

## **Supplement to the notice of call to the ordinary general shareholders' meeting of Banco Santander, S.A.**

This document constitutes a supplement to the notice of call to the ordinary general shareholders' meeting of Banco Santander, S.A. (the "**Company**") to be held in Santander, at the Palacio de Exposiciones y Congresos (Avenida del Racing, s/n), on 3 April 2020 at 9:30 a.m., on second call, in the event that, due to failure to reach the required quorum, such meeting cannot be held on first call, which has been also convened to be held at the same place and time on 2 April 2020 as announced on 28 February 2020 by way of the corresponding public notices. Furthermore, the announcement of the call to meeting will also be published on a Spanish newspaper on 29 February 2020.

The Company is organised and exists under Spanish law. Accordingly, the rights and obligations of the Company's shareholders as well as the holding of and the participation in the general shareholders' meeting are regulated by Spanish corporate law. Under Spanish law, only shareholders that are registered as holders of shares five days prior to the date on which the general shareholders' meeting is to be held may participate in such meetings and exercise their voting rights.

This supplement is directed exclusively to the investors holding shares in the Company through the Polish National Depository of Securities (*Krajowy Depozyt Papierów Wartościowych*) (the "**NDS**") with the intermediation of Euroclear Bank SA/NV ("**Euroclear**") (the "**Polish Investors**"). Euroclear's link with the Spanish depository, Iberclear, operates via the services of a participant in Iberclear, through which Euroclear (through its subsidiary, E.C. Nominees Limited ("**Euroclear Nominees**")) holds shares in the Iberclear system for the Polish Investors.

Due to the fact that Euroclear Nominees is the registered holder of the shares in the Company for the benefit of the Polish Investors, such investors will only be able to enforce the rights attached to the shares to the extent of, and pursuant to, the terms and conditions of the arrangements among Euroclear, Euroclear Nominees, the NDS and the relevant Polish depository investment firms, and, as a result of certain aspects of Spanish law that govern the shares, will not be able to directly enforce or exercise those rights. However, such rights may be exercised through the NDS and, consequently, Euroclear. Given the above, the exercise by the Polish Investors of their rights to participate in and vote at the general shareholders' meeting will differ from the exercise of such rights by the investors holding the shares in the Company directly via Iberclear system.

The information included in this document that relates to certain procedures specifically applicable to Polish Investors is based exclusively on the information provided to the Company by the NDS.

Polish Investors are encouraged to contact in advance the respective investment firms maintaining their securities accounts (the "**NDS participants**") in order to obtain detailed information related to the participation in and voting at the general shareholders' meeting, including in particular the ultimate deadline by which each Polish Investor may exercise his/her voting rights and the relevant documents or data that need to be provided by such Polish Investor.

## **I. Participation in and voting at the ordinary general shareholders' meeting of the Polish Investors**

### **1. General remarks**

The Polish Investors may participate in and vote at the ordinary general shareholders' meeting by way of: (i) personal voting by proxy; or (ii) the issuance of voting instructions pursuant to the rules of the Euroclear system, as supplemented by the terms and conditions governing the relationship between the investors and the depository investment firms operating their securities accounts.

The right to exercise the above-mentioned rights at the general shareholders' meeting by the Polish Investors will be established on the basis of the balance of their securities accounts maintained by the respective NDS participants five days prior to the meeting, including all of the transactions that have been settled up to such date (inclusive).

In order to be able to duly exercise the above rights at the general shareholders' meeting, the Polish Investors will be provided with the relevant information and documentation by the NDS participants that maintain their securities accounts, and they should contact such NDS participants in case of any queries with regard to their rights.

### **2. Personal voting by proxy**

Personal voting by the Polish Investors at the general shareholders' meeting implies attending the meeting in person and will require Euroclear Nominees, as the registered shareholder of the Company, to issue powers of attorney in favour of the Polish Investors or in favour of the person expressly designated thereby. Such proxy-holder may freely vote by attending the general shareholders' meeting in person. To that end, a Polish Investor should declare to its investment firm the willingness to attend the meeting and vote in person and such information should be transferred by the investment firm to the NDS and consequently to Euroclear. Then, Euroclear Nominees must grant such powers of attorney and deliver them to the Company within the applicable deadline determined by the Company. The data that should be provided by the Polish Investor wishing to attend the meeting and vote in person will be determined by Euroclear and delivered to the Polish Investor by the NDS with the intermediation of the NDS participants.

### **3. Voting by instructions**

The Polish Investors who wish to vote by instruction should give their voting instructions with regard to the general shareholders' meeting to the NDS participants operating the securities accounts in which such investors' shares are registered, and such NDS participants will then deliver the instructions to the NDS. Subsequently, the NDS will deliver the voting instructions to Euroclear, which, through Euroclear Nominees, the registered holder of the shares in the Company, will vote at the general shareholders' meeting pursuant to the instructions received from the Polish Investors. The form of the instructions will be provided to the Polish Investors by their investment firm.

Voting by instruction will not require the disclosure of the relevant Polish Investor's personal data to the Company.

