

# **POLICY ON CONFLICTS OF INTEREST**



**December 2018**

## TABLE OF CONTENTS

1	INTRODUCTION.....	3
2	SCOPE OF APPLICATION AND IMPLEMENTATION AT SUBSIDIARIES.....	3
3	PRINCIPLES FOR MANAGING CONFLICTS OF INTEREST GENERAL PRINCIPLES .....	4
4	GUIDELINES FOR MANAGING CONFLICTS OF INTEREST .....	4
5	KEY PROCESSES .....	11
6	BREACH OF THE POLICY.....	13
7	OWNERSHIP, INTERPRETATION, EFFECTIVE DATE AND PERIODIC REVIEW .....	13
8	APPENDIX I:.....	14

## 1 INTRODUCTION

This policy aims to provide Santander Consumer Finance (SCF hereinafter) Group employees, directors and entities with guidelines for preventing and managing conflicts of interest that may arise as a result of their activities. Specifically, this policy aims to set forth guidelines for:

- (i) Identifying the relationships, services, activities or operations where conflicts of interest may arise;
- (ii) Facilitating the adoption of measures for preventing conflicts of interest to the extent possible;
- (iii) Defining a process for identifying and assessing the importance of conflicts, determining the mitigating measures and reporting any significant conflict of interest (current or potential);
- (iv) Determining how an unavoidable conflict of interest must be handled and how the affected individual or entity must be properly informed;
- (v) Appropriately documenting the implementation of the measures established for the aforementioned purposes so that conflicts of interest may be controlled internally and explained to the regulatory authorities; and
- (vi) Providing examples of categories where conflicts of interest may occur.

This policy has been drawn up considering the structure of Santander Group. Its aim is to identify (i) the circumstances under which conflicts of interest may occur; and (ii) the internal regulations that must be used for reference as regards the mechanisms for preventing and managing conflicts of interest. In particular:

- General Code of Conduct.
- Code of Conduct in Securities Market.
- Policy of Conduct on Purchasing Management.
- Group Remuneration Policy.
- Group-Subsidiary Governance Model and Guidelines for the Subsidiaries (Governance Model)<sup>1</sup>.
- Corporate frameworks<sup>2</sup>.
- Internal regulations for developing the Group-Subsidiary Governance Model and Corporate Frameworks.

## 2 SCOPE OF APPLICATION AND IMPLEMENTATION AT SUBSIDIARIES

This policy has been drawn up by Santander Consumer Finance, S.A. in its capacity as the parent company of SCF Group. It was approved by its executive committee and is applicable throughout SCF Group. SCF units will adapt this policy solely when necessary for compliance with local

---

<sup>1</sup> First version approved by the board of directors of Santander Consumer Finance, S.A. in February 11, 2016, updated on December 14, 2017 and October 30, 2018.

<sup>2</sup> General Risks; Internal Audit; General Compliance; Marketing of Products and Services and Consumer Protection; Anti-Money Laundering and Financing of Terrorism; Capital; Management of Special Situations; Asset and Liability Management; Accounting and Financial Management Information; Data and Information, Human Resources; Brand, Sustainability and Communications; Strategy, Cybersecurity; Information Technology; and Third-Party Outsourcing and Agreement.

regulatory requirements or expectations of their local regulatory authority. These changes will be subject to validation by the Regulatory Compliance SCF HQ.

### 3 PRINCIPLES FOR MANAGING CONFLICTS OF INTEREST GENERAL PRINCIPLES

Management bodies and employees must follow these principles when they perform their assigned duties and responsibilities in view of identifying, escalating and managing conflicts of interest:

- **Responsibility:** Governing bodies, key positions<sup>3</sup> and all other employees will act in good faith and in accordance with the applicable internal regulations and as per their assigned roles.
- **Transparency:** Honest and transparent attitude in compliance with the corporate values; Simple, Personal and Fair actions; proactive stance with the aim of avoiding conflicts of interest and, if these occur, designing the best mitigating measures for minimising the conflicts' negative consequences.
- **Independence:** Act at all times with freedom of judgement, loyalty to SCF Group, shareholders and customers, and independently of their own interests or those of related people.
- **Abstention:** Abstain from participating in or influencing decisions that may affect employees or entities with which there may be a conflict of interest, or in which their objectivity or ability to adequately fulfil their obligations to SCF Group may be compromised. They must also abstain from accessing important information that may have an impact on the conflict.

