

The Santander Group Customer Service and Customer Ombudsman Regulations

PREAMBLE

The multi-local nature of the Santander Group makes it possible to combine a single global business model with the best practices in each local market.

This unique business model focuses on a set of clearly established guidelines and principles that are shared by all the countries in which we operate. One of these principles is our conviction that customer satisfaction is essential in generating stable long-term profits and, as such, achieving it must always be at the heart of our business.

In conjunction with this conviction, which leads us to pursue lasting relationships with our customers, we find ourselves amid an external situation in which consumer protection in the area of global financial activity is significantly increasing.

The recent rules protecting financial service users in Spain, which include the obligation to draft these regulations, are a clear example of this.

These regulations comprise the following seven sections: the purpose and scope of these regulations; the activities of the Customer Service Department; the activities of the Customer Ombudsman as an independent and voluntary body that any consumer may contact; the accepted duty of information; the complaints and claims procedure; the Annual Claims Report, which is published and included in the Group's Annual Report as part of our transparency for shareholders and customers; and, finally, the rules on amending these regulations.

A transitional provision on the entry into force of these regulations is also included.

TITLE I PURPOSE AND SCOPE

Article 1

The Santander Group Customer Service and Customer Ombudsman Regulations (hereinafter the "Regulations") comply with Order 734/2004 of the Ministry of Economy of 11 March on Customer Service Departments and the Financial Organisations Ombudsman, regulating the current procedures for responding to customer complaints and claims.

Article 2

These Regulations shall apply to the Spanish financial companies of the Santander Group – unless they have approved their own regulations, as provided for in the applicable legislation – and are subject to review by the Bank of Spain as the supervisory body of the Group's parent bank.

Article 3

The customer complaints and claims covered by these Regulations include, but are not limited to, delays and lack of attention in the services received by financial service users, as well as their legal interests and rights, whether derived from agreements, transparency and customer protection regulations, or best financial practices.

Wronged third-parties in insurance contracts are considered financial service users.

Article 4

Consumers may submit complaints or claims, without distinction and as they deem appropriate, to the Customer Service Department or Customer Ombudsman, except for matters expressly excluded from its authority, which, if submitted to the Ombudsman, will be promptly passed on to the corresponding Customer Service team and the consumer shall be appropriately informed thereof.

TITLE II

CHAPTER I THE CUSTOMER SERVICE DEPARTMENT

Article 5

The Customer Service Department is part of the General Secretariat of the Bank and acts independently of the other commercial and operational areas and departments of the Group. It shall process the complaints and claims received from financial service users of all the financial companies of the Group that are subject to these Regulations under Article 2.

Customer Service Department decisions shall be binding on the companies subject to these Regulations and not on the consumers, except as established in Article 12, and the affected companies shall be notified of such decisions pursuant to the provisions of the corresponding articles herein.

Article 6

The provisions of the previous article are without prejudice to any Group company that, under the current regulations, has its own Customer Service Department or Customer Ombudsman.

Article 7

The Customer Service Department has the authority to handle all complaints and claims submitted to it relating to Article 3, with the exception of the following:

- a) Relationships between the companies subject to these Regulations and their shareholders and employees.
- b) Relationships of the companies subject to these Regulations with their suppliers in terms of their business relationship.
- c) Issues relating to decisions made by the companies subject to these Regulations on whether or not to authorise loans or formalise agreements or specific transactions or services with particular individuals, as well as the corresponding agreements and conditions, except where the complaint or claim is due to delay or negligence in the decision-making process of the bank.
- d) Those regarding matters that are pending or have already been resolved in court or arbitration proceedings or by the claims and complaints departments of the Bank of Spain, National Securities Market Commission and the Directorate-General for Insurance and Pension Funds (hereinafter referred to as the “Financial Supervisors”), or that manifestly aim to prevent, delay or hinder the exercising of any right of the companies subject to these Regulations against their customers.
- e) Those from individuals who do not reside in Spain, unless they regard their relationships with offices located in Spain and concern transactions in the country.
- f) Those regarding events or transactions carried out during a period that exceeds that expressly provided for in the final point of Article 26 of these Regulations.

In issues where authority is shared between the Department and the Ombudsman, consumers may choose their preferred route.

