevant Screen Page]</i> +/- [ ] per cent.] [with Range Accrual]
11	Redemption/Payment Basis:	[Redemption at par] [Instalment]
12	Put/Call Options:	[Not Applicable] [Call Option] [Put Option] [Issuer Call – Clean-Up Redemption Option] [(further particulars specified below)]
13	(i) Status of the Instruments:	[Ordinary Senior Instruments/ Senior Non Preferred Instruments/ Subordinated Instruments-Senior Subordinated Instruments/Subordinated Instruments-Tier 2 Subordinated Instruments] <i>[The Subordinated Instruments-Tier 2 Subordinated Instruments are intended to constitute Tier 2 Instruments of the Issuer]</i>
	(ii) Ordinary Senior Instruments – Events of Default:	[Conditions 6.01 and 6.02 are [not] applicable]
	[(iii) [Date [Executive Committee] approval for issuance of	

<sup>4</sup> Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Instruments where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

Instruments  
obtained:

14 Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 15 Fixed Rate Instrument Provisions: [Applicable/ Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable] (*If applicable, Condition 4A of the Terms and Conditions of the Instruments will apply*) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate[(s)] of Interest: [ ] per cent. per annum [for the [ ] Interest Period][*repeat information if necessary*]  
[ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] [in each year] [adjusted in accordance with [*Business Day Convention*]]<sup>5</sup>
- (iii) Fixed Coupon Amount[(s)]: [ ] per [ ] Specified Denomination [for the [ ] Interest Period] [*repeat information if necessary*]<sup>6</sup>
- (iv) Day Count Fraction: [30/360]/[360/360]/[Bond Basis]  
[30E/360]/ [EuroBond Basis]  
[Actual/Actual]/ [Actual/Actual (ISDA)]  
[Actual/365 (Fixed)][  
[Actual/Actual (ICMA)]  
[Actual/360]  
[30E/360 (ISDA)]
- [(v) Determination Dates: [ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*).  
(*N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
- (vi) Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the [Issue and Paying Agent]): [ ]
- (vii) Step Up Provisions: [Applicable/Not Applicable]  
— Step Up Margin: [ ] per cent.

<sup>5</sup> Note that for certain Renminbi or Hong Kong dollar denominated Fixed Rate Instruments the Interest Payment Dates are subject to modification and the following words should be added: “provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.”

<sup>6</sup> For Renminbi or Hong Kong dollar denominated Fixed Rate Instruments where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, in the case of Renminbi denominated Fixed Rate Instruments or to the nearest HK\$0.01, in the case of Hong Kong dollar denominated Fixed Rate Instruments, CNY0.005 or HK\$0.005, respectively, being rounded upwards.”

	(viii)	Redemption Coupon Provisions:	[Applicable/Not Applicable]
		— Redemption Coupon Amount:	[ ]/[ ] per cent. [per annum]] per [ ] Specified Denomination
		— Day Count Fraction:	[ ]
16		Reset Instrument Provisions:	[Applicable/Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable] <i>(If applicable, Condition 4B of the Terms and Conditions of the Instruments will apply)</i> <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Initial Rate of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/ quarterly/monthly] in arrear]
	(ii)	First Margin:	[+/-][ ] per cent. per annum
	(iii)	Subsequent Margin:	[+/-][ ] per cent. per annum] [Not Applicable]
	(iv)	Interest Payment Date(s):	[ ] in each year [adjusted in accordance with [ <i>Business Day Convention</i> ]/[not adjusted].
	(v)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[ ] per [ ] Specified Denomination [for the [ ] Interest Period] <i>[repeat information if necessary]</i>
	(vi)	First Reset Date:	[ ] [adjusted in accordance with [ <i>Business Day Convention</i> ]/[not adjusted].
	(vii)	Second Reset Date:	[ ]/[Not Applicable] [adjusted in accordance with [ <i>Business Day Convention</i> ]/[not adjusted].
	(viii)	Subsequent Reset Date(s):	[ ] [and [ ]] [adjusted in accordance with [ <i>Business Day Convention</i> ]/[not adjusted].
	(ix)	Reset Reference Rate:	[Mid-Swap Rate/Sterling Reference Bond Rate/Non- Sterling Reference Bond Rate/U.S. Treasury Rate]
	(x)	Reset Determination Time:	[•]
	(xi)	Relevant Screen Page:	[ ]
	(xii)	Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
	(xiii)	Mid-Swap Maturity:	[ ]
	(xiv)	Fixed Leg Swap Duration:	[ ]
	(xv)	Day Count Fraction:	[30/360]/[360/360]/[Bond Basis] [30E/360]/ [EuroBond Basis] [Actual/Actual]/ [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/Actual (ICMA)] [Actual/360] [30E/360 (ISDA)]

