ORDER EXECUTION POLICY

0 CONTENT

1 INTRODUCTION.

1.1 Purpose.

This document outlines the measures necessary to meet the requirements of the MiFID II regulation according to the type of financial instruments and the customers to whom investment services are provided.

Together, these measures are known as the **"Order Execution Policy".**

1.2 Definition and scope.

Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and Commission Delegated Regulation (EU) 2017/565 and its implementing regulation ("MiFID II") establish a general principle applicable to the provision of investment or ancillary services with respect to the financial products governed by the Directive, whereby an investment firm must act honestly, fairly and professionally and in the best interest of its customers.

The MiFID II regulation and the Spanish Securities Market Act and its implementing regulation require people or entities that provide investment services to take sufficient steps, when executing or transmitting customer orders for execution, whether providing these services independently or jointly with others, to obtain the best possible result for their customers, taking into account price, costs, speed, likelihood of execution and settlement, size, nature of the transaction and/or any other consideration relevant to the execution of the order.

This obligation has been fulfilled when sufficient measures are adopted to consistently obtain the best possible result for customers without necessarily achieving this result for each and every one of their orders, and without the best result always meaning the best price, given the relative importance of other factors in certain transactions.

Banco Santander, S.A. will take the following criteria into account when determining the relative importance to be given to each of the above factors:

a. The customer's characteristics, including their classification as either a retail or a professional customer.

b. The characteristics of the order placed by the customer.

c. The characteristics of the financial instrument subject to the order.

d. The characteristics of the trading venues to which the order may be sent.

e. The characteristics of the intermediaries to which the order may be sent for execution.

1.3 Scope.

This document applies to Banco Santander, S.A.

2 GENERAL ASPECTS.

2.1 General scope of the policy.

This Order Execution Policy applies to the orders of Banco Santander, S.A. ("**the bank**") customers that have been classified as retail or professional under the MiFID.

It is not applicable to Bank customers classified as eligible counterparties under the MiFID.

This Order Execution Policy is applicable to the following services that the Bank provides for its customers, in accordance with the instrument to which they refer:

- Reception and transmission of orders (RTO): The bank provides its customers with an order reception and transmission (RTO) service with respect to financial instruments traded at execution venues to which it does not have direct access. For this type of execution, it relies on intermediaries who do have access to these venues, as outlined in this document.

  As a summary of the financial instruments included, the bank provides its customers with RTO services for listed equities, UCITS shares[1], certain fixed income instruments, warrants and certificates, exchange traded products (ETPs)[2] and exchange-traded derivatives.

- Order execution: the bank provides a direct customer order execution service with respect to the financial instruments traded at the execution venues to which it has direct access, as outlined in this document. In addition, the Bank provides an execution service directly to its customers in respect of non-stock exchange products where the Bank directly executes customer orders against its own portfolio, therefore acting as the counterparty in the transaction.

The Bank acts as a systematic internaliser for certain financial instruments (OTC products)[3].

As a summary of the financial instruments included, the bank provides its customers with the order execution service for listed equities and UCITS shares traded at BME[4] and at other equivalent trading venues, fixed income, warrants and certificates, exchange traded products (ETPs), exchange-traded derivatives and over-the-counter products.

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1 UCITS shares: shares of collective investment undertakings, including closed-end collective investment undertakings, traded at execution venues.
2 ETPs (Exchange Traded Products) include ETFs (Exchange Traded Funds), ETCs (Exchange Traded Commodities) and ETNs (Exchange Traded Notes).
3 Systematic Internaliser: investment firms which, on an organised, frequent, systematic and substantial basis, deal on own account when executing customer orders outside a regulated market, an MTF or an OTF.
4 BME: Bolsas y Mercados Españoles

In the order execution service, there are two types of transactions which, along with the type of financial instrument, will determine the process that the Bank will use to check the fairness of the price:

a) Execution of orders by acting directly in the trading venue, or

b) Execution of customer orders directly against the Bank's own portfolio

When the bank executes orders against its own portfolio with over-the-counter products ("OTC transactions"), including bespoke or tailor-made products, as laid down by MiFID II, the bank will check the fairness of the price proposed to the customer according to the following parameters, based on the type of financial instrument being traded:

- Marketable securities transactions: checking the fairness of the price will be based on the execution of customer orders in the price ranges available in the market at the time the transaction is executed, including costs and margins established for this purpose, when these are implicit in the final price for the customer. Where insufficient information is available on market prices, market peers with similar characteristics will be sought; if there are no peers, this verification will consist in setting a price according to any reference parameters available in the market, pursuant to the approved internal processes of price formation.