Furthermore, they must abstain from participating in any type of transaction carried out by a SCF entity when this transaction involves their own interests, SCF Group's interests or the interests of a related party<sup>4</sup>.

- **Communication:** Internal reporting of any issue that may derive or has derived in a direct or indirect conflict of interest.

Any actual or potential conflict of interest must be reported to their immediate superior and to Compliance for assessment and management.

### 4 GUIDELINES FOR MANAGING CONFLICTS OF INTEREST

In addition to the general principles described above, the following guidelines must be taken into account when managing any conflict of interest in specific areas of activity:

- A. Between the Group and its employees.
- B. Between customers.
- C. Between the Group and its customers.

---

<sup>3</sup> Chief Risk Officer (CRO); Chief Compliance Officer (CCO); Chief Audit Executive (CAE); Chief Financial Officer (CFO); Controller; head of support functions, such as IT, Operations, HR, General Secretariat, Legal Affairs, Marketing, Communications and Strategy; and head of Digital and Innovation, as well as any other that is determined in the Governance Model.

<sup>4</sup> Related party: natural or legal person with whom employees or directors of SCF Group maintain an economic or family relationship (ascendants, descendants and collaterals, as established by the local legislation applicable) with the ability to significantly influence their function or decision making within SCF Group.

- D. Between a subsidiary and Banco Santander, S.A. as the parent company.
- E. Between a Santander Group entity and the members of their management bodies.
- F. Conflicts of interest arising from the performance of positions in the management boards of any corporation and their subsidiaries that could eventually be competing, and especially those derived from knowledge of sensitive information.
- G. Between a subsidiary and its qualified shareholders.
- H. Between a Santander Group entity and third parties, main commercial partners and suppliers.
- I. Between lines of business and/or business units within Santander Group entities.
- J. Between subsidiaries.

**Appendix I** contains a list with some but not all of the general categories of conflicts of interest and activities, services, decisions or transactions that generate or may generate this type of conflict and that need to be managed, mitigated or prevented appropriately, when applicable.

#### 4.1 Conflicts of interest between the Group and its employees.

SCF Group employees will always act in such a way that their personal interests and those of their families or other related parties do not take precedence over the interests of SCF Group, its customers and other stakeholders.

In this context, the General Code of Conduct sets forth the guidelines for conflicts of interest, namely:

- Employees may not approve, participate in or exert any type of influence over bank transactions or any other transactions in which they as employees, or a person with whom they have financial or family ties, are named as beneficiaries or guarantors.
- Employees may not request or accept payments, commissions, gifts, invitations or remuneration from customers, suppliers, intermediaries, counterparties or any other third party in transactions carried out by SCF Group, and nor may they receive any type of advantage resulting from their position within SCF Group to favour their own interests, except as expressly provided for in the General Code of Conduct.
- Employees may not provide professional services, paid or not, to other competing entities or companies unless expressly authorised by the Human Resources and Compliance Functions as well as the head of the relevant area.
- It shall not be possible to hire or to appoint persons to fill positions that report hierarchically or functionally to a family member within the same department. In the event that the family bond ensues after the hiring or appointment (for example, subsequent marriage) one of the two persons must be transferred to another department within a maximum period of 12 months.
- No treatment or special work conditions based on personal or family relationships can be given.
- The recruitment of persons who hold or have held public office is subject to strict compliance with local regulations for these cases and any additional restrictions established, in order to prevent any conflict with persons who have been involved in matters that directly affect the SCF Group's interests.

