We are beginning a new era, reinforcing our aim to become the best commercial bank in the world as we move forward with the highest international standards of corporate governance.

Ana Botín, chairman of Banco Santander
Internal communication.
Balanced and committed board.
- Of 15 directors, 10 are non-executive and 5 are executive.

Equality of rights of shareholders.
- Principle of one share, one vote, one dividend.
- No defensive mechanisms in Bylaws.
- Encouragement of informed participation at meetings.

Maximum transparency, particularly as regards remuneration.

A corporate governance model recognised by socially responsible investment indices.
- Santander has been included in the FTSE4Good and DJSI indices since 2003 and 2000, respectively.
Executive summary

Changes in the composition of the board

The following changes have led to a more international and diversified board:

- On 10 September, after the death of the former chairman, Mr Emilio Botín-Sanz de Sautuola y García de los Ríos, the Bank’s board of directors resolved to appoint Ms Ana Botín-Sanz de Sautuola y O’Shea as executive chairman of the Group.

- At its meeting of 25 November, the board of directors appointed Mr José Antonio Álvarez Álvarez as chief executive officer, replacing Mr Javier Marín Romano, and also approved the following appointments:
  - Mr Bruce Carnegie-Brown, as first vice-chairman, independent director and lead director (consejero coordinador).
  - Mr Rodrigo Echenique Gordillo, as fourth vice-chairman.
  - Ms Sol Daurella Comadrán and Mr Carlos Fernández González, as independent directors.

- The new independent directors filled the vacancies created by the death of Mr Emilio Botín-Sanz de Sautuola y García de los Ríos as well as by the resignations of Mr Fernando de Asúa Álvarez and Mr Abel Matutes Juan.

- In 2015, at its meeting of 16 January, the board of directors approved the appointment of Mr Rodrigo Echenique Gordillo, vice-chairman of the board, as an executive director with responsibility for the duty of compliance in accordance with the regulatory recommendations on corporate governance and also assuming the other duties assigned to him by the chairman of the Bank.

Activities of the board

- The board held 16 meetings during 2014. In addition to the report made by the chairman at each ordinary meeting, at 9 meetings, the chief executive officer submitted management reports to the board, and the second vice-chairman and chairman of the executive risk committee reported on Group risks. The board has already held one meeting on the global strategy of the Group in 2015.

- The Group’s external auditors and heads of internal audit participated in 11 of the 13 meetings held by the audit committee and reported to the board on 2 occasions during 2014.

Increase in capital and new dividend policy

- In January 2015, a capital increase of 7,500 million euros, approximately 8.8% of the Bank’s capital after the increase, was carried out by means of accelerated bookbuilding.

- The dividend policy of the Bank has also been redirected, effective from the first dividend to be paid for financial year 2015, resulting in the expected distribution of three cash dividends and a scrip dividend (Santander Scrip Dividend), in an estimated amount of five cents per share for each of them.

There is a compensation of 0.60 euros per share by means of scrip dividends with a charge to financial year 2014, in accordance with the announcement at the general shareholders’ meeting of 28 March 2014.
Remuneration of directors

- The total remuneration of directors for 2014 is 8.9% more than 2013.

Bylaw-mandated payments

- The total amount paid by the board in bylaw-mandated payments amounted to 4.4 million euros in 2014, which is 27.2% less than the maximum amount approved at the general shareholders’ meeting.

Remuneration of executive directors

- At the general shareholders’ meeting in 2014 it was resolved to amend the Bylaws to adjust the remuneration rules for the executive directors to the provisions of Royal Decree-Law 14/2013 (today Law 10/2014) and of CRD IV, such that the variable components of their remuneration may not exceed 100% of the fixed components, unless a higher ratio is approved at the general shareholders’ meeting, which ratio shall in no case exceed 200%.

- One of the main new elements of the 2014 director remuneration policy included a long-term share incentive based on the performance of the Bank over a multi-year period, in order to increase the alignment of variable remuneration with the creation of long-term value for the shareholders.

Appointment of new chairmen at subsidiaries in the United Kingdom, in Brazil and in the United States

- During December 2014, the appointments were announced of Baroness Vadera, who will be the new non-executive chairman of Santander UK from 30 March 2015, replacing Lord Burns, and of Mr T. Timothy Ryan, Jr., a former vice chairman of JP Morgan Chase, who has been appointed non-executive chairman of the boards of directors of Santander Holdings USA (SHUSA) and of Santander Bank.

- The appointment of Mr Sérgio Rial as chairman of the board of Santander Brazil was announced in January 2015. Mr Rial has held executive positions in ABN-AMRO (CEO for the Asia region), Bear Stearns, Marfrig (CEO) and Cargill (executive vice president and CFO) among others.

Financial information periodically published by the Bank

- The board approved the quarterly financial information, the annual accounts and the management report for 2014, in addition to other documents such as the annual report, the sustainability report, prudential information (Pillar III), the annual corporate governance report, the reports of the committees of the board and the annual director remuneration report.
1. Ownership structure

Number of shares and significant interests

Number of shares
In 2014, the Bank carried out five capital increases, effective 30 January, 29 April, 30 July, 4 November and 5 November, with the issuance of 227,646,659, 217,013,477, 210,010,506, 210,010,506 and 225,386,463 new shares, representing 2.009%, 1.915%, 1.853%, 3.273% and 1.989%, respectively, of the Bank's share capital at year-end 2013. The first three and the last were within the framework of the Santander Scrip Dividend programme, and the fourth resulted from the offer made for the shares of Banco Santander (Brasil) S.A. not owned by Santander Group. All this entailed a total increase in share capital equal to 11.038% in comparison with share capital at year-end 2013.

<table>
<thead>
<tr>
<th>Date</th>
<th>Number of Shares</th>
<th>% of Share Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 January</td>
<td>227,646,659</td>
<td>2.009%</td>
</tr>
<tr>
<td>29 April</td>
<td>217,013,477</td>
<td>1.915%</td>
</tr>
<tr>
<td>30 July</td>
<td>210,010,506</td>
<td>1.853%</td>
</tr>
<tr>
<td>4 November</td>
<td>370,937,066</td>
<td>3.273%</td>
</tr>
<tr>
<td>5 November</td>
<td>225,386,463</td>
<td>1.989%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,250,994,171</strong></td>
<td><strong>11.038%</strong></td>
</tr>
</tbody>
</table>

* Share capital at year-end 2013.

The Bank's share capital at 31 December 2014 was represented by 12,584,414,659 shares, whose value per the listing price on the Electronic Trading System (Sistema de Interconexión Bursátil) (continuous market) of the Spanish stock exchanges at such date was 88,040.6 million euros.

All shares carry the same economic, voting and related rights.

Significant interests
No shareholder held significant interests (of more than 3% of the share capital or interests that would permit a significant influence on the Bank) at 31 December 2014.

The interests held by: State Street Bank and Trust Company (11.43%); Chase Nominees Limited (5.78%); The Bank of New York Mellon Corporation (4.80%); EC Nominees Limited (4.35%); Guaranty Nominees Limited (4.21%); and Clearstream Banking S.A. (3.47%), which were the only ones in excess of 3%, were held by them on behalf of their customers. The Bank is not aware of any of them holding individual stakes of 3% or more of its share capital.

Bearing in mind the current number of members of the board of directors (15), the percentage of capital needed to exercise the right to appoint a director, in accordance with article 243 of the Spanish Companies Act (Ley de Sociedades de Capital) on proportional representation, is 6.67%.

Shareholders’ agreements and other significant agreements

Section A.6 of the annual corporate governance report, which forms part of the management report, contains a description of the private shareholders’ agreement (pacto parasocial) executed in February 2006 by Mr Emilio Botín-Sanz de Sautuola y García de los Ríos, Ms Ana Patricia Botín-Sanz de Sautuola y O’Shea, Mr Emilio Botín-Sanz de Sautuola y O’Shea, Mr Francisco Javier Botín-Sanz de Sautuola y O’Shea, Simancas, S.A., Puente San Miguel, S.A., Puente Pumar, S.L., Latimer Inversiones, S.L. and Cronje, S.L. Unipersonal, providing for the syndication of the shares of the Bank held by them or in respect of which they have voting rights. Such agreement was also reported to the National Securities Market Commission (Comisión Nacional del Mercado de Valores) (CNMV) as a significant event (hecho relevante) and is described in the public records thereof.

On 3 August and 19 November 2012, Banco Santander reported to the CNMV as material facts that it had been formally notified of amendments to this shareholders’ agreement with regard to the signatories thereto.

On 17 October 2013, the Bank also reported to the CNMV as a material fact an update of the holders and of the distribution of shares included in the syndication, as a consequence of a business reorganisation carried out by one of the parties to the agreement.

On 3 October 2014, Banco Santander reported to the CNMV as a material fact a new update of the holders and of the distribution of shares included in the syndication, as well as the change of the chairmanship of the syndicate, which is vested in Mr Francisco Javier Botín-Sanz de Sautuola y O’Shea, current chairman of the board of trustees of the Botín Foundation, completing such information by a material fact notification on 6 February 2015.

1. Limit set by Royal Decree 1362/2007, of 19 October, for defining the concept of significant interest.
Shares included in the syndication
At the date of this document, the syndication included a total of 73,732,624 shares of the Bank (0.6% of its share capital), broken down as follows:

<table>
<thead>
<tr>
<th>Signatories to the shareholders’ agreement</th>
<th>Number of shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estate (herencia yacente) of Mr Emilio Botín-Sanz de Sautuola y García de los Ríos</td>
<td>552,426</td>
</tr>
<tr>
<td>Ms Ana Patricia Botín-Sanz de Sautuola O’Shea</td>
<td>8,079,986</td>
</tr>
<tr>
<td>Mr Emilio Botín-Sanz de Sautuola O’Shea</td>
<td>16,873,709</td>
</tr>
<tr>
<td>Mr Francisco Javier Botín-Sanz de Sautuola O’Shea</td>
<td>16,288,313</td>
</tr>
<tr>
<td>Ms Paloma Botín-Sanz de Sautuola O’Shea</td>
<td>7,835,293</td>
</tr>
<tr>
<td>Ms Carmen Botín-Sanz de Sautuola O’Shea</td>
<td>8,636,449</td>
</tr>
<tr>
<td>PUENTEPUMAR, S.L. — CRONJE, S.L., Unipersonal</td>
<td>—</td>
</tr>
<tr>
<td>NUEVA AZIL, S.L.</td>
<td>5,575,279</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>73,732,624</strong></td>
</tr>
</tbody>
</table>

1. 7,996,625 shares of Banco Santander, S.A. indirectly through Bafimar, S.L.
2. 7,800,322 shares of Banco Santander, S.A. indirectly through Puente San Miguel, S.L.U.
3. 4,652,747 shares of Banco Santander, S.A. indirectly through Inversiones Zulú, S.L. and 6,794,391 shares through Agropecuaria El Castaño, S.L.U.
4. 6,628,291 shares of Banco Santander, S.A. indirectly through Bright Sky 2012, S.L.
5. Bare ownership of 553,508 shares corresponds to the Botín Foundation, but voting rights are assigned to Latimer Inversiones, S.L. as beneficial owner thereof.

In all other respects the aforementioned shareholders’ agreement remains unchanged.

The aforementioned material facts may be viewed on the Group’s corporate website (www.santander.com).

Treasury shares

Treasury share policy
The sale and purchase of own shares, by the Company or by companies controlled thereby, must conform to the provisions of applicable law and the resolutions of the shareholders in this regard.

The Bank, by resolution of the board of directors on 23 October 2014 approved a new treasury stock policy taking into account the criteria recommended by the CNMV.

Treasury share transactions have the following objectives:

a) To provide liquidity or a supply of securities, as applicable, in the market for the shares of the Bank, giving depth to such market and minimising possible temporary imbalances between supply and demand.

b) To benefit shareholders as a whole, to take advantage of situations of weakness in the price of the shares in relation to prospects of changes in the medium-term.