## **II. The English translation of the proposed agenda of the ordinary general shareholders' meeting**

The text of the agenda of the ordinary general shareholders' meeting included below is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

- One.-** Annual accounts and corporate management.
- One A.** Examination and, if appropriate, approval of the annual accounts (balance sheet, profit and loss statement, statement of recognised income and expense, statement of changes in total equity, cash flow statement, and notes) and the directors' reports of Banco Santander, S.A. and its consolidated Group, all with respect to the Financial Year ended 31 December 2019.
- One B.** Examination and, if appropriate, approval of the consolidated statement of non-financial information for the Financial Year ended 31 December 2019, which is part of the consolidated directors' report.
- One C.** Examination and, if appropriate, approval of the corporate management for Financial Year 2019.
- Two.-** Application of results obtained during Financial Year 2019.
- Three.-** Board of directors: appointment, re-election or ratification of directors.
- Three A.** Setting of the number of directors.
- Three B.** Appointment of Mr Luis Isasi Fernández de Bobadilla.
- Three C.** Appointment of Mr Sergio Agapito Lires Rial.
- Three D.** Ratification of the appointment and re-election of Mrs Pamela Ann Walkden.
- Three E.** Re-election of Ms Ana Patricia Botín-Sanz de Sautuola y O'Shea.
- Three F.** Re-election of Mr Rodrigo Echenique Gordillo.
- Three G.** Re-election of Ms Esther Giménez-Salinas i Colomer.
- Three H.** Re-election of Ms Sol Daurella Comadrán.
- Four.-** Re-election of the external auditor for Financial Year 2020.
- Five.-** Authorisation for the Bank and its subsidiaries to acquire treasury shares pursuant to the provisions of sections 146 and 509 of the Spanish Capital Corporations Law, depriving of effect, to the extent not used, the authorisation granted by resolution Five II) of the shareholders acting at the ordinary general shareholders' meeting of 12 April 2019.
- Six.-** Authorisation to the board of directors such that, pursuant to the provisions of section 297.1.b) of the Spanish Capital Corporations Law, it may increase the share capital on one or more occasions and at any time, within a period of three years, by means of cash contributions and by a maximum nominal amount of 4,154,528,645.50 euros, all upon such terms and

conditions as it deems appropriate, depriving of effect, to the extent of the unused amount, the authorisation granted under resolution Seven II) adopted at the ordinary general shareholders' meeting of 23 March 2018. Delegation of the power to exclude pre-emptive rights, as provided by section 506 of the Spanish Capital Corporations Law.

**Seven.-**

**Seven A.**

Increase in share capital by such amount as may be determined pursuant to the terms of the resolution, by means of the issuance of new ordinary shares having a par value of one-half (0.5) euro each, with no share premium, of the same class and series as those that are currently outstanding, with a charge to reserves. Offer to acquire bonus share rights (*derechos de asignación gratuita*) at a guaranteed price and power to use voluntary reserves from retained earnings or share premium for such purpose, depriving of effect resolution Six approved at the ordinary general shareholders' meeting held on 12 April 2019. Express provision for the possibility of less than full allotment. Delegation of powers to the board of directors, which may in turn delegate such powers to the executive committee, to establish the terms and conditions of the increase as to all matters not provided for by the shareholders at this general meeting, to take such actions as may be required for implementation thereof, to amend the text of sections 1 and 2 of article 5 of the Bylaws to reflect the new amount of share capital, and to execute such public and private documents as may be necessary to carry out the increase. Application to the appropriate domestic and foreign authorities for admission to trading of the new shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through Spain's Automated Quotation System (*Mercado Continuo*) and on the foreign Stock Exchanges on which the shares of Banco Santander are listed in the manner required by each of such Stock Exchanges.

**Seven B.**

Increase in share capital by such amount as may be determined pursuant to the terms of the resolution, by means of the issuance of new ordinary shares having a par value of one-half (0.5) euro each, with no share premium, of the same class and series as those that are currently outstanding, with a charge to reserves. Offer to acquire bonus share rights (*derechos de asignación gratuita*) at a guaranteed price and power to use voluntary reserves from retained earnings or share premium for such purpose. Express provision for the possibility of less than full allotment. Delegation of powers to the board of directors, which may in turn delegate such powers to the executive committee, to establish the terms and conditions of the increase as to all matters not provided for by the shareholders at this general meeting, to take such actions as may be required for implementation thereof, to amend the text of sections 1 and 2 of article 5 of the Bylaws to reflect the new amount of share capital, and to execute such public and private documents as may be necessary to carry out the increase. Application to the appropriate domestic and foreign authorities for admission to trading of the new shares on the Madrid, Barcelona, Bilbao and

Valencia Stock Exchanges through Spain's Automated Quotation System (*Mercado Continuo*) and on the foreign Stock Exchanges on which the shares of Banco Santander are listed in the manner required by each of such Stock Exchanges.