In view of assessing a possible conflict of interest affecting employees, the Compliance function may ask that the employees supply data or information, which they are under obligation to supply, on any recent personal or professional circumstance that may influence the fulfilment of their professional obligations and decision-making. Examples of this type of circumstance are:

- Economic interests of employees that may mean a conflict of interest with the Group
- Personal or professional relationships with shareholders who hold a significant number of shares in the Group
- Personal or professional relationships with Group management and the employees
- Professional activities or as a self-employed person performed at entities other than the Group
- Personal or professional relationships with the SCF Group's main commercial partners, third parties or suppliers
- Public offices or positions of authority held in the public sector

Employees must inform their immediate superior and the Human Resources and Compliance functions without delay of any situation affecting their personal or professional circumstances that may lead to a conflict of interest with the Group.

In addition to the provisions set in the General Code of Conduct, the specific guidelines in the Code's internal implementing regulations for the following areas of activity will also apply:

- Remuneration systems: SCF Group has drawn up a Remuneration Policy by which variable remuneration will depend on the risk profile and the incentives for good conduct. Additionally, it will promote the SCF Group's culture and compliance with internal regulations to avoid conflicts of interest.
- Activity in securities markets: The Code of Conduct in Securities Markets contains detailed rules on different aspects regarding conflicts of interest or matters closely related to financial markets, such as mechanisms for detecting and controlling personal conflicts of interest (e.g. declaration of personal situation); management of sensitive information (confidential, material and inside information) and definition of separate areas and information barriers.

#### 4.2 Conflicts of interest between customers:

Under no circumstances may the execution of a transaction by one customer be encouraged to benefit another, unless both customers are aware of their different positions and expressly agree to undertake the transaction in question.

Customers must be informed of any financial or other type of relationship that could imply a conflict of interest with them.

### 4.3 Conflicts of interest between the Group and its customers:

Employees must act in accordance with the provisions in the General Code of Conduct as regards the prevention of potential conflicts of interest in all sales processes and their relationship with customers. Specifically, these guidelines apply to the following activities and matters:

- Conflicts of interest when designing and launching new products and services:

All products and services must be appropriately approved as per the relevant governance and procedure. When proposals are assessed, the sale or marketing of the products and services must be analysed to determine whether they involve a conflict of interest as per the definition herein.

If a conflict of interest is identified, precautionary measures will be taken to minimise its effect when the product is approved. Also, a decision will be taken on the warnings to be made when marketing the product or, where appropriate, on the declarations that customers must supply.

- Incentives paid or received from third parties:

As a general rule, these payments or benefits perceived by the entities must: (i) be justified as needed to provide the service or distribute the product; or (ii) be designed to provide an additional service; or (iii) to improve its quality.

SCF Group entities are not allowed to pay or be paid fees or commissions, or to offer or receive any other monetary or non-monetary benefits in relation to the provision of a service or the distribution of a product (hereinafter, "incentives") to a third party or from a third party which is not the customer or the person acting on the customer's behalf, if these incentives could compromise the entities' obligation to act in their customers' best interests in an honest, impartial and professional way.

Minor non-monetary incentives (such as attending seminars or conferences) which are deemed to be reasonable and commensurate will be permitted as they are unlikely to influence the conduct of SCF Group employees in any way that could jeopardise their customers' interests.

- Other guidelines on conflicts of interest:

No customer must be given special treatment or conditions on the basis of personal, family or any other type of tie.

Exclusive relationships with customers that could give rise to excessive personal ties or could restrict access to other Group employees or channels must be avoided. If it is not possible to avoid the conflict of interest, the customers must be appropriately notified before providing a service that may generate a conflict of interest.

Conflicts of interest must be disclosed to customers when the organisational or administrative measures adopted to prevent the conflicts of interest from harming customers' interests are not sufficient to guarantee their prevention with a reasonable degree of confidence.

#### 4.4 Conflicts resulting from the relationship between a subsidiary and Banco Santander, S.A. as the parent company.

Conflicts of interest may arise when a subsidiary might have opposing interest regarding the interests of SCF SA as the parent company, or the SCF Group's interests, or as a result of the lines of authority or information flows between the parent company and its subsidiaries.

SCF SA, as the parent company, must consider the interests of all of its subsidiaries and how these interests contribute to the long-term interests of both the subsidiaries and the Group as a whole. Likewise, SCF units must analyse how entity-level decisions may affect the Group as a whole.