They shall be subject to the following general guidelines:

- They shall not entail proposed intervention in the free formation of prices.
- Trading may not take place if the unit entrusted with such transaction is in possession of insider or relevant information.
- Where applicable, the execution of buy-back programmes and the acquisition of shares to cover obligations of the Bank or the Group shall be permitted.

Treasury stock transactions shall be carried out by the Investments and Holdings Department, which is isolated as a separate area from the rest of the Bank’s activities and protected by the respective Chinese walls, preventing it from receiving any insider or relevant information. The head of such department is responsible for the management of treasury stock.

2. The treasury share policy is published on the Group’s corporate website (www.santander.com).
Key data
At 31 December 2014, the Bank held 1,465,371 treasury shares, representing 0.012% of its share capital at such date (at year-end 2013, there were 1,425,239 treasury shares, representing 0.013% of the Bank’s share capital at such date).

The following table sets out the monthly average percentages of treasury shares in 2014 and 2013.

<table>
<thead>
<tr>
<th>Month</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>0.154</td>
<td>0.441</td>
</tr>
<tr>
<td>February</td>
<td>0.232</td>
<td>1.264</td>
</tr>
<tr>
<td>March</td>
<td>0.241</td>
<td>0.792</td>
</tr>
<tr>
<td>April</td>
<td>0.136</td>
<td>0.794</td>
</tr>
<tr>
<td>May</td>
<td>0.260</td>
<td>1.061</td>
</tr>
<tr>
<td>June</td>
<td>0.297</td>
<td>0.752</td>
</tr>
<tr>
<td>July</td>
<td>0.284</td>
<td>0.209</td>
</tr>
<tr>
<td>August</td>
<td>0.414</td>
<td>0.497</td>
</tr>
<tr>
<td>September</td>
<td>0.337</td>
<td>0.482</td>
</tr>
<tr>
<td>October</td>
<td>0.156</td>
<td>0.171</td>
</tr>
<tr>
<td>November</td>
<td>0.258</td>
<td>0.431</td>
</tr>
<tr>
<td>December</td>
<td>0.141</td>
<td>0.393</td>
</tr>
</tbody>
</table>

Authorisation
The current authorisation for transactions in treasury shares arises from resolution 5 adopted by the shareholders acting at the general shareholders’ meeting held on 28 March 2014, item II) of which reads as follows:

“To grant express authorisation for the Bank and the subsidiaries belonging to the Group to acquire shares representing the share capital of the Bank for valuable consideration in any manner permitted by law, within the limits of the law and subject to all legal requirements, up to a maximum number of shares –including the shares they already hold– equal to 10% of the share capital existing at any given time or such greater maximum percentage as is established by the law while this authorisation is in effect. Such shares shall be fully paid in at a minimum price per share equal to the par value thereof and a maximum price of up to 3% over the last listing price for transactions in which the Bank does not act on its own behalf on the Continuous Market of the Spanish stock exchanges (including the black market) prior to the acquisition in question. This authorisation may only be exercised within five years of the date of the general shareholders’ meeting. The authorisation includes the acquisition of shares, if any, that must be delivered directly to the employees and managers of the Company, or that must be delivered as a result of the exercise of the options held by them”.

Resolutions in effect regarding the possible issuance of new shares or of bonds convertible into shares
The capital authorised by the shareholders acting at the annual general meeting held on 28 March 2014, under item 9 of the agenda, amounts to 2,890,266,786.50 euros. The period available to the directors of the Bank to carry out and make capital increases up to such limit expires on 28 March 2017. The resolution gives the board (or, by delegation, the executive committee) the power to exclude pre-emptive rights in whole or in part, pursuant to the provisions of section 506 of the Companies Act, though this power is limited to capital increases carried out pursuant to this delegation up to 1,156,106,714.50 euros.

In addition, the shareholders acting at the annual general meeting held on 28 March 2014 approved the following resolutions in connection with the content of this section:

1. Four increases in share capital with a charge to reserves in the maximum amounts of 1,875 million, 1,950 million, 2,025 million and 2,100 million euros at market value, respectively, within the shareholding compensation scheme (Santander Scrip Dividend) whereby the Bank has offered shareholders the possibility of receiving shares under a scrip issue for an amount equal to the dividends on the quarterly dates on which they are customarily paid.

For such purposes, at 31 December 2014, the first three aforementioned increases in capital had been implemented, taking place on 29 April, 30 July and 5 November 2014. A number of shares having a nominal value of 0.5 euro each were issued in each case, equal to 108,506,738.50 euros, 105,005,253 euros and 112,693,231.50 euros, respectively, which corresponds to a total of 5.184% of the Bank’s share capital at year-end 2014.

The fourth increase in capital was implemented 29 January 2015. A number of shares having a nominal value of 0.5 euro each were issued, representing 131,289,496.50 euros, which corresponds to 1.903% of share capital at such date.
2. Delegation to the board of directors, in accordance with the general rules on issuance of obligations and pursuant to the provisions of article 319 of the Regulations of the Commercial Register (Reglamento del Registro Mercantil), of the power to issue, on one or more occasions, debentures, bonds, preferred shares and other fixed-income securities or debt instruments of a similar nature in any of the forms allowed by law and convertible into and/or exchangeable for shares of the Bank (resolution Eleven A) of the general shareholders’ meeting of 28 March 2014. Such delegation also includes warrants or similar securities that may directly or indirectly carry the right to subscribe for or acquire shares of the Bank, whether newly-issued or already outstanding, payable by physical delivery or through set-off. The issuance or issuances of securities carried out pursuant to this delegation come to the aggregate maximum amount of 10,000 million euros or the equivalent thereof in another currency, and the period available to the directors of the Bank within which to implement this resolution expires on 28 March 2019.

At the date of this document, pursuant to this delegation, two issuances of preferred shares convertible into newly issued ordinary shares of the Bank, excluding pre-emptive rights of shareholders, were carried out in May and September 2014, respectively, the former in the nominal amount of 1,500 million dollars (1,077,044,589.65 euros at the exchange rate of 1.3927 US dollars per euro) and the latter for 1,500 million euros. The issuance of these contingently convertible securities involves the approval of corresponding increases in capital, if applicable, to provide for the conversion of the preferred shares. Consequently, the two aforementioned issuances mean that of the authorised capital limits.

On 5 March 2014, pursuant to the delegation implemented by the board of directors under resolution Twelve A. II) of the general shareholders’ meeting held on 22 March 2013 (which was later rescinded under the aforementioned resolution Eleven A) of the general shareholders’ meeting of 28 March 2014), an issuance of preferred shares contingently convertible into newly issued ordinary shares of the Bank was carried out, excluding pre-emptive rights of shareholders, in the nominal amount of 1,500 million euros.

3. Delegation to the board of directors, pursuant to the provisions of section 2972.1.a) of the Companies Act, of the broadest powers such that, within one year of the date on which the aforementioned shareholders’ meeting is held, it may set the date and the terms and conditions, as to all matters not provided for by the shareholders themselves, of an increase in capital in the amount of 500 million euros. If the board does not exercise the powers delegated thereto within the period established by the shareholders for implementation of this resolution, such powers shall be rescinded.

With relation to the takeover bid offer for all the securities representing the share capital of Banco Santander Brasil that were not held by the Santander Group, the shareholders of the Bank acting at the extraordinary general shareholders’ meeting on 15 September 2014 approved six increases in share capital in the amount necessary to be able to acquire all such securities of Banco Santander Brasil, delivering new shares of the Bank as consideration.

After the initial period for acceptance of the offer, the holders of 13.65% of the securities representing the share capital of Banco Santander Brasil accepted the offer. As the percentage of acceptance was lower than the limit that would have permitted the holders of securities representing the share capital of Banco Santander Brasil who did not accept the offer to request that the Bank purchase their shares during the three following months at the same exchange ratio in accordance with the provisions in the terms of the offer, it was only necessary to implement the first of the aforementioned six increases in share capital.

On 4 November, Banco Santander, S.A., in implementation of the aforementioned resolution of the general shareholders’ meeting, issued 370,937,066 shares, which represented approximately 3.09% of the Bank’s share capital at such date.

Finally, in financial year 2015, on 8 January the board of directors approved an increase in share capital with the exclusion of pre-emptive rights pursuant to the delegation contained in resolution Nine of the general shareholders’ meeting of 28 March 2014 and described at the beginning of this section. After an accelerated bookbuilding among qualified investors, on 9 January 2015 the executive committee declared the capital increase closed in the total nominal amount of 606,796,117 euros, which represents 9.64% of the Bank’s share capital at such date.

After such capital increase, the available authorised capital amounts to 1,996,946,432 euros with respect to the capacity of the board of directors (or, replacing them, the executive committee) to approve increases in capital and to 262,786,360 euros with respect to the power to approve increases in capital with the exclusion of pre-emptive rights.
2. Banco Santander’s board of directors

Ms Ana Botín-Sanz de Sautuola y O’Shea
- Chairman
- Executive director

Born in 1960 in Santander (Spain).
Joined the board in 1989.
Graduate in Economics.
Joined the Bank after a period at JP Morgan (1980-1988). She has been executive vice president of Banco Santander, S.A. since 1992, was executive chairwoman of Banesto from 2002 to 2010, and chief executive officer of Santander UK from 2010 to 2014.

Other significant positions:
She is a non-executive director of The Coca-Cola Company. She is also Business Ambassador of the government of the United Kingdom.

Committees of the board of which she is a member
Executive (chairman), international (chairman) and innovation and technology (chairman).

Mr José Antonio Álvarez Álvarez
- Chief executive officer
- Executive director

Born in 1960 in León (Spain).
Appointed director on an interim basis at the board meeting of 25 November 2014.
M.A. degree in Economics and Business Administration. MBA at the Chicago University.
Joined the Bank in 2002 and was appointed executive vice president of the financial management and investor relations division in 2004 (chief financial officer).

Other significant positions:
He is a member of the board of Banco Santander (Brasil), S.A. and SAM Investments Holdings Limited. Has also served as a director of Santander Consumer Finance, S.A. and a member of the supervisory boards of Santander Consumer AG, Santander Consumer Holding GMBH, Santander Holdings USA, Inc. and Bank Zachodni WBK, as well as a director of Bolsas y Mercados Españoles (BME).

Committees of the board of which he is a member
Executive, executive risk, international and innovation and technology.

Mr Bruce Carnegie-Brown
- First vice-chairman
- Non-executive (independent) director and lead independent director

Born in 1959 in Freetown (Sierra Leone).
Appointed director on an interim basis at the board meeting of 25 November 2014.
M.A. degree in English Language and Literature.

Other significant positions:
He is currently non-executive chairman of Moneysupermarket.com Group Plc and Aon UK Ltd and a non-executive director of Santander UK Plc. He was previously founder and managing partner of the quoted private equity division of 3i Group plc, president and CEO of Marsh Europe and has held various positions at JP Morgan Chase and Bank of America. He was also lead independent director at Close Brothers Group plc (2008-2014) and Catlin Group Ltd (2010-2014).

Committees of the board of which he is a member
Executive, appointments (chairman), remuneration (chairman), risk supervision, regulation and compliance (chairman) and innovation and technology.

Mr Matías Rodríguez Inclárate
- Second vice-chairman
- Executive director

Born in 1948 in Oviedo (Spain).
Joined the board in 1988.
Graduate in Economics, and Government Economist. He also carried out Business Administration studies at the MIT.

Other significant positions:
minister of the Presidency between 1981 and 1982, as well as technical general secretary of the Ministry of Finance, general secretary of the Ministry for European Community Relations and deputy secretary of state to the President. He is currently chairman of the Fundación Princesa de Asturias and of the social council of the Universidad Carlos III de Madrid, as well as an external director of Sanitas, S.A. de Seguros and of Financiera Ponferrada, S.A., SICAV.

Committees of the board of which he is a member
Executive, executive risk (chairman) and innovation and technology.

3. Unless otherwise specified, the main activity of the members of the board is that carried out at the Bank in their capacity as directors, whether executive or non-executive.
Mr Guillermo de la Dehesa Romero

Third vice-chairman
Non-executive (independent) director

Born in 1941 in Madrid (Spain).
Joined the board in 2002.