  This process will be applicable mainly in OTC transactions with certain fixed-income instruments.

- Bespoke or tailor-made transactions with customers and transactions with financial instruments that do not qualify as bespoke or tailor-made transactions and are not classified as marketable securities: checking the fairness of the price furnished will rely on the use of internal price formation processes based on the use of appropriate internal valuation models that have been previously approved by the bank. In cases in which the information is not available, market peers with similar characteristics will be sought.

  This process will apply mainly to trading with over-the-counter derivatives ("OTC derivatives").

2.2 Exclusions from the scope of the policy.

This Order Execution Policy is not applicable to any other financial instruments not expressly indicated herein.

The following fall outside the scope of the obligations of the Order Execution Policy:

a) Transactions in the primary market that can be sold only through private placements to qualified investors.

b) Transactions in the primary market sold through public placements.

c) Trading carried out by the bank for the management of its own portfolio and the bank's actions as market maker in regulated markets and/or multilateral trading facilities.

d) Block transactions in markets when orders directed to these markets have special conditions in terms of volume.

2.3 Identification of order execution factors.

The following factors are used to set the criteria of this Order Execution Policy:

- Price of the financial instrument: Monetary expression of the value that could be obtained by trading the financial instrument in the various trading venues included in this policy.

- Costs: monetary expression of execution, clearing and/or settlement costs of the customer order (and paid by the customer) in the various trading venues included in this policy.

This includes transaction and brokerage costs of the Bank and third parties, costs of trading venues, of clearing and settlement entities or similar bodies carrying out these functions, taxes and charges payable in certain jurisdictions, connection costs etc. In trading outside trading venues, it includes margins or spreads that may be applied on the basis of the financial instruments' fair value.

- Speed. Time needed to execute the customer's order in a specific trading venue from among those available for the specific financial instrument under standard market conditions whenever there is a counterparty for it.

- Likelihood of execution: Likelihood that an order will be executed in a execution venue in view of the depth and liquidity of the venue.

- Likelihood of settlement: Possibility that an executed transaction will be properly settled on the basis of the settlement rules in place for a given trading venue. The availability of a clearing mechanism set up with a central counterparty is most relevant in this regard.

- Volume: the volume of supply and demand for a specific financial instrument in the available trading venues.

- Nature and type of order: characteristics and parameters of the order (e.g. market order, best bid, limit order, etc.). It is the customer's responsibility, at the time the order is placed, to indicate the specific type of order they want so that the order can be processed accordingly.

- Other significant elements not specifically included in Article 27 of Directive 2014/65/EU:

  ➢ Costs not directly associated with execution:

  - Currency exchange fees: the application and charge to the customer, where applicable, of a commission for the currency exchange made in the case of transactions in a currency different to the reference currency of the customer (that in which the transaction will be settled for the customer) whenever a same instrument can be traded in several of the available trading venues and in a different currency.
  - Custody charges: where the customer must pay a custody charge after the execution, clearing and settlement of an order. This charge is different for each type of financial instrument and will also depend on where the financial instrument in question is held.

- Execution, clearing and settlement risk: Credit risk and operational risk associated with the settlement, execution and clearing of transactions.

The best result for orders from retail customers who have given no specific instructions will be determined in terms of total consideration, which consists of the price of the financial instrument and execution-related costs, including fees and expenses of the execution venue, clearing and settlement fees and other fees and taxes paid to third parties involved in the execution of the order.

2.4 Specific customer instructions.

The following shall be considered specific customer instructions:

- The express instruction by the customer of the execution venue or of the intermediaries to which the order is transmitted.

- Express instructions by the customer as to the currency of the order, in the case of financial instruments listed indifferent currencies.

- Certain types of orders, such as conditional, limit or stop-loss orders, that are executed in accordance with specific prices.

In all these cases, the measures and mechanisms set out in this Order Execution Policy will not apply, although they will be applicable concerning the other items in the order.

If there is a specific customer instruction, the Bank will execute the order in accordance with the instruction issued by the customer, while considering that it has met the order execution requirements, at least in terms of the factors of the order affected by the instruction.