Article 8

The Group shall take appropriate measures to ensure that the sharing of information required by the Customer Service Department from other divisions and departments of the Group, which are subject to these Regulations, is undertaken quickly, securely, effectively and in a coordinated manner.

Article 9

The Group shall provide the Customer Service Department with the appropriate human, material, technical and organisational resources to fulfil its duties.

Article 10

The necessary measures shall be taken to ensure the staff of said Department have adequate knowledge of the transparency and protection regulations of financial service customer.

CHAPTER II DUTIES AND AUTHORITY

Article 11

In exercising its duties, the Customer Service Department shall act with the independence required to adequately safeguard the interests and rights expressly recognised by law.

Article 12

Complaints or claims that, by their nature or due to the existence of an ongoing process, fall under the authority of administrative, arbitration or court bodies, may not be subject to the binding decision of the Customer Service Department.

Article 13

Any department or office of the Group that receives a complaint or claim and deems that it cannot resolve it for the consumer as part of its normal activity, shall immediately forward it to the Customer Service Department. It shall also inform the consumer that said department has the authority required to handle their complaint or claim, without prejudice to their right, where applicable, to also contact the Customer Ombudsman.

Article 14

The Customer Service Department shall also serve all departments of the Group that need help to establish and implement the internal measures deemed necessary to correctly operate within the framework of best practices.

Article 15

In addition to preparing the annual report, as subsequently discussed, the Department shall also prepare regular statistical reports on the complaints and claims received, whether per item, office or product, in order to better understand and resolve them.

Article 16

The Director of the Customer Service Department shall be the contact person for the Customer Ombudsman and the claims and complaints departments of the Financial Supervisors, as well as consumer organisations and customer associations.

CHAPTER III DIRECTOR OF THE CUSTOMER SERVICE DEPARTMENT

Article 17

The Director of the Customer Service Department shall have sufficient knowledge and training to exercise his or her duties pursuant to the provisions of these Regulations and the applicable legislation. The Director shall be appointed by the Board of Directors or, through delegation of powers, by the Executive Committee in accordance with the law and particularly with regard to ineligibility.

The Director of the Customer Service Department shall sit on the New Products Committee of the Group in order to include the experiences from consumer complaints and claims, as well as the stance of financial supervisors in similar matters, in the design and marketing processes of new products.

Article 18

Legal incompatibility shall be grounds for termination.

The Director of the Customer Service Department shall not simultaneously hold this and another position in the organisation. This ensures the effective separation of the Customer Service Department from other divisions, departments and offices of the Group, thereby providing it with the independence required.

Article 19

The claims and complaints departments of the Financial Supervisors and the corresponding supervisory authorities shall be informed of the appointment, termination and replacement of the Director of the Customer Service Department, as well as any significant change regarding said position.

Article 20

The term of office of the Director of the Customer Service Department shall be five (5) years and he or she may be repeatedly re-elected for five-year periods without limitation. The Board of Directors or, by delegation, the Executive Committee, may, by means of agreement based on objective and serious grounds for termination, decide to replace the Director of the Department at any time. In this case, it shall appoint a new Director within one (1) month.

TITLE III THE CUSTOMER OMBUDSMAN

Article 21

The Ombudsman is regulated by its own regulations, which are attached hereto as Annex I.

Article 22

Subject to the limits established in its own regulations, the Ombudsman shall handle the claims and complaints referred to in Article 3. Its subjective scope of action is provided for in Article 2. The decisions of the Ombudsman shall be binding on all the Group companies subject to these Regulations, with the limits provided for herein, and specifically those set out in Article 8 of the Ombudsman Regulations.

Article 23

Customers may submit claims or complaints in line with the provisions and limitations established in Articles 4 and 7, either to the Customer Service Department or to the Customer Ombudsman, with the former being subsidiary to the latter in cases involving inadmissibility, as so provided for in the Ombudsman Regulations.

Article 24

The Customer Ombudsman currently has the status of Pensions Ombudsman, pursuant to current legal provisions.