Government Economist and head of office of Banco de España (on leave of absence).

Main activity:
International advisor to Goldman Sachs International.

Other significant positions:

Committees of the board of which he is a member
Executive, audit (chairman), appointments, remuneration, risk supervision, regulation and compliance, international and innovation and technology.

Mr Rodrigo Echenique Gordillo

Fourth vice-chairman
Executive director

Born in 1946 in Madrid (Spain).
Joined the board in 1988.

Graduate in Law and Government Attorney.

Other significant positions:
Former chief executive officer of Banco Santander, S.A. (1988-1994). He is also currently non-executive director of Inditex, S.A. Has served on the board of directors of several industrial and financial companies such as Ebro Azúcares y Alcoholes, S.A. and Industrias Agrícolas, S.A. He was also a member and subsequently chairman of the advisory board of Accenture, S.A. He is also non-executive chairman of NH Hotels Group, S.A. and has been non-executive chairman of Vocento, S.A. and Vallehermoso, S.A.

Committees of the board of which he is a member
Executive, executive risk, international and innovation and technology.

Ms Sheila C. Bair

Non-executive director (independent)

Born in 1954 in Wichita, Kansas (USA).
Joined the board in 2014.

JD from the University of Kansas School of Law and BA from the University of Kansas.

Main activity:
Senior advisor to and chair of the Systemic Risk Council at The Pew Charitable Trusts and columnist for Fortune magazine.

Other significant positions:
She was chairman of the Federal Deposit Insurance Corporation (2006-2011), professor of Financial Regulatory Policy for the Isenberg School of Management at the University of Massachusetts-Amherst (2002-2006) and Assistant Secretary for Financial Institutions at the US Department of the Treasury (2001-2002). She is also a non-executive director of Thomson Reuters Corporation and Host Hotels & Resorts Inc. In addition, she is a founding board member of The Volcker Alliance.

Committees of the board of which she is a member
Risk supervision, regulation and compliance.

Mr Javier Botín-Sanz de Sautuola y O’Shea

Non-executive (proprietary) director

Born in 1973 in Santander (Spain).
Joined the board in 2004.

Graduate in Law.

Main activity:
Chairman and chief executive officer of JB Capital Markets, Sociedad de Valores, S.A.

Other significant positions:
In addition to his professional activity in the financial sector, he cooperates with several non-profit making organisations. Chairman since 2014 of the Botín Foundation and trustee of the Princess of Gerona Foundation and of the Prehistoric Research Institute of Cantabria.
2. BANCO SANTANDER’S BOARD OF DIRECTORS

Ms Sol Daurella Comadrán
Non-executive (independent) director
Born in 1966 in Barcelona (Spain).
Appointed director on an interim basis at the board meeting of 25 November 2014.
Graduate in Business and MBA in Business Administration.
Main activity: Executive chairwoman of Coca-Cola Iberian Partners, S.A.
Other significant positions: She is currently a non-executive director of Acciona, S.A. Has served as a member of the governing board of the Círculo de Economía and an independent external director of Banco Sabadell, S.A. She is also Honorary Consul-General for Iceland in Catalonia.
Committees of the board of which he is a member
Appointments and remuneration.

Mr Carlos Fernández González
Non-executive (independent) director
Born in 1966 in Mexico City, Mexico.
Appointed director on an interim basis at the board meeting of 25 November 2014.
An Industrial Engineer, he has undertaken graduate studies in business administration at the Instituto Panamericano de Alta Dirección de Empresas.
Main activity: He is the chairman of the board of directors and vice president of Finaccess, S.A.P.I.
Other significant positions: He is currently a member of the board of Grupo Financiero Santander, S.A.B. de C.V. and of Grupo Modelo.
Committees of the board of which he is a member
Audit, appointments and risk supervision, regulation and compliance.

Ms Esther Giménez-Salinas i Colomer
Non-executive (independent) director
Born in 1949 in Barcelona (Spain).
Joined the board in 2012.
Doctor of Laws.
Main activity: full professor of Criminal Law at ESADE-URL Law School.
Other significant positions: she has been a Rector of the Ramon Llull University, a member of the Spanish Supreme Judicial Council, a member of the Standing Committee of the Conference of Rectors of Spanish Universities and an executive vice president of the Centre for Legal Studies of the Department of Justice of the Generalitat de Catalunya.
Committees of the board of which she is a member
International and innovation and technology.

Mr Ángel Jado Becerro de Bengoa
Non-executive (independent) director
Born in 1945 in Santander (Spain).
Joined the board in 2010.
Graduate in Law and in Business Administration.
Other significant positions: he was director of Banco Santander from 1972 to 1999 and director of Banco Banif, S.A. from 2001 to 2013. Currently, he holds various positions in investment trusts.
Committees of the board of which he is a member
Executive risk, audit, appointments, remuneration and risk supervision, regulation and compliance.
2. BANCO SANTANDER’S BOARD OF DIRECTORS

Mr Juan Rodríguez Inciarte
Executive director and executive vice president
Born in 1952 in Oviedo (Spain).
Joined the board in 2008.
Graduate in Economics.
Other significant positions:
he is director of Santander UK plc, Santander Consumer Finance, S.A. and SAM Investment Holdings Limited. Was formerly a member of the board of directors of The Royal Bank of Scotland and NatWest Bank, director and member of the executive committee of Instituto Bancario San Paolo di Torino and director of First Union (now Wells Fargo & Company). Has likewise served on the board of NIBC Bank NV, Sovereign Bancorp (now Santander Bank N.A.), CEPSA and ABN AMRO, among others.
Committees of the board of which he is a member
Executive risk.

Ms Isabel Tocino Biscarolasaga
Non-executive (independent) director
Born in 1949 in Santander (Spain).
Joined the board in 2007.
Doctor in Law. She has undertaken graduate studies in business administration at IESA and the Harvard Business School.
Main activity: full professor at Universidad Complutense de Madrid.
Other significant positions:
she has formerly been Spanish Minister for the Environment, chairwoman of the European Affairs Committee and of the Foreign Affairs Committee of the Spanish Congress and chairwoman for Spain and Portugal and vice-chairwoman for Europe of Siebel Systems. She is currently an elected member of the Spanish State Council, a member of the Royal Academy of Doctors and a non-executive director of ENCE Energía y Celulosa, S.A. and Enagas, S.A.
Committees of the board of which she is a member
Executive, executive risk, audit, remuneration and risk supervision, regulation and compliance.

Mr Juan Miguel Villar Mir
Non-executive (independent) director
Born in 1931 in Madrid (Spain).
Joined the board in 2013.
Doctorate in Civil Engineering, graduate in Law and degree in Industrial Organisation.
Main activity: he is the chairman of Grupo OHL and of Grupo Villar Mir, and represents these entities as vice-chairman of Abertis Infraestructuras, S.A. and Inmobiliaria Colonial, S.A., respectively.
Other significant positions:
he was minister of Finance and government vice-chairman for Economic Affairs between 1975 and 1976. He has been chairman of Electra de Viesgo, Altos Hornos de Vizcaya, Hidro Nitro Española, Empresa Nacional de Celulosa, Empresa Nacional Carbonífera del Sur, Cementos del Cinca y Cementos Portland Aragón and Puerto Sotogrande. He is also currently a member of the Royal Academy of Engineering.
Committees of the board of which he is a member
Audit and risk supervision, regulation and compliance.

Mr Ignacio Benjumea Cabeza de Vaca
General secretary and secretary of the board
Born in 1952 in Madrid (Spain).
Joined the Group in 1987.
Graduate in Law at the Deusto University, ICADE-E3, and Government Attorney.
Other important positions:
Vice Chairman of the Fundación de Estudios Financieros. He was Technical General Secretary of the Ministry of Labour and Social Security, general secretary of Banco de Crédito Industrial, general secretary and executive vice president of Banco Santander de Negocios and director of Dragados, S.A., Bolsas y Mercados Españoles (BME) and of the Governing Body of the Madrid Stock Exchange.
Secretary of committees of the board
Executive, executive risk, audit, appointments, remuneration, risk supervision, regulation and compliance, international and innovation and technology.
Re-election of directors at the 2015 annual general shareholders’ meeting

Pursuant to article 55 of the Bylaws* and article 22 of the Rules and Regulations of the Board*, directors are appointed to three-year terms, such that one-third of the board is renewed each year.

The following directors will be proposed for re-election at the 2014 annual general shareholders’ meeting, scheduled for 26 or 27 March on first and second call, respectively, and following the order determined by seniority for annual renewal and for renewal of one-third of the board as established by article 55 of the Bylaws: Mr Juan Rodriguez Inciarte, Mr Matías Rodríguez Inciarte, Mr Juan Miguel Villar Mir and Mr Guillermo de la Dehesa Romero, the first two as executive directors, the third as non-executive (independent) director, and the last as non-executive (neither proprietary nor independent) director.

Their appointment will be submitted for ratification at the general shareholders’ meeting scheduled for 26 or 27 March 2015, on first or second call.

The re-election of Mr Guillermo de la Dehesa Romero as a director is expected at the annual general shareholders’ meeting in 2014, from which moment of his re-election he will be considered a non-executive but not independent director, having held the position of director for more than 12 years.

The general shareholders’ meeting will also be asked to ratify the appointments of Mr Carlos Fernández González (also re-electing him for a three-year term), Ms Sol Daurella Comadrán, Mr Bruce Carnegie-Brown and Mr José Antonio Álvarez Álvarez, the first three as independent directors and the last as an executive director. Their professional profiles, together with a description of their activities, appear on the preceding pages.

The re-elections will be submitted separately to a vote of the shareholders at the general shareholders’ meeting (article 21.2 of the rules and regulations for the general shareholders’ meeting). In view of the fact that this election practice has been followed since the 2005 annual general shareholders’ meeting, the election of all of the current directors has been submitted to a separate vote of the shareholders.

Powers and duties

The basic responsibility of the board of directors is to supervise the Group, delegating the day-to-day management thereof to the appropriate executive bodies and the various management teams.

Composition and structure of the board of directors

* The Bylaws and the Rules and Regulations of the Board of Banco Santander are published on the Group’s website (www.santander.com).

1. Data as at 23 February 2015.
2. Their appointment will be submitted for ratification at the general shareholders’ meeting scheduled for 26 or 27 March 2015, on first or second call.
3. The re-election of Mr Guillermo de la Dehesa Romero as a director is expected at the annual general shareholders’ meeting in 2014, from which moment of his re-election he will be considered a non-executive but not independent director, having held the position of director for more than 12 years.
The Rules and Regulations of the Board (article 3) reserve thereto the power to approve general policies and strategies and, in particular, strategic plans, management objectives and the annual budget, corporate governance, corporate social responsibility and dividend and treasury share policies, the general risk policy, and the policies for the provision of information to and for communication with the shareholders, the markets and the public opinion, which power cannot be delegated.

The board also reserves for itself, and likewise cannot delegate, the following matters, among others: decisions regarding the acquisition and disposition of substantial assets (except when the decisions come within the purview of the shareholders at a general shareholders’ meeting) and major corporate transactions; the determination of the remuneration of each director and the approval of the contracts governing the performance by the directors of duties other than those of a director, including executive duties, as well as the remuneration to which they are entitled for the discharge thereof; the selection, the interim appointment and the on-going evaluation of the directors, the selection, appointment and if appropriate, removal of the other members of senior management (executive vice presidents and equivalents) and the monitoring of management activity and on-going evaluation thereof, as well as the determination of the basic terms of their contracts, as well as the creation or acquisition of interests in special purpose entities or in entities registered in countries or territories regarded as tax havens.

With respect to certain of the matters mentioned in this paragraph, the executive committee may make any appropriate decisions, by delegation of the board and whenever justified by reasons of urgency, reporting such decisions to the board at the first subsequent meeting held thereby.

The Bylaws (article 40) as well as the aforementioned Rules and Regulations (article 5) establish the board’s obligation to ensure that the Bank faithfully complies with applicable law, observes usage and good practices of the industries or countries where it does business and abides by the additional social responsibility principles that it has voluntarily accepted.