- (xvi) [Determination Dates: [ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*).
- (xvii) Reset Business Centre: [ ]
- (xiii) Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the [Issue and Paying Agent]):
- (xix) Step Up Provisions: [Applicable/Not Applicable]  
— Step Up Margin: [ ] per cent.
- (xx) Redemption Coupon Provisions: [Applicable/Not Applicable]  
— Redemption Coupon Amount: [[ ]/[ ] per cent. [per annum]] per [ ] Specified Denomination  
— Day Count Fraction: [ ]
- 17 Floating Rate, CMS-Linked and Steeper Instruments Provisions: [Applicable/ Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable]
- (If applicable, Condition 4C of the Terms and Conditions of the Instruments will apply)*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Payment Date(s): [ ] in each year [adjusted in accordance with [*Business Day Convention*]
- (ii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (iii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Issue and Paying Agent]): [ ]
- (iv) Margin Plus Rate: [Applicable/Not Applicable] (*If Steeper Instruments Provisions are applicable select “Not Applicable” and delete the remaining sub-paragraphs of this paragraph*)  
— Margin(s): [+/-] [ ] per cent. per annum
- (v) Specified Percentage Multiplied by Rate: [Applicable/Not Applicable] (*If Steeper Instruments Provisions are applicable select “Not Applicable” and delete the remaining sub-paragraphs of this paragraph*)  
— Specified Percentage: [ ] per cent.

- (vi) Difference in Rates: [Applicable/Not Applicable] *(If Steepener Instruments Provisions are applicable select “Not Applicable” and delete the remaining sub-paragraphs of this paragraph)*
- Rate 1: [Screen Rate Determination] [ISDA Determination]
- Rate 2: [Screen Rate Determination] [ISDA Determination]
- Specified Percentage: [ ] per cent.
- (vii) Steepener Instruments Provisions: [Applicable/Not Applicable] *(If not applicable select “Not Applicable” and delete the remaining sub-paragraphs of this paragraph)*
- Leverage: [ ] [1]
- Spread: [ ] per cent.
- Steepener Rate: [Screen Rate Determination] [ISDA Determination] (Constant maturity swap rate(s)) [Difference of Spread Linked Rates] (see paragraph [(viii)][(ix)][(x)] below)
- Spread Linked Rate 1: [Screen Rate Determination] [ISDA Determination] (Constant maturity swap rate(s)) [Difference of Spread Linked Rates] (see paragraph [(viii)][(ix)][(x)] below) *(Remove if Difference of Spread Linked Rates is not applicable)*
- Spread Linked Rate 2: [Screen Rate Determination] [ISDA Determination] (Constant maturity swap rate(s)) [Difference of Spread Linked Rates] (see paragraph [(viii)][(ix)][(x)] below) *(Remove if Difference of Spread Linked Rates is not applicable)*
- (viii) Screen Rate Determination [Applicable/Not Applicable] *(If not applicable select “Not Applicable” and delete the remaining sub-paragraphs of this paragraph)*
- (In case of Steepener Instruments Provisions and Difference of Spread Linked Rates are applicable, include a reference to “Spread Linked Rate 1” and “Spread Linked Rate 2” in the relevant sub-paragraphs of this paragraph)*
- Reference Rate: [EURIBOR][SONIA][SOFR][€STR][SARON][TONA][CNH HIBOR] [constant maturity swap rate]
- Interest Determination Date(s): [ ]
- [ ] London Banking Days prior to each Interest Payment Date  
*(Include where the Reference Rate is SONIA)*
- [ ] U.S. Government Securities Business Days prior to each Interest Payment Date  
*(Include where the Reference Rate is SOFR)*
- [ ] TARGET Business Days prior to each Interest Payment Date  
*(Include where the Reference Rate is €STR)*
- [ ] Zurich Banking Days prior to each Interest Payment Date  
*(Include where the Reference Rate is SARON)*
- [ ] Tokyo Banking Days prior to each Interest Payment Date  
*(Include where the Reference Rate is TONA)*