SCF SA, as the parent company of SCF Group, structures the governance of SCF Group so as to guarantee that governance rules and an appropriate control system are in place. Specifically, SCF Group relies on an Internal Governance System which includes:

- The Governance Model that sets down the principles governing the relationship between the Group and its subsidiaries, as well as their interactions at three levels:
  - i. SCF Group's board of directors and the subsidiaries' boards. SCF Group has created rules and procedures to govern the structure, composition, creation and operation of the boards of directors and their committees. It has also devised other rules and regulations on the appointment, remuneration and succession plan of members of governing bodies.
  - ii. SCF Group and the CEOs/Country Heads.
  - iii. Key positions responsible for internal control and support and business duties at the corporate centre and the subsidiaries.

For (ii) and (iii) the aforementioned Governance Model sets forth the following rules and regulations, amongst others: appointment, goal setting, assessment and definition of variable remuneration and succession planning. It also establishes the applicable mechanism for resolving conflicts of interest with the highest level of involvement.

- Corporate frameworks. They devise a shared approach to issues that have been considered relevant due to their impact on the Group's risk profile. Each corporate framework stipulates how the Group oversees and controls its subsidiaries and how the Group participates in certain major decisions made by the subsidiaries.

#### 4.5 Conflict between SCF Units and the members of their management bodies.

Possible conflict between the interests of a subsidiary of SCF Group and the private interests of the members of its management body, which could have a negative impact on the performance of their duties and responsibilities as member of this body.

Conflicts of interest affecting the directors of SCF SA under this condition shall be resolved in accordance with the Rules and Regulations of the Board of Directors, and by application of this policy insofar as it is compatible with the former.

The members of management bodies will act in the interest of all of their shareholders. If they also

(i) hold a position in an entity's board of directors; (ii) hold an executive position; or (iii) are members of the board of directors of a different SCF unit, they will consider both sets of interests.

Board members must follow the applicable local regulations, the rules and regulations of local boards and the best practices.

As such, the members of management bodies must:

- Act in compliance with the duty of loyalty that governs their role, act in good faith and in the entity's best interest.
- Follow the criteria and principles defined in the Governance Model of the Group's subsidiaries and in the Corporate Frameworks; promote good governance and follow the SCF Group's rules.
- Gain and improve the knowledge needed to perform their assigned duties and responsibilities.
- Inform of other professional obligations and the governing bodies they belong to.
- Abstain from:
  - Using the name of the SCF entity or relying on their status as directors to unduly influence private transactions.
  - Using entity assets, including confidential information of the entity, for private purposes.
  - Exploiting business opportunities offered brought about by the SCF Group entity to whose board he/she belongs to.
  - Obtaining advantage or remuneration from third parties outside SCF Group in relation to the performance of their duties.
  - Engaging in a business, on their own behalf or the behalf of others, that poses effective current or potential competition with the business of the entity or that otherwise creates a situation of permanent conflict with the entity's interests. They must also disclose any direct or indirect stake they/other related parties may have in the capital of a company that is a competitor of the SCF entity.
  - Conducting, or suggesting to any person that they conduct, transactions involving shares of the SCF Group entity or the affiliated or related companies in connection with which they have, by reason of their position, inside or confidential information, so long as such information is not public.
  - Participating in the deliberation of and voting on resolutions or decisions in which they or a person related thereto has a direct or indirect conflict of interest.

The subsidiaries must also draw up internal regulations on transactions with related parties. These documents must define the instances when authorisation from the board of directors or another corporate body is needed. Transactions between related parties and board members must be identified and reported as per the applicable local requirements.

Transactions with related parties must be assessed on the basis of the principle of equal treatment between all shareholders and the market conditions in force.

#### 4.6 Conflicts of interest arising from the performance of positions in the management boards of any corporation and their subsidiaries that could eventually be competing, and especially those derived from knowledge of sensitive information.

Sensitive information determined as all the information regarding strategies or business initiatives, prices, or any other that could be known alter directly or indirectly the competitive position of a competitor against another on the market.