In addition, the board of the Bank takes a very active interest in the Group’s risk function. Of its 15 members, 12 are members of at least one of the three board committees with powers in the area of risks: the executive committee, the executive risk committee and the risk supervision, regulation and compliance committee.

### Shareholding

<table>
<thead>
<tr>
<th>Direct</th>
<th>Indirect</th>
<th>Shares represented</th>
<th>Total</th>
<th>% of share capital</th>
<th>Date of first appointment</th>
<th>Date of last appointment</th>
<th>Expiration date</th>
<th>Date of last proposal for re-appointment or re-election</th>
<th>Date of appointment or re-election to committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>110,464</td>
<td>17,334,286</td>
<td>-</td>
<td>17,444,750</td>
<td>0.124%</td>
<td>04.02.1989</td>
<td>28.03.2014</td>
<td>First six months of 2017</td>
<td>17.02.2014</td>
<td></td>
</tr>
<tr>
<td>425,458</td>
<td>-</td>
<td>1,240</td>
<td>426,698</td>
<td>0.003%</td>
<td>25.11.2014</td>
<td>25.11.2014</td>
<td>First six months of 2018</td>
<td>25.11.2014</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>0.000%</td>
<td>25.11.2014</td>
<td>25.11.2014</td>
<td>First six months of 2018</td>
<td>21.11.2014</td>
<td></td>
</tr>
<tr>
<td>1,385,728</td>
<td>120,966</td>
<td>181,935</td>
<td>1,688,629</td>
<td>0.012%</td>
<td>07.10.1998</td>
<td>30.03.2012</td>
<td>First six months of 2015</td>
<td>17.02.2012</td>
<td></td>
</tr>
<tr>
<td>139</td>
<td>-</td>
<td>-</td>
<td>139</td>
<td>0.000%</td>
<td>24.06.2002</td>
<td>22.03.2013</td>
<td>First six months of 2016</td>
<td>17.02.2014</td>
<td></td>
</tr>
<tr>
<td>658,758</td>
<td>13,594</td>
<td>-</td>
<td>672,352</td>
<td>0.005%</td>
<td>07.10.1998</td>
<td>28.03.2014</td>
<td>First six months of 2017</td>
<td>13.02.2013</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>0.000%</td>
<td>27.01.2014</td>
<td>27.01.2014</td>
<td>First six months of 2017</td>
<td>23.01.2014</td>
<td></td>
</tr>
<tr>
<td>4,793,481</td>
<td>128,348,014</td>
<td>-</td>
<td>133,141,495</td>
<td>0.947%</td>
<td>25.07.2004</td>
<td>22.03.2013</td>
<td>First six months of 2016</td>
<td>13.02.2013</td>
<td></td>
</tr>
<tr>
<td>5,181</td>
<td>-</td>
<td>-</td>
<td>5,181</td>
<td>0.000%</td>
<td>30.03.2012</td>
<td>28.03.2014</td>
<td>First six months of 2017</td>
<td>17.02.2014</td>
<td></td>
</tr>
<tr>
<td>2,050,000</td>
<td>5,100,000</td>
<td>-</td>
<td>7,500,000</td>
<td>0.051%</td>
<td>11.06.2010</td>
<td>22.03.2013</td>
<td>First six months of 2016</td>
<td>13.02.2013</td>
<td></td>
</tr>
<tr>
<td>1,673,175</td>
<td>-</td>
<td>-</td>
<td>1,673,175</td>
<td>0.012%</td>
<td>28.01.2008</td>
<td>30.03.2012</td>
<td>First six months of 2015</td>
<td>17.02.2012</td>
<td></td>
</tr>
<tr>
<td>166,888</td>
<td>-</td>
<td>-</td>
<td>166,888</td>
<td>0.001%</td>
<td>26.03.2007</td>
<td>22.03.2013</td>
<td>First six months of 2016</td>
<td>13.02.2013</td>
<td></td>
</tr>
<tr>
<td>1,176</td>
<td>-</td>
<td>-</td>
<td>1,176</td>
<td>0.000%</td>
<td>07.05.2013</td>
<td>28.03.2014</td>
<td>First six months of 2017</td>
<td>17.02.2014</td>
<td></td>
</tr>
</tbody>
</table>

**Total**

| 26,705,822 | 22,839,216 | 128,531,189 | 178,076,227 | 1.266% |

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4. Effective 13 January 2015.
7. However, and pursuant to the provisions of article 55 of the Bylaws, one-third of the board will be renewed each year, based on length of service and according to the date and order of the respective appointment.
Corporate governance in risk management

Average rate of attendance at meetings of the committees of the board

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>89.2%</td>
<td>87.5%</td>
<td>95.0%</td>
<td></td>
</tr>
<tr>
<td>Executive risk</td>
<td>88.8%</td>
<td>90.2%</td>
<td>95.8%</td>
<td>98.1%</td>
</tr>
<tr>
<td>Audit</td>
<td>90.2%</td>
<td>95.4%</td>
<td>95.0%</td>
<td></td>
</tr>
<tr>
<td>Risk supervision, regulation and compliance</td>
<td>89.1%</td>
<td>83.3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Mr Matías Rodríguez Inciarte, executive vice-chairman of Banco Santander, chairs the executive risk committee.
- The executive risk committee held 96 meetings in 2014, each of which lasted approximately three hours.
- The executive committee held 65 meetings in 2014 and devoted a very significant amount of its time to discussions on risks.
- The risk supervision, regulation and compliance committee supports and advises the board of directors on risk supervision and control, on the definition of the Group’s risk policies, on relations with supervisory authorities and on regulation and compliance. It has been established in July 2014 and has held five meetings in 2014.

Number of meetings of the executive, executive risk, audit, and risk supervision, regulation and compliance committees

<table>
<thead>
<tr>
<th>Committees</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>55</td>
<td>59</td>
<td>59</td>
<td>58</td>
<td>65</td>
</tr>
<tr>
<td>Executive risk</td>
<td>99</td>
<td>99</td>
<td>98</td>
<td>97</td>
<td>96</td>
</tr>
<tr>
<td>Audit</td>
<td>11</td>
<td>12</td>
<td>11</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Risk supervision, regulation and compliance*</td>
<td>-</td>
<td>-</td>
<td>11</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Total meetings</td>
<td>165</td>
<td>170</td>
<td>168</td>
<td>167</td>
<td>179</td>
</tr>
</tbody>
</table>

* In accordance with the provisions of article 54 bis of the Bylaws and article 17 bis of the Rules and Regulations of the Board, the risk supervision, regulation and compliance committee held its first meeting on 23 July 2014.

Cross-participation on executive, executive risk, audit, and risk supervision, regulation and compliance committees

- 1 of the directors is a member of the 4 committees
- 2 of the directors are a member of 3 of the 4 committees
- 3 of the directors are members of 2 of the 4 committees
- 6 of the directors are members of 1 of the 4 committees
Size and composition of the board

Since the end of 2010, the size of the board has been reduced by 25%, from 20 to 15 members.

The composition of the board of directors is balanced between executive and non-executive directors. All members are distinguished by their professional ability, integrity and independence of opinion.

Pursuant to article 6.3 of the Rules and Regulations of the Board, the appointments committee verified the status of each director at its meetings of 20 and 23 February 2015. Its proposal was submitted to the board, which approved it at its meeting of 23 February 2015.

Of the 15 members currently sitting on the board, five are executive and 10 are non-executive. Of the latter, nine are independent and one is proprietary.

The following changes to the composition of the board occurred during financial year 2014:

After the death of the former chairman, Mr Emilio Botín-Sanz de Sautuola y García de los Ríos, the Bank’s board of directors agreed to appoint Ms Ana Botín-Sanz de Sautuola y O’Shea as executive chairman of the Bank at its meeting of 10 September 2014.

At its meeting of 25 November, the board appointed Mr José Antonio Álvarez Álvarez as chief executive officer, replacing Mr Javier Marín Romano, and also approved the appointments of Mr Bruce Carnegie-Brown, as vice-chairman, independent director and lead director, and of Ms Sol Daurella Comadrán and Mr Carlos Fernández González, as independent directors, filling the vacancies created by the death of Mr Emilio Botín-Sanz de Sautuola y García de los Ríos as well as by the resignations of Mr Fernando de Asúa Álvarez and Mr Abel Matutes Juan.

At its meeting of 16 January 2015, the board of directors approved the appointment of Mr Rodrigo Echenique Gordillo, vice-chairman of the board, as an executive director thereof with responsibility for the compliance function in accordance with the regulatory recommendations on corporate governance, also assuming the other duties assigned to him by the chairman of the Bank.

Current composition of the board

<table>
<thead>
<tr>
<th>Category</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive directors</td>
<td>9</td>
</tr>
<tr>
<td>Independent non-executive directors</td>
<td>6</td>
</tr>
<tr>
<td>Proprietary non-executive director</td>
<td>1</td>
</tr>
</tbody>
</table>

Geographical diversity on the board

- **Spain**: 12 members
- **USA**: 1 member
- **Mexico**: 1 member
- **United Kingdom**: 1 member
Taking into account the circumstances of each case and upon a prior report of the appointments committee, the board considers the following nine directors to be independent non-executive directors: Mr Bruce Carnegie-Brown, Mr Guillermo de la Dehesa Romero, Ms Sheila C. Bair, Ms Sol Daurella Comadrán, Mr Carlos Fernández González, Ms Esther Giménez-Salinas i Colomer, Mr Ángel Jado Becerro de Bengoa, Ms Isabel Tocino Biscarolasaga and Mr Juan Miguel Villar Mir.

Mr Guillermo de la Dehesa Romero, who is currently considered to be an independent non-executive director, will continue to be considered as such until the completion of his term at the next general shareholders’ meeting. The board has agreed to propose his re-election as non-executive director, neither proprietary nor independent, at the general shareholders’ meeting.

Given the current number of directors (15), independent non-executive directors account for 60% of the board.

Such percentage significantly exceeds the minimum of one-third established by article 6.1 of the Rules and Regulations of the Board and reflects the board’s goal for the board to be made up predominantly of non-executive directors, which in turn are predominantly independent.

**Diversity on the board**

As established in article 17.4a) of the Rules and Regulations of the Board, the appointments committee is responsible for proposing and reviewing the standards that must be followed for the composition of the board and for determining who is to be proposed for the position of director.

As regards gender diversity, both the appointments committee and the board of directors are aware of the importance of fostering equal opportunities between men and women and of the appropriateness of appointing to the board women who fulfil the requirements of ability, suitability and effective dedication to the position of director.

At the proposal of the appointments committee, the board has approved a goal regarding its composition setting the minimum percentage of female directors at 25%.

At present, there are five women on the board of directors, of whom one is its chairman, Ms Ana Botín-Sanz de Sautuola y O’Shea, while the others are non-executive independent directors: Ms Sheila C. Bair, Ms Sol Daurella Comadrán, Ms Esther Giménez-Salinas and Ms Isabel Tocino Biscarolasaga.

The percentage of women on the Banco Santander board (33.3%) is clearly higher than the average for large European listed companies. According to a study carried out by the European Commission with data from March 2014, this percentage was 17.8% for the group of 28 countries forming the European Union and 14.8% for Spain.

**Executive chairman and chief executive officer**

The chairman of the board is the highest-ranking officer of the Bank (article 48.1 of the Bylaws and article 8.1 of the Rules and Regulations of the Board) and all the powers that may be delegated under the law, the Bylaws and the Rules and Regulations of the Board have been delegated thereto.

Pursuant to article 10.3 of the Rules and Regulations of the Board, the chief executive officer is entrusted with the day-to-day management of the various business areas.

There is a clear separation of duties between the executive chairman, the chief executive officer, the board, and its committees, and various checks and balances that assure proper equilibrium in the corporate governance structure of the Bank, including the following:

- The board and its committees oversee and control the activities of both the executive chairman and the CEO.
- The lead director, who is independent, chairs the appointments, the remuneration and the risk supervision, regulation and compliance committees.
- The executive risk committee is chaired by an executive vice chairman of the board who does not report to the CEO.
- The audit committee is chaired by a vice chairman who is an independent director.
- The powers delegated to the executive chairman and the CEO exclude those that are exclusively reserved for the board itself.