— Relevant Screen Page:	[ ] [Other examples: EURIBOR 01]
(ix) [Calculation Method:	<p>Include where the Reference Rate is SONIA: [SONIA Compounded Daily]/[SONIA Index Compounded Daily]/[SONIA Weighted Average]]</p> <p>[Include where the Reference Rate is SOFR: [SOFR Arithmetic Mean]/[SOFR Compound: [SOFR Compound with Lookback]/[SOFR Compound with Observation Period Shift]/[SOFR Compound with Payment Delay]/[SOFR Index with Observation Shift]]]</p> <p>Include where the Reference Rate is €STR: [€STR Compounded Daily]/[€STR Index Compounded Daily]/[€STR Weighted Average]]</p> <p>Include where the Reference Rate is SARON: [SARON Compounded Daily]/[SARON Index Compounded Daily]/[SARON Weighted Average]]</p> <p>Include where the Reference Rate is TONA: [TONA Compounded Daily]/[TONA Index Compounded Daily]/[TONA Weighted Average]]</p>
(x) Observation Method:	[Include where the Calculation Method is SONIA/€STR/SARON/TONA Compounded Daily: [Lag]/[Lock-out]/[Shift]]
(xi) p:	<p>[[specify] [London Banking Days]/[U.S. Government Securities Business Days]/[TARGET Business Days]/[Zurich Banking Days]/[Tokyo Banking Days]/[As per the Conditions]/[Not applicable]]</p> <p>(Include where the Reference Rate is SONIA, €STR, SARON, TONA or SOFR (where the Calculation Method is SOFR Compound: SOFR Compound with Lookback))</p>
(xii) [Observation Shift Days:	<p>[[specify] U.S. Government Securities Business Days]/[As per the Conditions]/[Not applicable]]</p> <p>(Include where the Reference Rate is SOFR and the Calculation Method is SOFR Compound: SOFR with Observation Period Shift or SOFR Index with Observation Shift)</p>
(xiii) Interest Payment Delay:	[Not Applicable / [ ] U.S. Government Securities Business Day(s)] (Include where the Reference Rate is SOFR)
(xiv) Interest Period End Dates:	<p>[specify] [The Interest Payment Date for such Interest Period] [Not Applicable]</p> <p>(Include where the Reference Rate is SONIA, €STR, SARON or TONA and the Observation Method is “Shift” or SOFR and the Calculation Method is Compound with Payment Delay)</p>
(xv) [SOFR Cut-Off Date:	<p>[As per Conditions]/[[specify] U.S. Government Securities Business Days]/[ Not applicable]]</p> <p>(Include where the Reference Rate is SOFR. Must apply where the Calculation Method is SOFR Arithmetic Mean)</p>
(xvi) [SOFR Replacement	[As per Conditions]/[specify order of priority of SOFR Replacement Alternatives listed in Condition 4C.05(D).]]



	Alternative s Priority:	
	— Relevant Time:	<input type="checkbox"/> /[Not applicable] <i>[For example, 11.00 a.m. London time/Brussels/Zurich/Tokyo time]</i>
(ix)	ISDA Determination:	<input type="checkbox"/> [Applicable/Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i> <i>(In case of Steeper Instruments Provisions and Difference of Spread Linked Rates are applicable, include a reference to “Spread Linked Rate 1” and “Spread Linked Rate 2” in the relevant sub-paragraphs of this paragraph)</i>
	—ISDA Definitions	<input type="checkbox"/> [2006 ISDA Definitions]/ <input type="checkbox"/> [2021 ISDA Definitions]
	— Floating Rate Option:	<input type="checkbox"/> <input type="checkbox"/>
	— Designated Maturity:	<input type="checkbox"/> <input type="checkbox"/>
	— Reset Date:	<input type="checkbox"/> <input type="checkbox"/>
	— Compounding:	<input type="checkbox"/> [Applicable/Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
	— [Compounding Method:	<input type="checkbox"/> [Compounding with Lookback Lookback: <input type="checkbox"/> <input type="checkbox"/> Applicable Business Days]
		<input type="checkbox"/> [Compounding with Observation Period Shift Observation Period Shift: <input type="checkbox"/> <input type="checkbox"/> Observation Period Shift Business Days Observation Period Shift Additional Business Days: <input type="checkbox"/> <input type="checkbox"/> /[Not Applicable]]
		<input type="checkbox"/> [Compounding with Lock-out Lock-out: <input type="checkbox"/> <input type="checkbox"/> Lock-out Period Business Days] Lock-out Period Business Days: <input type="checkbox"/> <input type="checkbox"/> /[Applicable Business Days]]
	— Averaging:	<input type="checkbox"/> [Applicable/Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
	— [Averaging Method:	<input type="checkbox"/> [Averaging with Lookback Lookback: <input type="checkbox"/> <input type="checkbox"/> Applicable Business Days]
		<input type="checkbox"/> [Averaging with Observation Period Shift Observation Period Shift: <input type="checkbox"/> <input type="checkbox"/> Observation Period Shift Business Days Observation Period Shift Additional Business Days: <input type="checkbox"/> <input type="checkbox"/> /[Not Applicable]]
		<input type="checkbox"/> [Averaging with Lock-out Lock-out: <input type="checkbox"/> <input type="checkbox"/> Lock-out Period Business Days Lock-out Period Business Days: <input type="checkbox"/> <input type="checkbox"/> /[Applicable Business Days]]
	— Index Provisions:	<input type="checkbox"/> [Applicable/Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
	— [Index Method:	<input type="checkbox"/> Compounded Index Method with Observation Period Shift Observation Period Shift: <input type="checkbox"/> <input type="checkbox"/> Observation Period Shift Business Days