- Eight.-** Delegation to the board of directors of the power to issue all kinds of fixed-income securities, preferred interests (*participaciones preferentes*) or debt instruments of a similar nature (including certificates (*cédulas*), promissory notes and warrants) that are not convertible, depriving of effect, to the extent of the unused amount, the delegation in such respect conferred by resolution Eight II) approved by the shareholders acting at the ordinary general meeting of 12 April 2019.
- Nine.-** Director remuneration policy.
- Ten.-** Director remuneration system: setting of the maximum amount of annual remuneration to be paid to all of the directors in their capacity as such.
- Eleven.-** Remuneration system: approval of maximum ratio between fixed and variable components of total remuneration of executive directors and other employees belonging to categories with professional activities that have a material impact on the risk profile.
- Twelve.-** Approval of the application of remuneration plans involving the delivery of shares or share options:
- Twelve A.** Deferred Multiyear Objectives Variable Remuneration Plan.
  - Twelve B.** Deferred and Conditional Variable Remuneration Plan.
  - Twelve C.** Digital Transformation Award.
  - Twelve D.** Application of the Group's buy-out regulations.
  - Twelve E.** Plan for employees of Santander UK Group Holdings plc. and other companies of the Group in the United Kingdom by means of options on shares of the Bank linked to the contribution of periodic monetary amounts and to certain continuity requirements.
- Thirteen.-** Authorisation to the board of directors to interpret, remedy, supplement, implement and develop the resolutions approved by the shareholders at the meeting, as well as to delegate the powers received from the shareholders at the meeting, and grant of powers to convert such resolutions into notarial instruments.
- Fourteen.-** Annual director remuneration report. <sup>(1)</sup>

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<sup>(1)</sup> Consultative vote.

### III. Documents available on the Company's website

The following documents and information, among others, are available on the Company's corporate website ([www.santander.com](http://www.santander.com)) from the date of publication of the announcement of the call to the ordinary general shareholders' meeting:

- (i) The announcement of the call to meeting.
- (ii) This supplement.
- (iii) The total number of shares and voting rights on the date of the call to meeting.
- (iv) The full text of the proposed resolutions regarding all of the items on the agenda for the general shareholders' meeting, as well as, in connection with items Three A to Three H, Five, Six, Seven A and Seven B, Nine, Eleven and Twelve A to Twelve D, the corresponding director reports, reasoned proposal or detailed recommendation, as applicable (also including, in the case of items Three A to Three H, the reasoned proposal of the appointments committee).
- (v) 2019 individual annual accounts and directors' report (including the non-financial information report) of Banco Santander, S.A. and auditor's report.
- (vi) 2019 annual report, which contains:
  - (a) 2019 consolidated annual accounts (which include the annual banking report) and the Group's 2019 auditor's report; and
  - (b) the consolidated directors' report, which includes, in relation to 2019:
    - (b.1) the Group's consolidated statement of non-financial information and the independent services provider's verification report ("Responsible Banking" chapter); and
    - (b.2) the annual report on corporate governance ("Corporate Governance" chapter), which includes, among others:
      - (b.2.1) the report of the audit committee (which also includes the report on the independence of the auditor) (section 4.5);
      - (b.2.2) the report of the appointments committee (section 4.6);
      - (b.2.3) the report of the remuneration committee (which also includes the specific report on the director remuneration policy to which item Nine of the agenda refers) (section 4.7);
      - (b.2.4) the report of the risk supervision, regulation and compliance committee (section 4.8);
      - (b.2.5) the report of the responsible banking, sustainability and culture committee (section 4.9);
      - (b.2.6) the report of the innovation and technology committee (section 4.10);
      - (b.2.7) the report of the audit committee on related-party transactions (section 4.12);
      - (b.2.8) the director remuneration policy referred to in item Nine on the agenda (section 6.4); and

- (b.2.9) the annual director remuneration report submitted to a consultative vote under item Fourteen on the agenda (sections 6 (except for 6.6), 9.4 and 9.5).
- (vii) The curricula vitae of the individuals referred to in item Three of the agenda, including the category of each director.
- (viii) The rules applicable to proxy-granting and voting by remote means of communication and to remote attendance at the meeting and the documentation necessary for such purpose.
- (ix) The rules of operation of the Electronic Shareholders' Forum.
- (x) The current Bylaws.
- (xi) The current Rules and Regulations for the General Shareholders' Meeting.
- (xii) The current Rules and Regulations of the Board of Directors.
- (xiii) The full text of the reports of the executive committee of Banco Santander and of the independent expert other than the Company's auditor, appointed by the Commercial Registry as regards the issue of preferred securities contingently convertible into newly-issued ordinary shares of Banco Santander in the maximum nominal amount of 2,000 million euros or its equivalent in any other currency, with the exclusion of the preemptive rights of the Bank's shareholders, approved by the executive committee of the Bank on 4 November 2019 pursuant to the delegation provided under resolution Seven II) adopted by the shareholders at the ordinary general meeting held on 12 April 2019.
- (xiv) The valid requests for information, clarification or questions asked by shareholders exercising their right to receive information and any answers provided by the directors.