### Years of service of independent directors

<table>
<thead>
<tr>
<th>Years</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014*</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.6</td>
<td>11.1</td>
<td>10.2</td>
<td>9.5</td>
<td>3.5</td>
<td></td>
</tr>
</tbody>
</table>

* Data at financial year-end except for 2014.

* Data at the date of this document.
Succession plans for the chairman and the chief executive officer

Succession planning for the main directors is a key element of the good governance of the Bank, assuring an orderly leadership transition at all times. This process is regulated in article 2.4 of the Rules and Regulations of the Board.

Appointment of the new chairman

After the death of the former chairman, Mr Emilio Botín-Sanz de Sautuola y García de los Ríos, at its meeting of 10 September 2014 the Bank’s board of directors resolved to appoint Ms Ana Botín-Sanz de Sautuola y O’Shea as executive chairman of the Bank.

Pursuant to the provisions of article 2.4 of the Rules and Regulations of the Board, the appointments and remuneration committee proposed such appointment. Having analysed the suitability of Ms Botín, the appointments and remuneration committee considered that given her personal and professional qualities, her experience, her career within the Group and her unanimous national and international recognition, she was the most appropriate person for the position.

Rules for interim replacement of the chairman

Article 4.4.2 of the Bylaws sets out interim replacement rules for the temporary performance (in cases of absence, inability to act or indisposition) of the duties of the chairman of the board of directors in the absence of the vice-chairmen.

Lead director

By resolution of the general shareholders’ meeting of 28 March 2014, the figure of lead director (consejero coordinador), already established in the Rules and Regulations of the Board, has been included in the Bylaws, the responsibilities thereof being defined in article 49 bis. Pursuant to those provisions, the lead director will be especially authorised to: (i) request that a meeting of the board of directors be called or that new items be added to the agenda for a meeting of the board that has already been called; (ii) coordinate and organise meetings of the non-executive directors; and (iii) direct the regular evaluation of the chairman of the board of directors.

At its meeting of 25 November 2014, the board of directors appointed Mr Bruce Carnegie-Brown as first vice-chairman and lead director, replacing Mr Fernando de Asúa Álvarez.

The appointment of the lead director has been made for an indefinite period and with the abstention of the executive directors, as provided in the Bylaws.

Secretary of the board

The Bylaws (article 45.2) include among the duties of the secretary those of ensuring the formal and substantive legality of all action taken by the board, ensuring observance of the good governance recommendations adopted by the Bank, and ensuring that governance procedures and rules are observed and regularly reviewed.

The secretary of the board is the general secretary of the Bank, and also acts as secretary of all the committees of the board.

The Rules and Regulations of the Board (article 17.4.4) provide that the appointments committee must report on proposals for the appointment or withdrawal of the secretary of the board prior to submission thereof to the board.

<table>
<thead>
<tr>
<th>% of women on the board</th>
<th>Number of members</th>
<th>Number of female directors</th>
<th>% of female directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>15</td>
<td>5</td>
<td>33.3%</td>
</tr>
<tr>
<td>2011</td>
<td>7</td>
<td>2</td>
<td>28.6%</td>
</tr>
<tr>
<td>2012</td>
<td>6</td>
<td>1</td>
<td>16.7%</td>
</tr>
<tr>
<td>2013</td>
<td>5</td>
<td>1</td>
<td>20.0%</td>
</tr>
<tr>
<td>2014*</td>
<td>5</td>
<td>2</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

* Data at 23 February 2015.
Proceedings of the board

There were 16 meetings during financial year 2014.

The board holds its meetings in accordance with an annual calendar. The Rules and Regulations of the Board provide that the board shall hold not less than nine annual ordinary meetings.

The board shall meet whenever the chairman so decides, acting on her own initiative or at the request of not less than three directors (article 46.1 of the Bylaws). Additionally, the lead director shall be especially authorised to request that a meeting of the board of directors be called or that new items be added to the agenda for a meeting that has already been called (article 49. bis.1 (i) of the Bylaws).

When directors cannot attend a meeting personally, they may give a proxy to any other director, in writing and specifically for each meeting, to represent them for all purposes at such meeting. A proxy shall be given with instructions. Non-executive directors may only be represented by another non-executive director.

The board may meet in various rooms at the same time, provided that interactivity and communication among them in real time is ensured by audiovisual means or by telephone and the concurrent holding of the meeting is thereby ensured.

Meetings of the board shall be validly held when more than one-half of its members are present in person or by proxy.

Except in instances in which a greater majority is specifically required pursuant to legal provisions, the Bylaws or the Rules and Regulations of the Board, resolutions are adopted by absolute majority of the directors attending in person or by proxy. In the event of a tie, the chairman has a tie-breaking vote.

In 2014, the board was kept continuously and fully informed of the performance of the various business areas of the Group through the management reports and risk reports presented by the chief executive officer and the executive vice-chairman who chairs the executive risk committee, respectively.

During the year, the board has also reported on the conclusions of the external and internal audits.

The chart below shows a breakdown of the approximate time dedicated to each duty at the meetings held by the board in financial year 2014.

### Approximate time dedicated to each duty

<table>
<thead>
<tr>
<th>Duty</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal audit and review of the financial information</td>
<td>10%</td>
</tr>
<tr>
<td>General policies and strategies</td>
<td>15%</td>
</tr>
<tr>
<td>Risk management</td>
<td>30%</td>
</tr>
<tr>
<td>Capital and liquidity</td>
<td>15%</td>
</tr>
<tr>
<td>Business performance</td>
<td>30%</td>
</tr>
</tbody>
</table>

Dedication to board duties

One of the directors’ duties expressly established in the Rules and Regulations of the Board is that of diligent management, which, among other duties, requires that directors dedicate the necessary time and effort to their position. The maximum number of boards of directors to which they may belong is established in section 26 of Law 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions.

In this regard, the directors of the Bank may not at the same time hold more than: (a) one executive position and two non-executive positions; or (b) four non-executive positions. For such purposes, positions held within the same group (including companies in which the Bank has a significant shareholding) will be counted as a single position, and positions held at non-profit organisations or organisations not pursuing commercial ends will not be counted. The European Central Bank may authorise a director to hold an additional non-executive position if it considers that it does not impede the proper performance of the director’s duties at the Bank.

### Comparison of number of meetings held*

<table>
<thead>
<tr>
<th>Committee</th>
<th>Santander</th>
<th>US and Canada average</th>
<th>UK average</th>
<th>Europe and other countries average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>11</td>
<td>13.7</td>
<td>8.8</td>
<td>12.8</td>
</tr>
<tr>
<td>Executive committee</td>
<td>59</td>
<td>3</td>
<td>-</td>
<td>22.0</td>
</tr>
<tr>
<td>Executive risk committee</td>
<td>98</td>
<td>7.7</td>
<td>7.3</td>
<td>13.8</td>
</tr>
<tr>
<td>Audit committee</td>
<td>11</td>
<td>12.1</td>
<td>9.3</td>
<td>10.8</td>
</tr>
<tr>
<td>Appointments committee**</td>
<td>11</td>
<td>6.1</td>
<td>3.3</td>
<td>6.2</td>
</tr>
<tr>
<td>Remuneration committee**</td>
<td>11</td>
<td>8.7</td>
<td>7.5</td>
<td>9.0</td>
</tr>
</tbody>
</table>

* The data refer to 2012, the latest year for which comparative information is available.
** Until 23 October 2014, there was a combined appointments and remuneration committee.
The directors shall endeavour to ensure that absences from meetings of the board and of the committees to which they belong are reduced to cases of absolute necessity.

The appointments committee analyses directors’ dedication to their position on an annual basis, using information received regarding their other professional obligations and other available information to evaluate whether the directors are able to dedicate the necessary time and effort to complying with the duty of diligent management. Dedication is also taken into account for re-election, since proposals by the appointments committee must contain an evaluation of work and of effective dedication to the position during the latest period of time in which the proposed director has performed his or her duties.

**Training of directors and information programme**

As a result of the self-evaluation of the board carried out in 2005, an on-going director training programme was put in place.

Seven meetings were held in 2014 with an average attendance of nine directors, who devoted approximately one hour to each session. Various issues were reviewed in depth at such meetings, including: risk decision systems and future trends, the technological implications of the new regulatory system and the European Bank Recovery and Resolution Directive, as well as aspects relating to the Group’s business in capital markets, operational risk, the Advanced Management Model, and the new European supervisory authority.

The Rules and Regulations (article 21.7) provide that the board shall make available to new directors an information programme providing quick and sufficient information regarding the Bank and its Group, including the governance rules thereof.

The board members Mr Bruce Carnegie-Brown, Ms Sol Daurella Comadrán and Mr Carlos Fernández González, appointed by resolution of the board at its meeting of 25 November 2014, attend in an information programme for new directors, which addressed the following matters:

- General presentation of the Group and of the regulatory context within which it operates.
- Main territories and businesses of the Group.
- Key support areas (technology and operations, risk and audit).
- Sustainability, communication and the Santander brand.

**Self-evaluation by the board**

In line with the provisions of the Rules and Regulations of the Board, the on-going self-evaluation exercise performed by the board with the support of the firm Spencer Stuart, on the basis of a questionnaire and personal interviews with the directors, includes a special section for the individual evaluation of the chairman of the board, the chief executive officer and the other directors, as well as an independent evaluation based, among other things, on benchmarking with respect to other comparable international banks.

The last self-evaluation exercise focused on the following subjects: organisation, operation and content of the board and its committees; comparison with other international banks; and open questions relating to the future (strategy and internal and external factors that may affect the Group) and other matters of interest.

As in recent years, the directors highlighted the following as strengths of the Group’s corporate governance: the high level of devotion and commitment of the members of the board and their involvement in the control of all risks, not merely credit risks; the directors’ experience in and knowledge of the banking business; balance between executive and non-executive directors, both on the board and on its committees; and the very good operation of the board committees, particularly the executive committee.

For the independent evaluation exercise, Spencer Stuart performed a comparison with 23 leading international financial institutions with regard to the composition and dedication of the board, remuneration, and other aspects of corporate governance, with the Bank holding a very notable position.

**Appointment, re-election and ratification of directors**

The proposals for appointment, re-election and ratification of directors, regardless of the status thereof, that the board of directors submits to the shareholders for consideration at the general shareholders’ meeting, as well as the appointment decisions made by the board itself in the exercise of its powers to make interim appointments as permitted by law, must, in turn, be preceded by the corresponding proposal of the appointments committee.

Although the proposals of such committee are not binding, the Rules and Regulations of the Board provide that if the board does not follow them, it must give reasons for its decision.

Currently, all directors have been appointed or re-elected at the proposal of the appointments committee.

**Some specific measures adopted as a consequence of the board’s self-evaluation in the last years**

- An amendment to the Bylaws, approved at the general shareholders’ meeting, to reduce the maximum size of the board from 30 directors to 22.
- A more detailed replacement procedure for positions on the board, in particular those of chairman and chief executive, established in the Rules and Regulations of the Board.
- Holding of annual board meetings dedicated specifically to the strategy of the Group.
- An on-going director training programme that has been carried out continuously since it was proposed during the self-evaluation process of 2005.
Due to the vacancies left on the board by the death of the former chairman, Mr Emilio Botín Sanz de Sautuola y García de los Ríos, and the resignations from their posts and other positions on the board presented by the independent directors Mr Fernando de Asúa Álvarez and Mr Abel Matutes Juan, the appointments committee commenced a process to select new directors, with the assistance of the firm Russell Reynolds Associates, which engaged in the search process based on an evaluation of the skills of the board (using a skill map) to determine the profiles that would optimise the strategic objectives of the Group.

Various candidates were considered for each vacancy.

Pursuant to an analysis of competencies and diversity, the skills sought to be strengthened on the board were those relating to the following matters: business knowledge beyond banking, new technologies; strategy, international experience, and range of nationalities, and, lastly, diversity (particularly the number of women). Based on the foregoing, the committee proposed to the board the appointment as independent directors of Mr Bruce Carnegie-Brown, Ms Sol Daurella Comadrán and Mr Carlos Fernández González, whose profiles may be consulted in the preceding pages of this report.