TITLE IV DUTY OF INFORMATION

Article 25

In accordance with the applicable legal requirements, the Group shall make the following information available to customers in all its branches, as well as on the website, where legally required:

- The existence of the Customer Service Department and the Customer Ombudsman, providing the corresponding postal and email address.
- The duty to handle the customer claims and complaints covered by these Regulations within the terms set out in Article 32.
- References to the claims and complaints departments of the Financial Supervisors, stating the corresponding postal and email address and the need to first contact the Customer Service Department or the Customer Ombudsman before submitting claims and complaints to said supervisors.
- The existence of these Regulations.
- References to the transparency and customer protection regulations of financial services.

TITLE V CHAPTER I - CLAIMS AND COMPLAINTS SUBMISSION, PROCESSING AND RESOLUTION

Article 26

Complaints and claims shall be submitted either personally or by proxy in paper format or through IT, electronic or telematic means, provided that the documents can be read, printed and stored. The use of IT, electronic or telematic means shall meet the requirements set out in Law 59/2003 of 19 December on electronic signatures.

The document shall state:

- The full name and address of the consumer and, where appropriate, of their duly accredited representative; their national identity document or passport number (for natural persons), and public registration details (for legal persons).
- The specific reasons for the claim or complaint.
- The office, branch, department or service relating to the incident giving rise to the claim or complaint.
- The place, date and signature.

Consumers may provide all the documentation they deem fit to substantiate their complaint or claim.

Complaints may be submitted to any customer service office or any branch of the bank. Alternatively, they may also be submitted via the email address. If submitted to the Ombudsman, the provisions of the Ombudsman's regulations shall apply.

Consumers shall only submit their complaints or claims once. The consumer cannot expect or call for them to be repeatedly submitted to different bodies of the bank.

Complaints or claims shall be submitted within two (2) years of the date on which the consumer became aware of the events giving rise to the complaint or claim.

Complaints or claims submitted outside the term established in the preceding paragraph shall not be accepted by the Customer Service Department.

Article 27

Where applicable, consumers shall notify the Customer Service Department of any ongoing proceedings undertaken by administrative, arbitration or legal bodies.

Article 28

All complaints and claims shall obtain an acknowledgement of receipt stating the date they were received by the bank, with the exception of those that directly receive proof of receipt due to the submission method used.

Article 29

If, after initial analysis, the complaint or claim received is deemed not to meet the requirements necessary for its acceptance, the consumer shall be informed within ten (10) days so that the corresponding omissions can be remedied. Should the complaint or claim fail to be remedied, it shall be closed and archived. All the foregoing is without prejudice to the right of consumers to file a new complaint or claim under the terms established in these Regulations. Should they decide to do so, such new submission must refer to the same events established in the first.

Nevertheless, complaints and claims shall not be accepted in the following cases:

- a) When essential information has been omitted and cannot be remedied, including when the grounds for the complaint or claim are not specified.
- b) When the complaint or claim submitted relates to appeals or actions under the exclusive authority of administrative, arbitration or legal bodies; when a decision or proceedings are pending; or when they have already been resolved by such bodies.
- c) When the events, grounds and application on which the issues in the complaint or claim are based do not refer to specific operations or do not meet the requirements established in Article 26.
- d) When the complaint or claim reiterates those from the same consumer in relation to the same facts that have been already been resolved.
- e) When the term for the submission of complaints and claims established in Article 26 has elapsed.

If the grounds for rejecting the claim or complaint remain after a response is received from the consumer, he or she shall be notified of the decision and the reasoning it was based on.

Article 30

The Customer Service Department shall collect all the data, clarifications, reports or evidence it deems necessary from any Group branch, body, department or company in order to formulate a decision.

To ensure compliance with the legally established terms and, where applicable, the provisions governing the Ombudsman's actions, such information shall be provided within 15 days, unless a shorter term is otherwise provided for by law, thereby ensuring that the Customer Service Department receives the documentation in good time to be able to make the appropriate decisions or statements.

Article 31

The corresponding business unit shall inform the Customer Service Department if a complaint or claim has been resolved to the satisfaction of the consumer and it shall attach documentary proof of it. When the consumer is satisfied, or when he or she expressly withdraws the complaint or claim, it shall be closed and archived.