SCF executives that have such sensitive information should in any case without prejudice to other restrictions resulting from the Code or the relevant confidentiality agreement:

- Limit the knowledge to themselves; refraining from communicating to third parties.
- Avoid making comments about it that may directly or indirectly reveal their existence or content.
- Use it only for legitimate self-purpose or of the customers with whom it has been generated.
- Implement measures to allow adequate control of access to the documents or other media in which it is contained.
- Demanding, if it is necessary to provide the “Sensitive Information” to third parties outside the entity, the prior signing of a non-disclosure agreement.
- Warn Compliance Management of any leaks about this information or any risk that this may occur.

#### 4.7 Conflict with qualified shareholders of subsidiaries.

This conflict may derive from transactions or agreements between the entity and a qualified shareholder<sup>5</sup>, directly or indirectly.

Transactions or agreements made with qualified shareholders must be entered into independently, under market conditions, in the interest of the SCF unit and in full compliance with the applicable legislation and internal regulations.

#### 4.8 Conflict of interest between a SCF Units and its suppliers, third parties or main business partners

SCF Units must not give precedence to their interest and, as such, harm or generate incompatibility with the interest of service providers, commercial partners and consultants or advisors. Likewise, employees may not engage in procuring products or services for SCF Group with companies or individuals with whom they have economic or family ties.

Consequently:

---

<sup>5</sup> Shareholder (other than SCF) with a stake in one SCF entity, which represents significant share ownership or the right to vote as per the applicable domestic legislation. Also, a shareholder with the right to appoint most of the members of the board of directors, or with access to any other means that allowed them to hold significant influence on how SCF entity is managed.

- Any type of interference that could affect their impartiality or objectivity in the procurement of supplies and services or in establishing the economic conditions must be avoided.
- Wherever possible, exclusive relationships with suppliers of products and services must be avoided.
- Special treatment or working conditions may not be granted on the basis of personal or family ties.

Relationships with third parties must be conducted, under the oversight and control established within the *Framework on Outsourcing and Agreements with Third Parties* and their implementing regulations, as well as the *Policy of Conduct on Purchasing Management*.

#### 4.9 Conflict between lines of business and/or business units within SCF Units

This type of conflict arises when a unit of a SCF Unit places its commercial interest before the interest of another unit, which may go against or oppose the best interests of the entity as a whole.

The units of Santander Group entities may not override the interests of the unit, and if a conflict is appreciated, it must be raised and resolved by the heads of both units and the common hierarchical. Likewise, these units must comply with the internal regulations for marketing of products and services and for the corporate development transactions, where appropriate. All transactions between Group units must be completed under market conditions.

In the event of changes to the business structure or more sensitive areas, before a new activity is created or existing activities are restructured, an assessment will be conducted to determine whether the new organisational structures fulfil the principles for managing conflicts of interest described in this document.

#### 4.10 Conflict between two subsidiaries

This type of conflict may arise when a subsidiary puts its interests before the interests of another SCF subsidiary.

In these instances, SCF HQ, as the parent company, must be notified. SCF HQ will handle and resolve these conflicts of interest to the Group's benefit by applying the resolution mechanism set forth in the Governance Model.

## 5 KEY PROCESSES

Processes must be established to guarantee that conflicts of interest are identified, prevented and managed in a timely manner, with appropriate assignment of responsibilities.

### 5.1 Appropriately managing conflicts of interest:

Any conflicts of interest that may arise within SCF Group must be managed as follows, amongst other means:

- Internal regulations, controls and organisational provisions designed to prevent conflicts of interest and, where appropriate, mitigate their associated risks.
- Training for employees and board members in identifying, escalating and managing conflicts of interest.
- Specific mechanisms or governance processes for reporting and resolving conflicts of interest and, when necessary, enforcement of disciplinary measures on those who breach this policy.
- Clear allocation of duties and responsibilities with guarantee of an internal control environment in accordance with the model of three lines of defence.
- Separation of obligations for service provision, or assignment of oversight and reporting responsibilities for activities that may generate a conflict of interest between individuals.
- Appropriate procedures for transactions with related parties. These transactions must take place under market conditions.
- Definition of information barriers, including physical separation of certain lines of business or business units where appropriate, in accordance with the applicable codes of conduct or other internal regulations.