In selecting Mr José Antonio Álvarez Álvarez as CEO, the appointments committee considered several candidates, concluding that the then executive vice president in charge of the financial management and investor relations division of Grupo Santander was the most suitable person for this position.

### Skill map for the members of the board

In financial year 2014, Russell Reynolds Associates were engaged to prepare an analysis of the competencies and diversity of the members of the board of directors. The following skill map shows the results of this analysis.

<table>
<thead>
<tr>
<th>Executive chairman</th>
<th>CEO</th>
<th>Vice-chairmen</th>
<th>Members</th>
<th>General secretary and secretary of the board</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Executive chairmanship</td>
<td>* CEO</td>
<td>* Vice-chairmen</td>
<td>* Members</td>
<td>* General secretary and secretary of the board</td>
</tr>
<tr>
<td>* Skills as executive</td>
<td>* Skills as non-executive</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From this analysis, the skills to be strengthened on the board were the following:
- Business knowledge beyond banking.
- New technologies.
- Strategy.
- International experience and range of nationalities.
- Diversity (particularly the number of women).

### Skill map for the members of the board and analysis of diversity*

<table>
<thead>
<tr>
<th>Experience in the financial sector</th>
<th>International experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management</td>
<td>General</td>
</tr>
<tr>
<td>Executive chairman</td>
<td></td>
</tr>
<tr>
<td>CEO</td>
<td></td>
</tr>
<tr>
<td>Vice-chairmen</td>
<td></td>
</tr>
<tr>
<td>Members</td>
<td></td>
</tr>
<tr>
<td>General secretary and secretary of the board</td>
<td></td>
</tr>
</tbody>
</table>

* Data at November 2014.
Remuneration

Remuneration system
The shareholders acting at the general shareholders’ meeting of 28 March 2014 resolved to amend the Bylaws to adjust the remuneration regime of the executive directors to the provisions contained in Royal Decree-Law 14/2013 (today Law 10/2014) and in CRD IV, such that the variable components of their remuneration may not exceed 100% of the fixed components, unless the shareholders acting at the general shareholders’ meeting approve a higher ratio, which shall in no case exceed 200%.

With relation to the foregoing, the shareholders acting at the aforementioned general shareholders’ meeting approved a maximum ratio between fixed and variable components of executive directors’ remuneration of 200% for financial year 2014.

The remuneration of directors is approved by the board at the proposal of the remuneration committee, except for such remuneration as consists of the delivery of shares or options thereon, or that is paid under other remuneration systems established by reference to the value of the shares of the Bank, the approval of which, under the law and the Bylaws, is within the purview of the shareholders acting at a general shareholders’ meeting, at the proposal of the board made after a report of the remuneration committee.

The Group’s policy provides that only executive directors may be beneficiaries of remuneration systems consisting of the delivery of shares or rights thereon.

Remuneration of the board in 2014
In 2014, the board resolved to increase the total remuneration of the directors, for all items, by 8.9%.

The total amount accrued by the board as attendance fees amounted to 4.4 million euros in 2014, which is 27.2% lower than the maximum amount of 6 million euros approved by the shareholders for the financial year and very similar to the amount paid in 2013.

The chart below shows the evolution of total remuneration of directors with executive duties against the total return for shareholders.

All details regarding the director remuneration policy in 2014 may be consulted in the report of the remuneration committee forming part of the corporate documentation of Banco Santander.

Anticipation of and adjustment to the regulatory framework
The board of directors, at the proposal of the remuneration committee, promotes and encourages a remuneration system that fosters a rigorous management of risks, and implements ongoing monitoring of the recommendations issued by the principal national and international bodies with authority in this field.

Annual director remuneration report
As provided in section 541 of the Companies Act and in the Bylaws (article 59.1), the board of directors annually approves an annual director remuneration report, which sets forth the standards of and basis for determining remuneration for the current financial year, as well as an overall summary of the application of the remuneration policy during the financial year ended, and a breakdown of the individual remuneration paid for all items to each of the directors during such financial year, making the report available to the shareholders on occasion of the call to the annual general shareholders’ meeting and submitting it to a consultative vote.

The content of such report is subject to the provisions of article 10 of Order ECC/461/2013 and in CNMV Circular 4/2013, of 12 June, which provisions have not been amended following the entry into force of the aforementioned section 541 of the Companies Act (introduced by Law 31/2014).

In 2014, the report corresponding to financial year 2013 was submitted to the shareholders at the general shareholders’ meeting held on 28 March, as a separate item on the agenda and as a consultative matter, with 91.422% of the votes being in favour of the report.

In 2015, as well as submitting the annual report on director remuneration in respect of 2014 to the consultative vote of shareholders at the general meeting, the board will also propose the binding approval of the director remuneration policy for 2015 and 2016, in compliance with the new article 529 novodecies of the Capital Corporations Act.

Transparency
Pursuant to the Bylaws (article 59.2), the annual report includes itemised information on the remuneration received by each director, with a statement of the amounts for each item of

Evolution of the remuneration for all items of directors with executives duties against the total return for shareholders*

* Remuneration data of executive directors in euro thousands and return for shareholders in percentages.
remuneration. The report also sets forth, on an individual basis for each item, the remuneration for the executive duties entrusted to the executive directors of the Bank. All such information is contained in note 5 to the Group’s legal report.

### Duties of directors, related-party transactions and conflicts of interest

#### Duties
The duties of the directors are governed by the Rules and Regulations of the Board4, which conform to both the provisions of current Spanish law and to the recommendations of the Unified Good Governance Code.

The Rules and Regulations expressly provide for the duties of diligent management, loyalty, secrecy and inactivity in the event of knowledge of confidential information.

The duty of diligent management includes the directors’ duty to adequately inform themselves of the progress of the Bank and to dedicate the time and effort needed to effectively carry out their duties.

#### Related-party transactions
No member of the board of directors, no person represented by a director, and no company of which such persons, or persons acting in concert with them or through nominees therein, are directors, members of senior management or significant shareholders, has to the Bank’s awareness entered into any significant transaction or any transaction on non-customary market conditions with the Bank during financial year 2014 and through the date of publication of this report.

The board, without the intervention of the interested party and on a prior favourable report of the remuneration committee, authorised the sale by the Bank under market conditions of 2,403,923 shares of MED 2001 Inversiones, Sicav, S.A., of which it was the owner, to Mr Ángel Jado Becerro de Bengoa and companies of his family group.

#### Control mechanisms
As provided in the Rules and Regulations of the Board (article 30), directors must inform the board of any direct or indirect conflict of interest with the interests of the Bank in which they may be involved. If the conflict relates to a transaction, the director may not carry it out without the approval of the board, following a report from the appointments committee.

The director involved must abstain from participating in the discussion and voting on the transaction to which the conflict refers, the body in charge of resolving any disputes being the board of directors itself.

In addition to the above-described situation, there were another 136 occasions during financial year 2014 on which other directors abstained from participating in and voting on the discussion of matters at the meetings of the board of directors or of the committees thereof.

The breakdown of the 103 cases is as follows: on 52 occasions, the abstention was due to proposals to appoint, re-elect, withdraw or empower directors; on 43 occasions, the matter under consideration was the approval of terms of remuneration; on 27 occasions, the matter concerned discussion of financing proposals or other risk transactions in favour of companies related to various directors; on 5 occasions abstention related to the suitability evaluation procedure that the Bank, as a credit institution, must undertake regarding members of the management body and holders of key positions, all in accordance with the provisions of Royal Decree 84/2015; on 4 occasions, the abstention concerned the annual verification of the status of the directors made by the appointments and remuneration committee pursuant to article 6.3 of the Rules and Regulations of the Board; on 3 occasions, the matter concerned the evaluation entrusted to the appointments committee under article 17.4 g) of the Rules and Regulations of the Board regarding the professional obligations of the directors to evaluate if such obligations may interfere with the dedication required thereof for the effective performance of their work; on one occasion, the matter concerned approval of a related-party transaction; and on another the matter related to the attendance of a director as a guest at the meetings of the committees of the board when the director was no longer a member thereof.

#### Some measures taken by the board

**2012: maximum limit for increases in share capital without pre-emptive rights**

At the proposal of the board, the shareholders for the first time established a maximum limit on the power to exclude pre-emptive rights for increases in share capital; pre-emptive rights may only be excluded for up to the equivalent of 20% of the share capital of the Bank as of the date of the general shareholders’ meeting.

**2013: cap on annual remuneration of the directors**

The shareholders established a maximum amount of six million euros, which may only be amended by a decision of the shareholders acting at the general shareholders’ meeting.

**2014: maximum variable remuneration for executive directors**

The shareholders approved an amendment to the Bylaws establishing a maximum ratio between the fixed and variable components of total remuneration of the executive directors and other employees belonging to categories with professional activities that significantly affect the risk profile of the Group.

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4. The recent Law 31/2014 amends the regulation of directors’ duties contained in the Companies Act. At the next general shareholders’ meeting, the board will propose the corresponding amendments to adapt the Bylaws to such regulations, which shall be followed by the corresponding amendments to the Rules and Regulations of the Board.
Committees of the board

General information
The board has the following decision-making committees: an executive committee, to which general decision-making powers are delegated, and an executive risk committee, with delegated powers specifically relating to risk.

The board also has other committees with powers of supervision, information, advice and proposal (the audit, appointments, remuneration, risk supervision, regulation and compliance, innovation and technology and international committees).

Composition of the committees of the board

Composition of the committees of the board:

- Executive committee: 43%
- Non-executive: 57%
- Executive risk committee: 33%
- Audit committee: 100%
- Remuneration committee: 100%
- Appointments committee: 100%
- Risk supervision, regulation and compliance committee: 100%
- Innovation and technology: 43%
- International committee: 40%

Number of meetings and duration of committees

<table>
<thead>
<tr>
<th>Committees</th>
<th>No. of meetings</th>
<th>Hours¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive committee</td>
<td>65</td>
<td>325</td>
</tr>
<tr>
<td>Executive risk committee</td>
<td>96</td>
<td>288</td>
</tr>
<tr>
<td>Audit committee</td>
<td>13</td>
<td>65</td>
</tr>
<tr>
<td>Appointments and remuneration committee²</td>
<td>21²</td>
<td>63²</td>
</tr>
<tr>
<td>Risk supervision, regulation and compliance committee³</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>Innovation and technology</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>International committee</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

1. Estimated average hours devoted by each director.
2. Pursuant to articles 54.1 of the Bylaws and 17.10 of the Rules and Regulations of the Board, at its meeting on 23 October 2014, the board of directors unanimously resolved to separate into two the appointments and remuneration committee, which until such date had met on 12 occasions, with an average dedication of approximately 36 hours per director in preparing and participating in the meetings. Subsequently, within the 2014 financial year, the appointments and the remuneration committees held 5 and 4 meetings, with an average dedication of approximately 15 and 12 hours, respectively, per director.
3. In accordance with the provisions of article 54 bis of the Bylaws and article 17 bis of the Rules and Regulations of the Board, the risk supervision, regulation and compliance committee held its first meeting on 23 July 2014.
Executive committee
The executive committee is a basic instrument for the corporate governance of the Bank and its Group. It exercises by delegation all the powers of the board (except those which cannot be legally delegated or which cannot be delegated pursuant to the law, the Bylaws or the Rules and Regulations of the Board). It reports to the board on the principal matters dealt with and resolutions adopted and makes the minutes of its meetings available to the directors. It meets once per week.

There are currently seven directors sitting on the committee, of whom four are executive and the other three are independent non-executive directors.

Its duties, composition and functioning are established in the Bylaws (article 51) and in the Rules and Regulations of the Board (article 14).

Executive risk committee
This is also an executive committee, with powers delegated thereto by the board in matters regarding risks. It normally meets twice per week.

It is governed by the Bylaws (article 52) and the Rules and Regulations of the Board (article 15), which define the composition, functioning and duties of this committee.

