

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

This document constitutes a supplement to the notice of call to the ordinary general shareholders' meeting of Banco Santander, S.A. (the "**Company**") to be held in Santander, at the Palacio de Exposiciones y Congresos (Avenida del Racing, s/n), on 27 March 2015 at 9:30 a.m. on second call in the event that, due to failure to reach the required quorum, such meeting cannot be held on first call, which has been also convened to be held at the same place and time on 26 March 2015 as announced on 25 February 2015 by way of a current report.

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

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

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

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

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

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

### **1. General remarks**

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

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

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

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

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

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

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

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

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

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

### One.- Annual accounts and corporate management.

- One A. Examination and, if appropriate, approval of the annual accounts (balance sheet, profit and loss statement, statement of recognised income and expense, statement of changes in total equity, cash flow statement and notes) of Banco Santander, S.A. and its consolidated Group, all with respect to the Financial Year ended 31 December 2014.
- One B. Examination and, if appropriate, approval of the corporate management for Financial Year 2014.

### Two.- Application of results obtained during Financial Year 2014.

### Three.- Board of directors: appointment, re-election or ratification of directors.

- Three A. Ratification of appointment and re-election of Mr Carlos Fernández González.
- Three B. Ratification of appointment of Ms Sol Daurella Comadrán.
- Three C. Ratification of appointment of Mr Bruce Carnegie-Brown.
- Three D. Ratification of appointment of Mr José Antonio Álvarez Álvarez.
- Three E. Re-election of Mr Juan Rodríguez Inciarte.
- Three F. Re-election of Mr Matías Rodríguez Inciarte.
- Three G. Re-election of Mr Juan Miguel Villar Mir.
- Three H. Re-election of Mr Guillermo de la Dehesa Romero.

### Four.- Re-election of the external auditor for Financial Year 2015.

### Five.- Amendment of the following articles of the Bylaws:

- Five A. Amendment of articles relating to the ordinary general shareholders' meeting and its powers: article 20 (distribution of powers), article 23 (power and duty to call a meeting), article 24 (call of a general shareholders' meeting), article 25 (establishment of the general shareholders' meeting), article 31 (right to receive information) and article 35 (approval of resolutions).
- Five B. Amendment of articles relating to the board of directors, its committees and the status of the directors: article 42 (qualitative composition of the board), article 43 (chairman of the board), article 44 (vice-chairman of the board), article 45 (secretary of the board), article 46 (meetings of the board of directors), article 47 (conduct of the meetings), article 50 (committees of the board of directors), article 52 (executive risk committee), article 53 (audit

committee), article 54 (appointments and remuneration committee), article 55 (term of office), article 56 (withdrawal of directors), article 57 (liability of directors), article 58 (compensation of directors) and article 59 (transparency of the director compensation system) which shall in turn be renumbered as article 59 *bis*. Inclusion of a new article 54 *bis*, relating to the remuneration committee, renumbering of the current article 54 *bis* (risk supervision, regulation and compliance committee) as new article 54 *ter* and inclusion of a new article 59 (approval of the director remuneration policy).

Five C. Amendment of articles relating to the information tools: article 60 (annual corporate governance report) and article 61 (corporate website).

Five D. Amendment of articles relating to the annual accounts and distribution of results: article 62 (submission of the annual accounts), article 64 (dividends in kind) and article 65 (deposit of the annual accounts).

Six.- Amendment of the following articles of the Rules and Regulations for the General Shareholders' Meeting:

Six A. Amendment of articles relating to powers, call and preparation of general shareholders' meeting: article 2 (General Shareholders' Meeting), article 4 (call to the General Shareholders' Meeting), article 5 (announcement of the call to meeting), article 6 (information available as of the date of the call to meeting), article 7 (right to receive information prior to the holding of the General Shareholders' Meeting) and article 8 (proxies).

Six B. Amendment of articles relating to the holding of the general shareholders' meeting: article 18 (information), article 21 (voting on proposed resolutions), article 22 (fractional voting) and article 23 (adoption of resolutions and announcement of voting results).

Seven.- Delegation to the board of directors of the power to carry out the resolution to be adopted by the shareholders at the meeting to increase the share capital pursuant to the provisions of section 297.1.a) of the Spanish Companies Act, depriving of effect the authorisation conferred under resolution Eight adopted at the ordinary general shareholders' meeting of 28 March 2014.