### 5.2 Escalation process:

Employees must follow the internal escalation process established in each SCF entity for conflicts of interest and inform their immediate superior and, where appropriate, the Compliance function of the existence and nature of the conflict.

Also, if there is any doubt about a possible conflict of interest, employees may consult the Compliance function.

### 5.3 Resolution:

Conflicts of interest will be appropriately documented, reported and managed depending on their nature and relevance with the following information: description of the conflict of interest, management proposal, resolution adopted (where appropriate) and identification of the people, key position and/or governing bodies involved.

The head of the affected area must resolve conflicts of interest involving their employees by making the right decision for the conflict in question. If there is a conflict between two areas, the heads of both areas must resolve it.

If the conflict of interest might affect other SCF Units or SCF Group as a whole, the resolution mechanism laid down in the Governance Model will apply, as applicable.

**5.4 Governance:**

Conflicts of interest will be managed by the individuals in key positions or by governing bodies as per their assigned duties and responsibilities.

Governing bodies will bear in mind possible conflicts of interest when selecting their members. Additionally, all members of governing bodies must disclose any conflicts of interest that may affect them as they arise.

The secretary of the governing bodies must keep the documentation relating to the conflict as well as any documentation certifying how the conflict was eventually managed and resolved.

For current services, this record will indicate the procedures and measures adopted for any possible conflict of interest.

**5.5 Reporting irregularities:**

In addition to the normal reporting and escalation process, employees may use the whistleblowing channel defined in the General Code of Conduct where appropriate.

**6 BREACH OF THE POLICY**

Any breach of this policy may lead to employment sanctions, including dismissal, without prejudice to any administrative or criminal sanctions which may also arise from such a breach.

**7 OWNERSHIP, INTERPRETATION, EFFECTIVE DATE AND PERIODIC REVIEW**

This policy must be approved by the Executive Committee of SCF SA. The Compliance Committee is responsible for interpreting this policy.

This policy will become effective on the date on which it is published. The policy will be reviewed at least once every year, and any changes or modifications deemed appropriate will be made.

Version	Author	Date of change	Validated by	Approval Committee	Approval date	Date of schedule review
1	Regulatory Compliance	Oct-2016		Executive Committee	Oct-2016	
2	Regulatory Compliance	11/12/2018	Corporate Compliance	Executive Committee	20/12/2018	31/01/2020

Version	Description of changes
1	Adaptation of Corporate Policy to SCF Group.
2	Update of the corporate policy with the following changes: <ul style="list-style-type: none"> <li>- Inclusion of a specific section regarding the definitions that must be taken into account when applying the policy (Sec. 2).</li> <li>- Definition of the scope of application of the policy, which applies to the aforementioned types of conflicts of interest.</li> <li>- In addition, an Appendix I have been included in order to provide examples of categories where conflicts of interest may occur.</li> </ul>

## 8 APPENDIX I:

This appendix contains a list with some but not all of the general categories of conflicts of interest and activities, services, decisions or transactions.

Conflict category	Type of possible conflict of interest	Activity, service, decision or transaction
Employees	Misconduct	Inappropriate and/or non-diligent behaviour. The conflict of interest is not reported or avoided.
	Related-party transaction	Financing or supply of products and services and other material to related parties (individuals or entities).
	Confidentiality	Access to and use of confidential, internal or secret information under the duty of protection.
	Competition	Performing activities or services, directly or indirectly, in the same sector or in similar or equivalent activities.
	Remuneration practices	Promoting activities and/or directly or indirectly engaging in decision-making processes that may increase the current, future or potential remuneration of senior managers or other employee against the Group or customers' best interests.
	Incentives	Incentives paid or received from third parties for the supply or sale of products/services to customers.

Customers	Misconduct	Inappropriate and/or non-diligent behaviour. The conflict of interest is not reported or avoided.
	Confidentiality	Access to and use of confidential, internal or secret information under the duty of protection.
	Remuneration practices	Promoting activities and/or directly or indirectly engaging in decision-making processes that may increase the current, future or potential remuneration of senior management or other employees. In opposition of the customers' best interests.
	Incentives	Incentives paid or received from third parties for the supply or sale of products/services to customers.
	Research markets	Supplying research reports that may encourage the investment decision.