The committee is currently made up of six directors, of whom four are executive and two are independent non-executive directors. Its chairman is a vice-chairman with executive duties, pursuant to the Bylaws (article 17) provide that this committee is also to be made up exclusively of non-executive directors, and that its chairman shall be an independent director.

Pages 168 et seq. of this annual report contain broad information on the executive risk committee and the Group’s risk policies.

Audit committee
The audit committee, among other duties, reviews the Group’s financial information and its internal control systems, serves as a communication channel between the board and the auditor, ensuring the independent exercise of the latter’s duty, and supervises work regarding the internal audit function. It normally meets on a monthly basis (it met 13 times in 2014).

As provided in the Bylaws (article 52) and the Rules and Regulations of the Board (article 16), the committee must be made up of non-executive directors, the majority of whom must be independent, with an independent director acting as chairman.

It is currently composed of five independent non-executive directors.

Appointments committee
The appointments committee, among other duties, proposes the appointments of members of the board, including executive directors, and those of the other members of senior management and key Group personnel.

The Bylaws (article 54) and the Rules and Regulations of the Board (article 17) provide that this committee is also to be made up exclusively of non-executive directors and that its chairman shall be an independent director.

It is currently composed of five independent non-executive directors.

Remuneration committee
Banco Santander established the remuneration committee, then named the compensation committee, in 1995.

Among other duties, this committee proposes the director remuneration policy to the board, producing the corresponding report, and proposes the remuneration of the members of the board, including executive directors, and that of the other members of senior management and key Group personnel also proposing the remuneration policy for the latter.

The Bylaws (article 54) and the Rules and Regulations of the Board (article 17) provide that this committee is also to be made up exclusively of non-executive directors, and that its chairman shall be an independent director.

Its five current members are independent non-executive directors.

Risk supervision, regulation and compliance committee
The risk supervision, regulation and compliance committee, among other duties, supports and advises the board regarding the definition and evaluation of risk strategy and policies and with relation to authorities and regulators in the various countries in which the Group has a presence, and monitors compliance with the General Code of Conduct and with the Bank’s governance rules and compliance programme generally. It normally meets on a monthly basis (it met 5 times in 2014)5.

As provided in the Bylaws (article 54) and the Rules and Regulations of the Board (article 17), the committee must be made up of non-executive directors, the majority of whom must be independent, with an independent director acting as chairman.

It is currently composed of seven independent non-executive directors.

International committee
Pursuant to article 13 of the Rules and Regulations of the Board, the international committee has the duty to monitor the development of the Group’s strategy and of the activities, markets and countries in which the Group desires to have a presence through direct investments or specific transactions. It is kept informed of the commercial initiatives and strategies of the various units within the Group and of the new projects presented thereto.

It is made up of five directors, of whom two are executive and three are independent non-executive.

Innovation and technology committee
Pursuant to article 13 of the Rules and Regulations of the Board, the innovation and technology committee (previously, technology, productivity and quality committee) has the duty to review and report on plans and activities regarding information systems and programming of applications, investments in computer equipment, design of operating processes in order to improve productivity, and programmes for the improvement of service quality and measurement procedures, as well as those relating to means and costs.

It is made up of seven directors, of whom four are executive and three are independent non-executive.

5. The risk supervision, regulation and compliance committee held its first meeting on 23 July 2014.
In accordance with the Rules and Regulations of the Board, any director may attend meetings of board committees of which the director is not a member, with the right to participate but not to vote, at the invitation of the chairman of the board and of the respective committee, and by prior request to the chairman of the board.

Additionally, all board members who are not also members of the executive committee may attend its meetings, whatever the reason for the chairman calling such meetings. During financial year 2014, six directors not forming part of the executive committee each attended an average of 15 meetings thereof.

The audit, appointments, remuneration, and risk supervision, regulation and compliance committees have prepared reports on their activities in 2014, containing, among other things, a description of the manner in which such committees carry out the Group’s supervision of risk, internal audit and compliance. The report of the remuneration committee also includes the director remuneration policy. All such reports are made available to the shareholders as part of the annual documentation of the Bank for financial year 2014.

### Attendance at meetings of the board of directors and its committees in 2014

Pursuant to the Rules and Regulations of the Board (article 20.1), absences from meetings must be limited to unavoidable cases. The average attendance rate at meetings of the board in financial year 2014 was 89.84%.

<table>
<thead>
<tr>
<th>Year</th>
<th>Decision-making</th>
<th>Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>90.1%</td>
<td>93.8%</td>
</tr>
<tr>
<td>2011</td>
<td>91.5%</td>
<td>95.0%</td>
</tr>
<tr>
<td>2012</td>
<td>98.4%</td>
<td>95.0%</td>
</tr>
<tr>
<td>2013</td>
<td>91.0%</td>
<td>100%</td>
</tr>
<tr>
<td>2014</td>
<td>89.8%</td>
<td>-</td>
</tr>
</tbody>
</table>

### Rate of attendance at meetings of the board

<table>
<thead>
<tr>
<th>Individual attendance</th>
<th>Directors</th>
<th>Board</th>
<th>Executive</th>
<th>Executive risk</th>
<th>Audit</th>
<th>Appointments and remunerations</th>
<th>Appointments</th>
<th>Remuneration</th>
<th>Risk supervision, regulation and compliance</th>
<th>Innovation and technology</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Ana Botín-Sanz de Sautuola y O’Shea 1</td>
<td>15/16</td>
<td>89%</td>
<td>89%</td>
<td>83%</td>
<td>98%</td>
<td>100%</td>
<td>100%</td>
<td>93.8%</td>
<td>95%</td>
<td>100%</td>
<td>-</td>
</tr>
<tr>
<td>Mr Matías Rodríguez Inciarte 2</td>
<td>16/16</td>
<td>89%</td>
<td>63%</td>
<td>96%</td>
<td>62%</td>
<td>13/13</td>
<td>12/12</td>
<td>4/4</td>
<td>4/5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr Guillermo de la Dehesa Romero</td>
<td>16/16</td>
<td>89%</td>
<td>62%</td>
<td>96%</td>
<td>66%</td>
<td>13/13</td>
<td>12/12</td>
<td>4/4</td>
<td>4/5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr Rodrigo Echenique Gordillo 2</td>
<td>15/16</td>
<td>89%</td>
<td>55%</td>
<td>96%</td>
<td>56%</td>
<td>67/96</td>
<td>67%</td>
<td>4/4</td>
<td>4/5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ms Sheila C. Bair</td>
<td>13/16</td>
<td>89%</td>
<td>62%</td>
<td>100%</td>
<td>62%</td>
<td>13/13</td>
<td>12/12</td>
<td>4/4</td>
<td>4/5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr Javier Botín-Sanz de Sautuola y O’Shea</td>
<td>12/16</td>
<td>89%</td>
<td>62%</td>
<td>100%</td>
<td>62%</td>
<td>13/13</td>
<td>12/12</td>
<td>4/4</td>
<td>4/5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ms Esther Giménez-Salinas i Colomer</td>
<td>15/16</td>
<td>89%</td>
<td>62%</td>
<td>100%</td>
<td>62%</td>
<td>13/13</td>
<td>12/12</td>
<td>4/4</td>
<td>4/5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr Ángel Becerro de Bengoa</td>
<td>16/16</td>
<td>89%</td>
<td>62%</td>
<td>100%</td>
<td>62%</td>
<td>13/13</td>
<td>12/12</td>
<td>4/4</td>
<td>4/5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr Juan Rodríguez Inciarte</td>
<td>16/16</td>
<td>89%</td>
<td>62%</td>
<td>100%</td>
<td>62%</td>
<td>13/13</td>
<td>12/12</td>
<td>4/4</td>
<td>4/5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ms Isabel Tocino Biscarolasa 2</td>
<td>15/16</td>
<td>89%</td>
<td>62%</td>
<td>100%</td>
<td>62%</td>
<td>13/13</td>
<td>12/12</td>
<td>4/4</td>
<td>4/5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr Juan Miguel Villar Mir</td>
<td>10/16</td>
<td>89%</td>
<td>62%</td>
<td>100%</td>
<td>62%</td>
<td>13/13</td>
<td>12/12</td>
<td>4/4</td>
<td>4/5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr Emilio Botín-Sanz de Sautuola y García de los Ríos 1</td>
<td>9/9</td>
<td>89%</td>
<td>39%</td>
<td>100%</td>
<td>39%</td>
<td>45%</td>
<td>45%</td>
<td>1/2</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Mr Javier Marín Romano 4</td>
<td>15/16</td>
<td>89%</td>
<td>62%</td>
<td>100%</td>
<td>62%</td>
<td>13/13</td>
<td>12/12</td>
<td>4/4</td>
<td>4/5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr Fernando de Asúa Alvarez 6</td>
<td>15/16</td>
<td>89%</td>
<td>62%</td>
<td>100%</td>
<td>62%</td>
<td>13/13</td>
<td>12/12</td>
<td>4/4</td>
<td>4/5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr Vittorio Corbo Lioi 6</td>
<td>6/8</td>
<td>89%</td>
<td>39%</td>
<td>100%</td>
<td>39%</td>
<td>45%</td>
<td>45%</td>
<td>1/2</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Mr Abel Matutes Juan 7</td>
<td>13/16</td>
<td>89%</td>
<td>62%</td>
<td>100%</td>
<td>62%</td>
<td>13/13</td>
<td>12/12</td>
<td>4/4</td>
<td>4/5</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

1. Appointed chairman of the board of directors effective 10 September 2014.
2. Presented his resignation from the position of member of the audit committee effective 23 April 2014.
3. Died on 9 September 2014.
5. Withdrawal from position of director effective 12 February 2015.
7. Withdrawal from position of director effective 18 February 2015.
8. In accordance with the provisions of article 54.1 of the Bylaws and article 17.10 of the Rules and Regulations of the Board, at its meeting of 23 October 2014, the board of directors resolved to separate the appointments and remuneration committee into two committees. The appointments committee assumed the duties relating to appointments contained in article 17.4 of the Rules and Regulations of the Board, and the remuneration committee assumed those included in article 17.5 of the Rules and Regulations of the Board, as well as, in both cases, any other duties corresponding thereto under applicable law.
9. As provided in article 54 bis of the Bylaws and article 17 bis of the Rules and Regulations of the Board, the risk supervision, regulation and compliance committee held its first meeting on 23 July 2014.
3. Shareholder rights and the general shareholders’ meeting

One share, one vote, one dividend. No defensive mechanisms contemplated in the Bylaws

The Bank has eliminated all defensive mechanisms in the Bylaws, fully conforming to the one share, one vote, one dividend principle.

The Bylaws of Banco Santander provide for only one class of shares (ordinary shares), granting all holders thereof the same rights.

There are no non-voting or multiple-voting shares, or preferences in the distribution of dividends, or limitations on the number of votes that may be cast by a single shareholder, or quorum requirements or qualified majorities other than those established by law.

Any person is eligible for the position of director, subject only to the limitations established by law.

Quorum at the annual general shareholders’ meeting held in 2014

The informed participation of shareholders at general shareholders’ meetings is an objective expressly acknowledged by the board (article 31.3 of the Rules and Regulations of the Board).

The quorum at the 2014 annual general shareholders’ meeting was 58.82%, continuing a trend of improvement in each of the last three years.

Quorum at annual general shareholders’ meetings

<table>
<thead>
<tr>
<th>Year</th>
<th>Quorum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>53.7%</td>
</tr>
<tr>
<td>2012</td>
<td>54.9%</td>
</tr>
<tr>
<td>2013</td>
<td>55.9%</td>
</tr>
<tr>
<td>2014</td>
<td>58.8%</td>
</tr>
</tbody>
</table>

Encouragement of informed participation of shareholders at shareholders’ meetings

The Bank continues to implement measures designed to encourage the informed participation of shareholders at shareholders’ meetings. Thus, since the annual general meeting held in 2011, shareholders have had access to an electronic shareholders’ forum, in compliance with the provisions of the Companies Act.