		Observation Period Shift Additional Business Days: [ ]/[Not Applicable]]
(x)	Constant maturity swap rate(s):	[ ] [[Spread Linked Rate 1: [ ] [Spread Linked Rate 2: [ ] (Only applicable where the Steepener Instruments Provisions are applicable)]
(xi)	Minimum Rate of Interest:	[ ] per cent. per annum
(xii)	Maximum Rate of Interest:	[ ] per cent. per annum
(xiii)	Day Count Fraction:	[30/360]/[360/360]/[Bond Basis] [30E/360]/ [EuroBond Basis] [Actual/Actual]/ [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/Actual (ICMA)] [Actual/360] [30E/360 (ISDA)]
(xiv)	Step Up Provisions: — Step Up Margin:	[Applicable/Not Applicable] [ ] per cent.
(xv)	Redemption Coupon Provisions: — Redemption Coupon Amount: — Day Count Fraction:	[Applicable/Not Applicable] [[ ]/[ ] per cent. [per annum]] per [ ] Specified Denomination [ ]
18	Fixed/Floating Rate Instruments Provisions	[Applicable/Not Applicable] (If applicable, Condition 4D of the Terms and Conditions of the Instruments will apply) (If not applicable delete the remaining subparagraphs of this paragraph)
(i)	Change of Interest Basis:	[Issuer Change of Interest Basis/Automatic Change of Interest Basis]
(ii)	Switch Date:	[ ]
(iii)	Rate of Interest applicable to the Interest Periods preceding the Switch Date (excluded):	Determined in accordance with [Condition 4A, as though the Instrument was a Fixed Rate Instrument] / [Condition 4C, as though the Instrument was a Floating Rate Instrument] with further variables set out in paragraph [15/17] of these Final Terms
(iv)	Rate of Interest applicable to the Interest Periods following the Switch Date (included):	Determined in accordance with [Condition 4A, as though the Instrument was a Fixed Rate Instrument] / [Condition 4C, as though the Instrument was a Floating Rate Instrument] with further variables set out in paragraph [15/17] of these Final Terms
(v)	Notice Period:	[ ] / Not Applicable (only applicable where Change of Interest Basis is specified as “Issuer Change of Interest Basis”)
(vi)	Step Up Provisions: — Step Up Margin:	[Applicable/Not Applicable] [ ] per cent.

(vii)	Redemption Coupon Provisions:	[Applicable/Not Applicable]
	— Redemption Coupon Amount:	[[ ]/[ ] per cent. [per annum]] per [ ] Specified Denomination
	— Day Count Fraction:	[ ]
19	Zero Coupon Instrument Provisions:	[Applicable/Not Applicable] <i>(If applicable, Condition 4F of the Terms and Conditions of the Instruments will apply)</i> <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Amortisation Yield:	[ ] per cent. Per annum
	(ii) Day Count Fraction relating to Early Redemption Amounts:	[ ] per cent. Per annum [30/360]/[360/360]/[Bond Basis] [30E/360]/ [EuroBond Basis] [Actual/Actual]/ [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/Actual (ICMA)] [Actual/360] [30E/360 (ISDA)]
20	Range Accrual Provisions:	[Applicable/Not Applicable] <i>(If applicable, Condition 4F.03 of the Terms and Conditions of the Instruments will apply)</i> <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Single Range Accrual Provisions:	[Applicable/Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
	— Range Accrual Reference Rate:	[EURIBOR][SONIA][SOFR][€STR][SARON][TONA][CNH HIBOR][constant maturity swap rate] [Not Applicable] <i>(If spread Range Accrual is applicable, select “Not Applicable” and delete the remaining sub-paragraphs of this paragraph)</i>
	— Specified Currency:	[ ] [As set out in item 3 above]
	— Specified Maturity:	[ ] [month[s]] [year[s]]
	— Relevant Screen Page:	[ ]
	— Relevant Time:	[ ]
	— Relevant Financial Centre:	[ ]
	— Rate Cut-off Date:	[ ] [As specified in Condition 4G.03]
	— Spread Range Accrual:	[Applicable][Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
	— Spread Accrual Rate 1:	[EURIBOR][SONIA][SOFR][€STR][SARON][TONA][CNH HIBOR][constant maturity swap rate]
	— Specified Currency:	[ ] [As set out in item 3 above]