Article 32

The file opened on receipt of the complaint or claim shall be closed within two months of the date of acknowledgment of receipt. The consumer shall be informed of the decision, within ten (10) calendar days, in writing or by IT, electronic or telematic means - provided that the documents can be read, printed and stored and that they meet the requirements set out in Law 59/2003 of 19 December on electronic signatures - as expressly instructed by the consumer or, where no such instruction is given, using the same means by which the complaint or claim was filed.

However, in the event that a complaint or claim is submitted by a payment service user in relation to the rights and obligations derived from Titles II and III of Royal Decree-Law 19/2018 of 23 November on payment services and other urgent financial measures, the file shall be closed within fifteen (15) business days of its receipt.

In exceptional situations, if a response cannot be sent within fifteen (15) business days for reasons beyond the control of the bank, it shall send the consumer a provisional response stating the reasons for the delay and the deadline for receiving the final response. The deadline for receipt of the final response shall not under any circumstance exceed one (1) month.

Article 33

The decision shall be justified and shall include the corresponding conclusions of the complaint or claim, based on contractual clauses, transparency and customer protection standards or best financial practices.

If the decision deviates from the arguments used previously for similar complaints or claims, the reasoning behind said decision shall be explained.

Article 34

Decisions that finalise complaint and claim procedures shall expressly mention the right of the consumer to contact the appropriate claims and complaints departments of the Financial Supervisors regarding their complaint or claim, should they disagree with the decision.

Consumers may contact the claims and complaints departments of the Financial Supervisors when they have not received a response to the claim submitted to the bank within the following periods:

- Two (2) months, if the consumer is not a customer.
- One (1) month, if the consumer is a customer, in accordance with Article 18 and the first Additional Provision of Law 7/2017 on alternative dispute resolution for consumers.

- Fifteen (15) business days, if the claim is regarding any payment service related to Titles I and II of Royal Decree-Law 19/2018 on payment services and other urgent financial measures.

Provided they fall under the definition of a consumer, they shall be informed that any complaint or claim referred to the claims and complaints departments of the Financial Supervisors shall be submitted within one (1) year of the date on which it was submitted to the Customer Service Department.

Article 35

No decision made by the Customer Service Department is binding on consumers, regardless of the outcome of the decision. Therefore, in the event consumers accept the decision, they will not have to waive any subsequent right or recourse in the defence of their interests.

CHAPTER II RELATIONSHIP WITH THE CLAIMS AND COMPLAINTS DEPARTMENTS OF THE FINANCIAL SUPERVISORS

Article 36

The Customer Service Department shall meet the requirements of the claims and complaints departments of the Financial Supervisor in question when carrying out its duties, within the deadlines established, in accordance with the corresponding legal provisions.

The decisions needed to facilitate the transfer of the information and documents required to carry out its duties before the aforementioned claims and complaints departments of the Financial Supervisors shall be adopted, allowing said transfer to be carried out by telematic means using an electronic signature, in accordance with the provisions of Article 4 of Law 59/2003 of 19 December and its implementing regulations.

TITLE VI THE ANNUAL REPORT

Article 37

Before the end of the first quarter of each year, the Customer Service Department shall submit a report explaining its work and, where appropriate, the work of the Ombudsman, during the preceding financial year, to the board of directors of the banks to which these Regulations apply. This report shall contain at least the following information:

- Statistical summary of complaints and claims, including a report on the number submitted, those accepted and grounds for rejection, reasoning and issues raised in the claims and complaints, as well as the corresponding quantities and amounts.
- Summary of the decisions and if they were made for or against the consumer.
- General criteria used in the decisions.
- Recommendations or suggestions derived from its activity for the purpose of continuously improving the quality of the service provided and to achieve the goal of applying best practices that ensure proper operating.

According to standard criteria, part of the summary report shall be included in the annual report of the companies subject to these Regulations.

TITLE VII

AMENDMENT OF THE REGULATIONS

Article 38

In the event these Regulations are amended, any change shall not enter into force until it has been approved by the Board of Directors - or delegated to and approved by the Executive Committee - and positively assessed by the Bank of Spain.

ENTRY INTO FORCE OF THE TRANSITIONAL PROVISION

These Regulations shall enter into force, once approved by the Board of Directors - or delegated to and approved by the Executive Committee - following a positive assessment by the Bank of Spain.