

SUITABILITY OF BOARD MEMBERS AND KEY OFFICE HOLDERS

INFORMATION ON THE PROCEDURES IN PLACE TO ENSURE THE SUITABILITY OF BOARD MEMBERS, MANAGING DIRECTORS OR SIMILAR EXECUTIVE OFFICERS, HEADS OF INTERNAL CONTROL FUNCTIONS AND OTHER KEY OFFICE HOLDERS, AS WELL AS INFORMATION ON THE MECHANISMS SET UP TO ENSURE COMPLIANCE WITH RULES ON INCOMPATIBILITIES AND DISQUALIFICATIONS.

Act 10/2014 and Royal Decree 84/2015 require board members, managing directors and similar officers, as well as the heads of internal control functions and other key office holders of credit institutions to be suitable and fit for office. They must be persons of recognised commercial and professional standing and repute, possess suitable levels of knowledge and experience and, in the case of board members, be fully capable of exercising good and sound governance of the entity.

In view of these requirements, BANCO SANTANDER, S.A. has set up an internal procedure to assess the suitability and fitness of the Group's key office holders. The procedure was approved by the Group's executive committee on 27 February 2017 and requires the appointments committee to issue a report on the suitability of the candidate. In preparing the report, the committee relies on the good standing questionnaire completed by the candidate and a full and up-to-date record of their professional experience, among others. These documents contain all the information needed for a full and proper assessment of the commercial and professional fitness requirements and of the candidate's knowledge and experience. The suitability assessment report will contain the committee's proposed evaluation of the candidate in question and must be approved by the board of directors or the executive committee.