In cases in which the Bank provides professional clients direct market access services ("DMA") or direct strategy access ("DSA") in which the customer chooses an algorithm for executing the order), the client will be entirely responsible for achieving best execution as its use is considered to be a specific instruction. The Bank has no decision-making authority over the execution of these transactions and accepts no liability for the parameters selected by the customer.

The Bank reserves the right to accept or reject orders with specific instructions.

2.5 Publication of the five main execution venues and the five main entities to which customer orders are transmitted.

Every year the Bank will publish on its website (www.bancosantander.es), for each class of financial instrument, the five main order execution venues, in terms of trading volumes, in which retail and professional customer orders were executed during the previous year. The Bank will also review, on an annual basis, the quality of execution obtained in the various venues based on market liquidity and depth data, and clearing and settlement transactions. The analysis will include a review of all costs and expenses (including price and fees) for the execution of transactions.

Where a specific type of financial instrument is traded primarily in a single execution venue, the Bank will weigh up the advantages and drawbacks of the chosen venue.

In addition, the Bank will annually publish the five main investment firms, in terms of trading volumes, through which it has transmitted customer orders for execution in the previous year for every class of financial instrument, and information on the quality of execution. The information to be published on the entities to which orders are transmitted for execution will be equivalent to that published for the main execution venues for everything in which it is applicable.

3 CRITERIA FOR THE SELECTION OF INTERMEDIARIES AND EXECUTION VENUES.

The Bank will not receive any kind of remuneration, discount or non-monetary benefit for directing customer orders to a trading venue or to a specific intermediary. The Bank will not charge intermediation fees which unfairly discriminate against certain trading venues compared with others.

3.1 Receiving and transmitting orders (RTO service) on behalf of customers.

3.1.1. Units in Undertakings for the Collective Investment of Transferable Securities (UCITS) of Spanish managers related to the Santander Group[5]

The execution of subscription, transfer and redemption orders is carried out directly at management companies related to Santander Group for its own UCITS registered for marketing in Spain (registered at the CNMV) and which are managed by management companies linked to Santander Group.

This model of direct execution in the management companies of the Santander Group achieves the best possible result for customers as total consideration, provided that:

- The price of the financial instrument corresponds to the net asset value of the unit calculated by the management company in accordance with the regulations governing UCITS.

- There are no further costs directly related to the execution other than those established in the respective fund prospectuses.

Furthermore, the bank considers that:

- The speed of execution is that provided directly by the fund management company on assigning to the customer order the unit net asset value calculated in accordance with the specific regulations governing UCITS, in terms of the time of receipt of the customer’s subscription, transfer or redemption order, in accordance with the cutoff times established by the management company itself and the criteria outlined in the relevant UCITS prospectus.
- The likelihood of execution and settlement is very high, since the management companies ensure the execution of customer subscription, transfer and redemption orders whenever the requirements set out in the relevant UCITS prospectus are met.
- There are no restrictions on the execution volume of customer subscription, transfer and redemption orders provided that they respect the above requirements, except for a number of specific conditions in the case of certain investment funds that require minimum subscription and/or transfer and/or redemption amounts indicated in the prospectus.

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5 This section of the policy does not include transactions that the customer directly executes at BME with UCITS shares. These transactions would be subject to section 3.1.3. of this policy. Nor does this section include transactions with UCITS shares managed by Santander Asset Management Luxembourg, S.A., the handling of which is explained in section 3.1.2.

- The nature of the order given is not an applicable factor, since customer subscription, transfer or redemption orders will be executed strictly under the terms established in the prospectuses of the funds.
- These orders are executed with the class that is most beneficial to the customer, in accordance with the relevant requirements set out in the prospectus.

In the realm of discretionary portfolio management, the criteria specified in section 3.4 of this document will be followed.

3.1.2. **Selection of intermediaries for trading managed UCITS not related to Santander Group (third-party managers) and Santander Asset Management Luxembourg, S.A. and criteria for determining share classes.**

Trading platforms may be used for the execution of subscription, transfer and redemption orders and units of UCITS managed by third parties where the bank is the marketing entity registered at the CNMV.

The Bank has selected Allfunds Bank, S.A. (hereinafter, "Allfunds Bank") as the preferred platform for the execution of orders on UCITS of third-party managers, via the signing of appropriate sub-distribution agreements.

Allfunds Bank has reasonable measures in place to fulfil the order execution requirements:

• First, the requirement of total consideration is met through this entity for the trading of retail customers, as follows:

- With respect to price, it executes orders at the net asset value for each UCITS, depending on the cutoff time set by the manager.
- The customer does not pay any additional charge to cover any extra costs for the processing, execution and settlement of transactions when using the Allfunds Bank platform.