- Specified Maturity: [ ] [month[s]] [year[s]]
- Relevant Screen Page: [ ]
- Relevant Time: [ ]
- Relevant Financial Centre: [ ]
- Spread Accrual Rate 2: [EURIBOR][SONIA][SOFR][€STR][SARON][TONA][CNH HIBOR][*constant maturity swap rate*]
- Specified Currency: [ ] [As set out in item 3 above]
- Specified Maturity: [ ] [month[s]] [year[s]]
- Relevant Screen Page: [ ]
- Relevant Time: [ ]
- Relevant Financial Centre: [ ]
- Rate Cut-off Date: [ ] [As specified in Condition 4F.03]
- Cap: [[ ] per cent. per annum [in respect of the Interest Period ending [ ]]] [Not Applicable]  
[For the purposes of the definition of “N1” in Condition 4F.03, [less than or equal to][less than] shall apply.]
- Floor: [[ ] per cent. per annum [in respect of the Interest Period ending [ ]]] [Not Applicable]  
[For the purposes of the definition of “N1” in Condition 4F.03, [greater than or equal to][greater than] shall apply.]
- (ii) Dual Range Accrual Provisions: [Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
- Range Accrual Reference Rate 1: [EURIBOR][SONIA][SOFR][€STR][SARON][TONA][CNH HIBOR][*constant maturity swap rate*]
- Specified Currency: [ ] [As set out in item 3 above]
- Specified Maturity: [ ] [month[s]] [year[s]]
- Relevant Screen Page: [ ]
- Relevant Time: [ ]
- Relevant Financial Centre: [ ]
- Rate Cut-off Date: [ ] [As specified in Condition 4F.03]

- Cap:  per cent. per annum [in respect of the Interest Period ending ] [Not Applicable]  
[For the purposes of the definition of “N1” in Condition 4F.03, [less than or equal to][less than] shall apply.]
- Floor:  per cent. per annum [in respect of the Interest Period ending ] [Not Applicable]  
[For the purposes of the definition of “N1” in Condition 4F.03, [greater than or equal to][greater than] shall apply.]
- Range Accrual Reference Rate 2: [EURIBOR][SONIA][SOFR][€STR][SARON][TONA][CNH HIBOR][*constant maturity swap rate*]
- Specified Currency:  [As set out in item 3 above]
- Specified Maturity:  [month[s]] [year[s]]
- Relevant Screen Page:
- Relevant Time:
- Relevant Financial Centre:
- Rate Cut-off Date:  [As specified in Condition 4F.03]
- Cap:  per cent. per annum [in respect of the Interest Period ending ] [Not Applicable]  
[For the purposes of the definition of “N1” in Condition 4F.03, [greater than or equal to][greater than] shall apply.]
- Floor:  per cent. per annum [in respect of the Interest Period ending ] [Not Applicable]  
[For the purposes of the definition of “N1” in Condition 4F.03, [less than or equal to][less than] shall apply.]
- (iii) RA Business Day:  [As specified in Condition 4F.03]
- (iv) RA Common Business Day:  [As specified in Condition 4F.03] [Not Applicable] (*Only applicable in case of Single Range Accrual Instruments that specify Spread Range Accrual as applicable and Dual Range Accrual Instruments*)

#### PROVISIONS RELATING TO REDEMPTION

- 21 Call Option: [Applicable/Not Applicable]  
(*The clearing systems require a minimum of 5 business days’ notice if such an option is to be exercised*)

- (i) Early Redemption Amount (Call) of each Instrument: [ ] per Instrument of [ ] Specified Denomination
- (ii) Notice period: [ ] days
- (iii) Early Redemption Date(s): [ ]
- 22 Put Option: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Early Redemption Date(s): [ ]
- (ii) Early Redemption Amount (Put) of each Instrument: [ ] per Instrument of [ ] Specified Denomination
- (iii) Notice period: [ ]
- 23 Clean-Up Redemption Option:
- (i) Clean-Up Percentage: [[75] per cent. / [ ] per cent.]
- (ii) Early Redemption Amount(s) (Clean-Up Call) of each Instrument and method, if any, of calculation of such amount(s): [ ] per Instrument of [ ] Specified Denomination / [ ]
- 24 Maturity Redemption Amount of each Instrument: [[ ] per Instrument of [ ] Specified Denomination]
- 25 [Early Termination Amount], [Early Redemption Amount (Tax)], [Early Redemption Amount (Capital Disqualification Event)] and [Early Redemption Amount (TLAC/MREL Disqualification Event)]
- TLAC/MREL Disqualification Event [Applicable/Not Applicable]
- Early Redemption Amount(s) of each Instrument payable on redemption for (1) taxation reasons, [(2) on a Capital Disqualification Event], [(3) on a TLAC/MREL Disqualification Event] or (4) on event of default: [ ]

#### GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

- 26 Form of Instruments: Bearer Instruments:  
[Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Instrument]

[Temporary Global Instrument exchangeable for Definitive Instruments]

[Permanent Global Instrument exchangeable for Definitive Instruments on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Instrument]

[Instruments shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian law of 14th December, 2005<sup>7</sup>]

Registered Instruments:

[Global Registered Instrument exchangeable for Individual Certificates in the limited circumstances specified in the Global Registered Instrument]

[Global Registered Instrument (US\$/€[ ] nominal amount) registered in the name of [a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)] / [the Hong Kong Monetary Authority as operator of the CMU (the "CMU Operator")]]

[Individual Certificates]