Eight.- Authorisation to the board of directors such that, pursuant to the provisions of section 297.1.b) of the Spanish Companies Act, it may increase the share capital on one or more occasions and at any time, within a period of three years, by means of cash contributions and by a maximum nominal amount of 3,515,146,471.50 euros, all upon such terms and conditions as it deems appropriate, depriving of effect, to the extent of the unused amount, the authorisation granted under resolution Nine II) adopted at the ordinary general shareholders' meeting of 28 March 2014. Delegation of the power to exclude pre-emptive rights, as provided by section 506 of the Spanish Companies Act.

Nine.-

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

Ten.-

Ten A. Delegation to the board of directors of the power to issue fixed-income securities, preferred interests or debt instruments of a similar nature (including warrants) that are convertible into and/or exchangeable for shares of the Company. Establishment of the standards for determining the basis and methods for the conversion and/or exchange and grant to the board of directors of the power to increase share capital by the required amount, as well as to exclude the pre-emptive rights of shareholders. To deprive of effect, to the extent not used, the delegation of powers approved by resolution Eleven A II) of the shareholders acting at the ordinary general shareholders' meeting of 28 March 2014.

Ten B. Delegation to the board of directors of the power to issue other fixed-income securities, preferred interests or debt instruments of a similar nature (including certificates, promissory notes and warrants).

Eleven.- Director remuneration policy.

Twelve.- Director remuneration system: setting of the maximum amount of total annual remuneration of directors in their capacity as directors.

Thirteen.- Remuneration system: approval of maximum ratio between fixed and variable components of total remuneration of executive directors and other employees belonging to categories which professional activities impact significantly on the risk profile.

Fourteen.- Approval of the application of remuneration plans which entail the delivery of shares or options on shares.

Fourteen A. Fifth cycle of the Deferred and Conditional Variable Remuneration Plan (*Plan de Retribución Variable Diferida y Condicionada*).

Fourteen B. Second cycle of the Performance Shares Plan.

Fourteen C. Plan for employees of Santander UK plc. and other companies of the Group in the United Kingdom by means of options on shares of the Bank linked to the contribution of periodic monetary amounts and to certain continuity requirements.

Fifteen.- Authorisation to the board of directors to interpret, remedy, supplement, carry out and further develop the resolutions adopted by the shareholders at the meeting, as well as to delegate the powers received from the shareholders at the meeting, and grant of powers to convert such resolutions into notarial instruments.

Sixteen.- Annual director remuneration report.

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

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

- (i) The notice of call to meeting.
- (ii) This supplement,
- (iii) The total number of shares and voting rights on the date of the call to the general shareholders' meeting.
- (iv) The annual accounts, the management report and the auditor's report for Financial Year 2014, as well as the consolidated accounts (which include the annual banking report), the Group's management report and the auditor's report for such Financial Year.
- (v) The full text of the proposed resolutions regarding all of the items on the agenda for the general shareholders' meeting, as well as, in connection with items Three A to Three H, Five A to Five D, Six A and Six B, Seven, Eight, Nine A and Nine B, Ten A, Eleven, Thirteen, Fourteen A and Fourteen B, the corresponding director reports, reasoned proposal (including the text of the director remuneration policy) or detailed recommendation, as applicable (also including, in the case of items Three A to Three H, the reasoned proposal of the appointments committee).
- (vi) The curricula vitae of the individuals referred to in item Three of the agenda, including the category of each one of the directors.
- (vii) The rules applicable to proxy-granting and voting by remote means of communication and to remote attendance at the meeting and the documentation necessary for such purpose.
- (viii) The rules of operation of the Electronic Shareholders' Forum.
- (ix) The annual corporate governance report.
- (x) The Statement on Corporate Governance in relation to the Code of Best Practices for WSE Listed Companies.
- (xi) The Group's annual report.
- (xii) The current Bylaws, along with the resulting text of such Bylaws if the amendments proposed at the meeting are approved.
- (xiii) The current Rules and Regulations for the General Shareholders' Meeting, along with the resulting text of such Rules and Regulations if the amendments proposed at the meeting are approved.

- (xiv) The current Rules and Regulations of the Board of Directors.
- (xv) The committees report, which includes the reports of (a) the audit committee; (b) the appointments committee; (c) the remuneration committee (including the specific report on the director remuneration policy), and (d) the risk supervision, regulation and compliance committee.
- (xvi) The annual report on directors' remuneration that is submitted to a consultative vote under item Sixteen of the agenda.
- (xvii) The full text of the reports of the directors and of the external auditor designated by the Commercial Registry corresponding to the share capital increase excluding pre-emptive rights carried out in January 2015 pursuant to the delegated power conferred under resolution Nine II) of the resolutions adopted by the shareholders acting at the ordinary general shareholders' meeting held on 28 March 2014.
- (xviii) The valid requests for information, clarification or questions asked by shareholders exercising their right to receive information and any answers provided by the directors.