Parent company and subsidiaries	Corporate transactions	Willingness to carry out corporate transactions (as defined in the Procedure for Corporate Development Transactions).
	External commercial transactions	
	Misconduct	Inappropriate and/or non-diligent behaviour of the key position and/or employees. The conflict of interest is not reported or avoided.
	Confidentiality	Access to and use of confidential, internal or secret information under the duty of protection.
	Data flow	Supplying only the information needed to consolidate or back the purpose. Resistance to collaborative and productive interactions.
	Appointment	Discrepancies due to opposing interests in the proposed appointment and during the process for appointing board members or key individuals.
	Goal setting and assessment	Rejection or discrepancies relating to goal setting and assessment processes; resistance to completing these processes chronologically and/or as per the rules.

Conflict category	Type of possible conflict of interest	Activity, service, decision or transaction
	Remuneration practices	Promoting activities and/or directly or indirectly engaging in decision-making processes that may increase the current, future or potential remuneration of board members or other employees in opposition of the Group's best interest. Activities that may be included in malus clauses and clawback of remuneration. Discrepancies due to opposing interests relating to individual remuneration decisions and/or the execution of the relevant process.
	Execution of key processes	Resistance, delay or non-diligent collaboration to perform the Group's key processes in a timely manner; differences of opinion in relation to the key processes defined by the Group at any given moment (at least, planning the "Sxx" strategy, "Pxx" planning, and decision on budget, capital and liquidity).
	Capital	Decision about capital (issuance and allocation), dividend and issuance of debt or other financial instruments that may affect or potentially affect the Group as a whole.
	Liquidity	Material decision about liquidity administration that may actually or potentially affect the Group as a whole.

Member of the board of directors	Misconduct	Inappropriate and/or non-diligent behaviour. The conflict of interest is not reported or avoided.
	Financing	Financing or supply of products and services and other material.
	Related-party transaction	Financing or supply of products and services and other material to related parties (individuals or entities).
	Confidentiality	Access to and use of confidential, internal or secret information under the duty of protection.
	Competition	Performing activities or services, directly or indirectly, in the same sector or in similar or equivalent activities to the activities of Santander Group entities.
	Remuneration practices	Promoting activities and/or directly or indirectly engaging in decision-making processes that may increase the current, future or potential remuneration of board members in opposition to the Group's best interests.

Qualified shareholders	Membership of several governing bodies	Performing several roles in governing bodies of SCF entities (double hatting).
	Confidentiality	Access to confidential, internal or secret information under the duty of protection.
	Voting rights	Individual interactions between SCF entities and qualified shareholders.
	Material transactions	Transactions, activities or services provided by SCF entities to a qualified investor or related parties.

Third parties	Misconduct	Inappropriate and/or non-diligent behaviour. The conflict of interest is not reported or avoided.
	Material transactions	Material transactions, activities or services provided by SCF entities to third parties.
	Related-party transaction	Financing or supply of products and services and other material to related parties (individuals or entities).

Conflict category	Type of possible conflict of interest	Activity, service, decision or transaction
	Confidentiality	Access to and use of confidential, internal or secret information under the duty of protection.
	Competition	Performing activities or services, directly or indirectly, as an external provider to other entities with the same, a similar or equivalent activity to the activities of SCF entities.

Line of business / Unit	Corporate transactions	Concurring willingness to carry out corporate transactions (as defined in the <i>Procedure for Corporate Development Transactions</i> ).
	External commercial transactions	
	Confidentiality	Access to and use of confidential, internal or secret information under the duty of protection.
	Competition	Performing activities or services, directly or indirectly, in the same sector or in similar or equivalent activities and/or activities in the same location or jurisdiction.

Two different SCF Group entities (both subsidiaries of Banco Santander, S.A.)	Corporate transactions	Willingness to carry out corporate development transactions.
	External commercial transactions	
	Misconduct	Inappropriate and/or non-diligent behaviour of the key position and/or employees. The conflict of interest is not reported or avoided.
	Confidentiality	Access to and use of confidential, internal or secret information under the duty of protection.
	Competition	Performing activities or services, directly or indirectly, in the same location or jurisdiction.