- |    |   |   |
|----|---|---|
| 27 | New Global Note:  | [Yes] [No]  |
| 28 | Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): | [Yes] [No] [ ]  |
| 29 | Relevant Financial Centre:  | [ ]   |
| 30 | Relevant Financial Centre Day:  | [ ]   |
| 31 | Amount of each instalment (Instalment Amount), date on which each payment is to be made (Instalment Date):              | [Not Applicable] [ ]  |
| 32 | Organisation of Holders of Instruments:   | [Syndicate of Holders of the Instruments]/[Meeting of Holders of the Instruments] |
| 33 | Commissioner:   | [Not applicable] / [ ]  |
| 34 | Waiver of Set-off:  | [Applicable/Not Applicable]   |
| 35 | Substitution and Variation:   | [Applicable/Not Applicable]   |
| 36 | Governing law:  | [English law/Spanish law]   |

#### **DISTRIBUTION**

- |    |  |                        |
|----|--|------------------------|
| 37 | If syndicated, names of Managers:          | [Not Applicable] / [ ] |
| 38 | If non-syndicated, name of Dealer/Manager: | [Not Applicable] / [ ] |
| 39 | Stabilisation Manager(s):                  | [Not Applicable] [ ]   |

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<sup>7</sup> Include for Instruments that are to be offered in Belgium.

- 40 Prohibition of Sales to EEA Retail Investors: [Not Applicable/Applicable] *(If the Instruments clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Instruments may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified and the legend entitled “Prohibition of Sales to EEA Retail Investors” on the cover page of the Final Terms should be included. For the purpose of the above, a “packaged” product shall designate a “packaged retail investment product” which means in accordance with Regulation (EU) No. 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor.)*
- 41 US Selling Restrictions: (Categories of potential investors to which the Instruments are offered): Reg. S Compliance Category 2; [TEFRA C/TEFRA D/ TEFRA not applicable]
- 42 Hong Kong SFC Code of Conduct:
- (i) Rebates: [A rebate of [●] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Instruments subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Instruments distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
- (ii) Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent: [Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – Overall Coordinators to provide] / [Not Applicable]
- (iii) Marketing and Investor Targeting Strategy: [Give details if different from the Base Prospectus]

### THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

### CONFIRMED

**BANCO SANTANDER, S.A.**



By:

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*Authorised Signatory*

Date

## PART B — OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

[Application has been made by the Issuer (or on its behalf) for the Instruments to be listed on [the Official List of Euronext Dublin]<sup>1</sup>/[any unregulated market]/[any other listing authority] [any other stock exchange] [any other quotation system] and application is expected to be made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on [the Regulated Market of Euronext Dublin] [any other unregulated market] [any other listing authority] [any other stock exchange] [any other quotation system] with effect from [ ].]<sup>2</sup> [Not Applicable.]

[Application has [also] been made by the Issuer (or on its behalf) for the Instruments to be admitted to listing and trading on the Taipei Exchange in the Republic of China (“**TPEX**”). TPEX is not responsible for the content of these Final Terms, the Base Prospectus [and the amendment[s] and/or supplement[s] thereto] and no representation is made by TPEX to the accuracy or completeness of these Final Terms [and], the Base Prospectus [and the amendment[s] and/or supplement[s] thereto]. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of these Final Terms [and] the Base Prospectus [and the amendment[s] and/or supplement[s] thereto]. Admission to listing and trading of the Instruments on TPEX shall not be taken as an indication of the merits of the Issuer or the Instruments. No assurance can be given as to whether the Instruments will be, or will remain, listed on TPEX. If the Instruments fail to or cease to be listed on TPEX, certain investors may not invest in, or continue to hold or invest in, the Instruments] (*To be inserted if Instruments are listed on the Taipei Exchange*)

Estimate of total expenses related to admissions to trading: [●]

(Where documenting a fungible issue, indicate that the original Instruments are already admitted to trading.)

### 2 [RATINGS]

The Instruments to be issued have been rated:

[S&P:[ ]]

[Moody’s: [ ]]

[Fitch: [ ]]

[[Other]: [ ]]

[These credit ratings have been issued by [S&P Global Ratings Limited], [Moody’s Investor Services España, S.A.] [and Fitch Ratings Ireland Limited] [other].

Each of [S&P Global Ratings Limited], [Moody’s Investor Services España, S.A.] [,][and] [Fitch Ratings Ireland Limited] [and] [Specify Other] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). As such each of [S&P Global Ratings Limited], [Moody’s Investor Services España, S.A.] [,][and] [Fitch Ratings Ireland Limited] [and] [Specify Other] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

[A list of rating agencies registered under the CRA Regulation can be found at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.]

[[Insert the legal name of the relevant credit rating agency entity] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). [Insert the legal name of relevant credit rating agency entity] is therefore not included in the list of credit rating

<sup>1</sup> [In the case of listing the Instruments on an unregulated market, this language and any references to the Prospectus Regulation will be removed.]