Such forum, which the Bank made available on the corporate website (www.santander.com), enables the shareholders to post proposed supplements to the agenda announced in the call to meeting, requests for adherence to such proposals, initiatives aimed at reaching the percentage required to exercise a minority right contemplated by law, as well as voluntary proxy offers or solicitations.

Information provided to the shareholders and communication with them

During 2014, there were 562 meetings with investors, analysts and rating agencies, which entailed contact with 1,325 investors/analysts. In addition, the investor relations department maintained direct contact with the principal shareholders throughout the financial year to disseminate information regarding the Group’s policies relating to sustainability and governance.

Santander has continued to strengthen the channels for shareholder information and service through eight shareholders’ offices in certain significant markets in which it is present. The Bank currently has offices in Spain, the United Kingdom, the United States, Mexico, Portugal, Brazil and Poland to serve the shareholders in the share of the parent bank, as well as offices in Mexico, Chile and Brazil to serve the shareholders of its subsidiaries.

During financial year 2014, the shares of Banco Santander were admitted to listing on the stock exchanges of São Paulo and Warsaw, on 17 November and 3 December, respectively.

Channels for shareholder information and service

<table>
<thead>
<tr>
<th>Channel</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone service lines</td>
<td>227,968</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholder’s mailbox</td>
<td>32,034</td>
<td>325,292</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Events</td>
<td>17,671</td>
<td>329</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMS alerts</td>
<td>3,826,479</td>
<td>97,409</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Letters</td>
<td>339,049</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Finally, in compliance with recommendations of the National Securities Market Commission, both notices of the meetings with analysts and investors and the documentation to be used thereat are being published sufficiently in advance.
Annual general shareholders’ meeting held on 28 March 2014

Information on the call to meeting, establishment of a quorum, attendance, proxy-granting and voting

A total of 402,814 shareholders attended in person or by proxy, with 6,800,244,239 shares. The quorum was thus 58.820% of the share capital of the Bank at the date of the annual general shareholders’ meeting.

The shareholders acting at the general shareholders’ meeting approved the corporate management of the Bank in 2013 with a 95.384% favourable vote.

The average percentage of affirmative votes upon which the proposals submitted by the board were approved was 92.372%.

The following data are expressed as percentages of the Bank’s share capital:

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physically present</td>
<td>0.274%</td>
</tr>
<tr>
<td>By proxy</td>
<td>42.708%</td>
</tr>
<tr>
<td>Absentee votes</td>
<td>15.838%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>58.820%</strong></td>
</tr>
</tbody>
</table>

1. Of such percentage (0.274%), 0.002% is the percentage of share capital that attended by remote means through the Internet.
2. The percentage of share capital that granted proxies through the Internet was 0.223%.
3. Of such percentage (15.838%), 15.777% is the percentage of votes cast by postal mail, and the rest is the percentage of electronic votes.

Extraordinary general shareholders’ meeting of 15 September 2014

Information on the call to meeting, the establishment of a quorum, attendance, proxy-granting and voting

A total of 262,139 shareholders attended in person or by proxy, with 6,255,472,979 shares. The quorum was thus 52.181% of the share capital of the Bank at the date of the extraordinary general shareholders’ meeting.

The average percentage of affirmative votes upon which the proposals submitted by the board were approved was 98.740%.

The following data are stated as percentages of the Bank’s share capital at the date of the extraordinary general shareholders’ meeting:

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physically present</td>
<td>0.130%</td>
</tr>
<tr>
<td>By proxy</td>
<td>37.930%</td>
</tr>
<tr>
<td>Absentee votes</td>
<td>14.121%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>52.181%</strong></td>
</tr>
</tbody>
</table>

1. Of such percentage (0.130%), 0.001% is the percentage of share capital that attended by remote means through the Internet.
2. The percentage of share capital that granted proxies through the Internet was 0.297%.
3. Of such percentage (14.121%), 14.061% is the percentage of votes cast by postal mail, and the rest is the percentage of electronic votes.

Resolutions adopted at the general shareholders’ meetings held in 2014

The full texts of the resolutions adopted at the general shareholders’ meetings held in 2014 are available on the websites of both the Group (www.santander.com) and the CNMV (www.cnmv.es).
4. Santander Group management team

Composition

Chairman  
Ms Ana Botín-Sanz de Sautuola y O’Shea

Chief executive officer  
Mr José Antonio Álvarez Álvarez

Executive vice chairman, to whom the chief compliance officer reports  
Mr Rodrigo Echenique Gordillo

Executive vice chairman, to whom the chief risk officer reports  
Mr Matías Rodríguez Inciarte

Businesses

Germany  
Mr Ulrich Leuschner

Argentina  
Mr Enrique Cristofani

Asia  
Mr Juan Rodríguez Inciarte

Brazil  
Mr Jesús María Zabalza Lotina

Chile  
Mr Claudio Melandri Hinojosa

United States  
Mr Román Blanco Reinoso

Spain  
Mr Enrique García Candelas

Mexico  
Mr Marcos Martínez Gavica

Poland  
Mr Gerry Byrne

Portugal  
Mr Antonio Vieira Monteiro

United Kingdom  
Mr Nathan Bostock

Uruguay  
Mr Juan Carlos Chomali

Business divisions

Global Wholesale Banking***  
Mr Jacques Ripoll

Consumer Finance  
Ms Magda Salarich Fernández de Valderrama

Business support divisions

Commercial Banking  
Mr Francisco Javier San Félix García

Support and control functions

Chief risk officer  
Mr José María Nus Badía

Chief financial officer  
Mr José García Cantera

General Secretariat and of the board  
Mr Ignacio Benjumea Cabeza de Vaca

Chief compliance officer  
Ms Mónica López-Monís Gallego

Internal Audit  
Mr Juan Guitard Marín

Communications, Corporate Marketing and Research  
Mr Juan Manuel Cendoya Méndez de Vigo

Corporate Development  
Mr José Luis de Mora Gil-Gallardo

Innovation  
Mr José María Fuster van Bendengem

Financial Accounting and Control  
Mr José Francisco Doncel Razola

Chairman’s Office and Strategy  
Mr Víctor Matarranz Sanz de Madrid

Human Resources, Organisation and Costs  
Mr Jesús Cepea Caro

Technology and Operations  
Mr Andreu Plaza López

Universities  
Mr José Antonio Villasante Cerro

* This appointment is subject to regulatory authorisation
** Executive vice president of Commercial Banking.
*** The results of this unit are accounted in the income statements of the various countries.
Remuneration

Information on the remuneration of executive vice presidents is provided in note 5 to the Group's legal report.

Related-party transactions and conflicts of interest

Related-party transactions
To the knowledge of the Bank, no member of senior management who is not a director, no person represented by a member of senior management who is not a director, and no company in which such persons or persons with whom they act in concert or who act through nominees therein are directors, members of senior management or significant shareholders, has made any unusual or significant transaction therewith during financial year 2014 and through the date of publication of this report.

Conflicts of interest
The control mechanisms and the bodies in charge of resolving this type of situation are described in the Code of Conduct in Securities Markets, which is available on the Group's website (www.santander.com).
5. Transparency and independence

Santander is among the five most transparent companies in the world according to the latest ranking of Transparency International, an NGO that evaluates international companies in the context of the fight against corruption. The Bank is the leading financial institution in the world as well as the leading Spanish company.

Financial information and other significant information

Financial information
Pursuant to the provisions of its Rules and Regulations (article 34.2), the board has taken the necessary actions to ensure that the quarterly and semi-annual information and any other information made available to the markets is prepared following the same principles, standards and professional practices as are used to prepare the annual accounts. To such end, the aforementioned information is reviewed by the audit committee prior to the release thereof.

The annual accounts are reported on by the audit committee and certified by the head of financial accounting prior to the preparation thereof by the board.

Other material information
Pursuant to the provisions of the Code of Conduct in Securities Markets, the compliance area is responsible for communicating to the CNMV the material information generated in the Group.

Such communication is simultaneous to the release of material information to the market or to the media and occurs as soon as the decision in question is made or the resolution in question has been signed or carried out. Material information shall be disseminated in a true, clear, complete and equitable fashion and on a timely basis and, whenever practicable, such information shall be quantified.

In financial year 2014, the Bank published 90 material facts, which are available on the websites of the Group (www.santander.com) and the CNMV (www.cnmv.es).

Independence of the auditor
The shareholders acting at the general shareholders’ meeting of 2014 approved the re-election of Deloitte, S.L. as auditor for one year, with the affirmative vote of 94.233% of the share capital present in person or by proxy.

The Bank has mechanisms in place to preserve the independence of the auditor, including the obligation of the board to refrain from hiring audit firms when the fees intended to be paid to them for any and all services are more than 2% of the total income thereof during the last financial year.

In addition, the Rules and Regulations of the Board establish limits upon hiring the audit firm for the provisions of services other than audit services that could jeopardise the independence thereof, and impose on the board the duty to make public the overall fees paid by the Bank to the auditor for services other than audit services. The information for financial year 2014 is contained in note 48 to the Group’s legal report.

The Rules and Regulations determine the mechanisms to be used to prepare the accounts such that there is no room for qualifications in the auditor’s report. Nevertheless, the Bylaws as well as the Rules and Regulations also provide that, whenever the board believes that its opinion must prevail, it shall provide an explanation, through the chairman of the audit committee, of the content and scope of the discrepancy and shall endeavour to ensure that the auditor issue a report in this regard. The annual accounts of the Bank and of the consolidated Group for financial year 2014 are submitted without qualifications.

At its meetings of 19 and 23 February 2015, the audit committee received from the auditor a written confirmation of its independence in respect of the Bank and the entities directly or indirectly related thereto, as well as information regarding additional services of any kind provided to such entities by the auditors or by entities related thereto, pursuant to the provisions of Royal Legislative Decree 1/2011, of 1 July, restated text of the Audit of Accounts Act.

Such committee, at the aforementioned meetings of 19 and 23 February 2015, issued a report setting forth a favourable opinion regarding the independence of the auditors and reporting, among other matters, upon the provision of the additional services mentioned in the preceding paragraph.

The aforementioned report, issued prior to the audit report, has the content established in article 529 quarterdecies of the Companies Act.
Intra-group transactions

There were no intra-group transactions in financial year 2014 that were not eliminated in the consolidation process and that are not part of the ordinary course of business of the Bank or of the companies of its Group as regards the purpose and conditions thereof.

The end of the acceptance period for the offer made to acquire the shares representing the share capital of Banco Santander Brasil not owned by the Santander Group was announced on 31 October. Such offer was accepted by owners of shares representing 13.65% of the share capital of Banco Santander Brasil, and as such the shareholding of the Santander Group in such subsidiary now represents 89.58% of its share capital at year end 2014.

Website

Since 2004, the Group's website (www.santander.com) has disclosed in the Investor Relations section of the main menu all information required under applicable law (currently, the Companies Act and Order ECC/461/2013 of 20 March).

The content of the Group's website, which is presented with specific sections for institutional investors and shareholders and is accessible in Spanish, English and Portuguese, receives approximately 185,000 visits per week.

The information available on such website includes:

- The Bylaws.
- The Rules and Regulations for the General Shareholders’ Meeting.
- The Rules and Regulations of the Board.
- Professional profiles and other information regarding the directors.
- The annual report.
- The annual corporate governance report.
- The Code of Conduct in the Securities Markets.
- The General Code of Conduct.
- The sustainability report.
- The reports of the committees of the board.

The announcement of the call to the 2015 annual general shareholders' meeting will be viewable as from the date of publication thereof, together with the information relating thereto, which shall include the proposed resolutions and mechanisms for the exercise of rights to receive information, to grant proxies and to vote, including an explanation of the mechanisms for the exercise of such rights by means of data transmission and the rules applicable to the electronic shareholders' forum that the Bank will make available on its website (www.santander.com).

Unified Good Governance Code

Banco Santander follows all of the recommendations concerning corporate governance in the special working group report on the good governance of listed companies.

Furthermore, Banco Santander follows the recommendations and best practices in corporate governance applicable to credit institutions, and likewise complies with the codes of good governance of the stock exchanges on which its shares are listed.