<sup>2</sup> [In the case of unlisted Instruments, this language and any references to the Prospectus Regulation will be removed.]

agencies published by the European Securities and Market Authority on its website in accordance with such Regulation.]<sup>3</sup>

*(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider)*

*(The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### **3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

*(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below.)*

[Save as discussed in section “*Subscription and Sale*” of the Base Prospectus for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)]*

### **4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

Reasons for the offer: [ ] [See “*Use of Proceeds*” in the Base Prospectus / *Give details*] *(Use of proceeds if other than for general funding purposes of the Group.)* The Instruments are specified as being [“Green Bonds”][“Social Bonds”][“Sustainable Bonds”] and the net proceeds from the issuance of the Instruments will be used as described in “*Use of Proceeds*” in the Base Prospectus.]

Estimated net proceeds: [●]

### **5 [Fixed Rate Instruments only]— YIELD**

Indication of yield: [ ]  
As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]]

### **6 OPERATIONAL INFORMATION**

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) CUSIP number: [ ]
- (iv) WKN: [ ] [Not applicable]
- (v) Any other clearing system other than Euroclear and Clearstream Banking, S.A. and the relevant identification numbers: [CMU / Clearstream Banking AG] [ ]  
[The Instruments will be cleared through CMU. CMU Instrument Number: [●]]  
[Persons holding a beneficial interest in the Instruments through Euroclear or Clearstream, Luxembourg will hold their interests

<sup>3</sup> [For Instruments that receive ratings only.]

through an account opened and held by Euroclear or Clearstream, Luxembourg (as applicable) with the CMU Operator.]

[Not applicable]

- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] [*include this text for registered Instruments*] and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][if “yes” selected and the Instruments are deposited with an ICSD, the Instruments must be issued in NGN form]
- [No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered Instruments*]. Note that this does not necessarily mean that the Instruments will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 7 [ROC TAXATION]

*(To be inserted if Instruments are listed on the Taipei Exchange)*

The following is a general description of the principal of the Republic of China (“ROC”) tax consequences for investors receiving interest in respect of, or disposing of, the Instruments and is of a general nature based on the Issuer’s understanding of current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice.

This general description is based upon the law as in effect on the date hereof and that the Instruments will be issued, offered, sold and re-sold, directly or indirectly, to professional institutional investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC only. This description is subject to change potentially with retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Instruments.

### ***Interest on the Instruments***

As the Issuer is not an ROC statutory tax withholder, there is no ROC withholding tax on the interest [or deemed interest] to be paid on the Instruments.

ROC corporate holders must include the interest [or deemed interest] (*applicable for Zero Coupon Instruments only*) receivable under the Instruments as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is under NT\$120,000), as they are subject to income tax on their worldwide income on an accrual basis. The alternative minimum tax (“AMT”) is not applicable.

### ***Sale of the Instruments***

In general, the sale of corporate bonds or financial bonds is subject to a 0.1 per cent. securities transaction tax (“STT”) on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Instruments will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Instruments will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC corporate holders are not subject to income tax on any capital gains generated from the sale of the Instruments. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the ordinary income tax calculated pursuant to the Income Basic Tax Act of the ROC (also known as the AMT Act), the excess becomes the ROC corporate holders’ AMT payable. Capital losses, if any, incurred by such holders may be carried over 5 years to offset against capital gains of the same category of income for the purposes of calculating their AMT.

*[Specify]*

## **8 [ROC SETTLEMENT AND TRADING]**

*(To be inserted if Instruments are listed on the Taipei Exchange)*

[investor with a securities book-entry account with a ROC securities broker and a foreign currency deposit account with a ROC bank may request the approval of the Taiwan Depository & Clearing Corporation (“TDCC”) to the settlement of the Instruments through the account of TDCC with Euroclear or Clearstream, Luxembourg and if such approval is granted by the TDCC, the Instruments may be so cleared and settled. In such circumstances, TDCC will allocate the respective Instruments position to the securities book-entry account designated by such investor in the ROC. The Instruments will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds.

In addition, an investor may apply to TDCC (by filing in a prescribed form) to transfer the Instruments in its own account with Euroclear or Clearstream, Luxembourg to the TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets.

For such investors who hold their interests in the Instruments through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the Instruments to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second ROC business day following TDCC’s receipt of such payment (due to time difference, the payment is expected to be received by TDCC one ROC business day after the distribution date). However, when the holders will actually receive such distributions may vary depending upon the daily operations of the ROC banks with which the holder has the foreign currency deposit account.]

## GENERAL INFORMATION

### Application for Listing

1. Application has been made to Euronext Dublin (“Euronext Dublin”) for the Instruments issued under the Programme to be admitted to the Official List and for such Instruments to be admitted to trading on Euronext Dublin’s regulated market.

### Authorisation

2. The update of the Programme was authorised by means of the resolutions adopted by the executive committee of the Issuer on 20 February 2023.
3. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Instruments, including the resolutions adopted by the executive committee of the Issuer on 20 February 2023.

### Legal and Arbitration Proceedings

4. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Banco Santander is aware) which may have, or have had in the previous twelve months, significant effect on the financial position or profitability of the Issuer or the Group.

### Significant/Material Change and Trend Information

5. Since 31 December 2022 there has been no material adverse change in the prospects of the Issuer or the Group, nor any significant change in the financial position of the Issuer or the Group.
6. There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer’s prospects for at least the current financial year.

### Auditors

7. The standalone and consolidated annual financial statements of the Issuer for the years ended 31 December 2022 and 31 December 2021 were audited by PricewaterhouseCoopers Auditores, S.L., the Group’s current independent auditors. PricewaterhouseCoopers Auditores, S.L is registered under number S0242 in the Official Register of Auditors (*Registro Oficial de Auditores de Cuentas*) and is a member of the *Instituto de Censores Jurados de Cuentas de España*. The registered office of PricewaterhouseCoopers Auditores, S.L is Torre PwC, Paseo de la Castellana 259 B, 28046, Madrid, Spain.

### Documents on Display

8. For so long as any of the Instruments are outstanding, the following documents may be inspected free of charge by physical or electronic means at the registered office of the Issuer, at the offices of each of the Issue and Paying Agent and of the Paying Agents specified at the end of this Base Prospectus:
  - (i) the by-laws (*estatutos*) of the Issuer, as the same may be updated from time to time; and
  - (ii) the information incorporated by reference herein under “*Documents Incorporated by Reference*”.
9. The documents listed in (i) and (ii) above shall be published in electronic form (pdf copies) on the website of Banco Santander ([www.santander.com](http://www.santander.com)). Each of the Final Terms shall be published in electronic form (pdf copies) on the website of Euronext Dublin (<https://live.euronext.com/>).

### Address of the member of the Board of Directors

10. For this sole purpose, the business address of each of the members of the Board of Directors is: Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid.

## **Registration Number, Incorporation information and Corporate Purpose**

11. The Issuer was incorporated on 3 March 1856 and it is registered in the Mercantile Registry of Cantabria in book 83, folio 1, sheet 9, entry 5519.
12. The by-laws of the Issuer are filed with the Companies Registry of Cantabria in volume 1006 of the archive, *folio* 28, page number S-1960, entry 2038. Pursuant to Article 2 of the by-laws of the Issuer, the corporate purpose of the Issuer consists of (i) the conduct of activities and operations and the provision of services of any kind which are typical of the banking business in general and which are permitted under current law, and (ii) the acquisition, possession, enjoyment and disposition of all types of securities.

## **Conflicts of interest**

13. There are no actual or potential conflicts of interest between the duties to Banco Santander of any of its directors and their respective private interests and/or other duties.

## **Material Contracts**

14. No contracts had been entered into that were not in the ordinary course of business of the Issuer and which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Holders.

## **Third Party Information**

15. Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The sources of third party information are Fitch Ratings Ireland Limited (Fitch Ratings), Moody's Investor Service Spain, S.A. (Moody's), S&P Global Ratings Europe Limited (Standard & Poor's) and DBRS Ratings Limited (DBRS).

## **Clearing of the Instruments**

16. The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code, the International Securities Identification Number (ISIN), CUSIP number and/or (where applicable) the identification number for any other relevant clearing system in relation to the Instruments of each Series will be specified in the relevant Final Terms. The Issuer may also apply to have the Instruments accepted for clearance through the CMU. The relevant CMU instrument number will be set out in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Instruments for clearance together with any further appropriate information.
17. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the relevant Final Terms. The address of CMU is 55<sup>th</sup> Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.
18. CMU Instruments have been accepted for clearance through the CMU. For persons seeking to hold a beneficial interest in the CMU Instruments through Euroclear or Clearstream, Luxembourg, such person will hold their interests in an account opened and held by Euroclear or Clearstream, Luxembourg with the CMU Operator.

## **Issue Price and Yield**

19. Instruments may be issued at any price. The issue price of each Tranche of Instruments to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Instruments or the method of determining the price and the process for its disclosure will be set out in the relevant Final Terms. In case of different Tranches of a Series of Instruments, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or,

if interest payment dates have already passed, the most recent interest payment in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Instruments set out in the relevant Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

The Issuer does not intend to provide any post-issuance information in relation to the Instruments.

### **Dealers transacting with the Issuer**

20. Certain of the Dealers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Instruments issued under the Programme. Any such short positions could adversely affect future trading prices of Instruments issued under the Programme. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.



#### REGISTERED OFFICE OF THE ISSUER

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#### HEAD OFFICE OF THE ISSUER

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*As to English law and Spanish Law*

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*As to English law and Spanish Law*

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