• Using Allfunds Bank also adequately meets criteria considered important by the Bank with respect to the transactions of professional customers, such as speed, likelihood of execution and the likelihood of an order's settlement, in addition to the role of price and cost criteria.

The Bank's automatic connection to Allfunds Bank provides access to the legal information of different UCITS, speeds up the processing of orders and settlements, and reduces operational risks.

When the bank processes investment orders or decisions in UCITS registered with the CNMV to be marketed in Spain and available through Allfunds Bank, these orders will be transferred to be executed on the most beneficial class for the customer, in accordance with the relevant requirements in each class, as set out in the prospectus.

In the realm of discretionary portfolio management, the criteria specified in section 3.4 of this document will be followed.

3.1.3. **Selection of intermediaries for listed equities, UCITS shares, certain fixed-income instruments, warrants and certificates, and exchange-traded** products **(ETPs) traded at execution venues.**

Since the Bank is not a member of, nor has direct access to, certain execution venues in which these types of financial instruments are traded, it has to engage intermediaries' services for the final execution of certain customers' orders. In these cases the Bank acts as a recipient for its customers' orders and transmits them to the intermediary, the latter being ultimately responsible for executing them in the selected execution venues.

These transactions may be channelled through different intermediaries with access to the execution venues where the instruments are traded: regulated markets, multilateral trading facilities (MTF) or organised trading facilities (OTF). The Bank, acting through intermediaries, will direct the transactions of its retail customers preferably towards regulated markets, provided these markets offer conditions to achieve the best possible result for customers, or to MTFs.

The appendix to this document provides a list of execution venues and intermediaries to which the bank has access for the execution of its customers' orders in relation to the financial instruments indicated herein.

The criteria for selecting intermediaries through which to carry out transactions on these instruments are as follows:

• Existence of an own order execution policy: consideration will only be given to intermediaries in possession of a formally established order execution policy which meets the requirements established by MiFID 2.

• Access to trading venues: access by intermediaries to trading venues considered relevant at all times with respect to each financial instrument. This analysis takes the following into consideration:

- The trading venue is a regulated market, an MTF, an OTF, a Systematic Internaliser or market maker or liquidity provider performing a similar function.
- The manner in which the intermediary accesses the trading venue, i.e. directly (executing the orders directly) or indirectly (resorting in some cases to other intermediaries) through the establishment of the respective execution arrangements.
- The specific financial instrument for which the intervention of the intermediary is required for the purpose of executing the customer's order is traded in one or more trading venues.

Therefore, the intermediaries selected should include in their order execution policy the trading venues considered relevant for each type of financial instrument. They should also explain how they access these venues and why they consider that one or the other channel is the most advisable.

With respect to the evaluation of the execution venues by intermediaries eligible for selection, the following factors are taken into account:

- Liquidity: Priority is given to trading venues that provide significant and sufficient liquidity, measured against the database of the number of past transactions and average daily trading volumes, with the aim of ensuring the execution of customers' orders at the best available prices at all times.

- Clearing and settlement: Priority is given to execution venues that clear and settle transactions through recognised central counterparties for the purposes of securities payment and settlement rules or clearing and settlement systems with high credit ratings.

- Clearing and settlement arrangements: the clearing house with which the intermediary has an arrangement for clearing of transactions must be a member of the central counterparties or clearing and settlement systems of the selected trading venues. The clearing house must also have the solvency and the technical and human means required for the performance of its functions.

- Practical execution of orders: The selected intermediary must be able to systematically and consistently obtain the best possible result for the Bank's customer orders at the relevant trading venues included in the order execution policy.

Of the factors stated above, to be taken into account for retail customers, the key factors will be, under normal conditions, price and cost (which determine a "total consideration" for the customer) and liquidity, since the execution venue with the highest liquidity will reasonably be the one that can provide the best prices. It should be borne in mind that each particular transaction may be affected by any other of the factors stated and their relative importance, which will depend on the type of order, the specific financial instrument to which it relates and the characteristics of the trading venue in which the order may be executed, cleared and settled.

These general criteria, applicable under normal circumstances, do not mean that the intermediary may not, in exceptional cases, prioritise other factors and resort in a one-off and justified manner to other trading venues, provided that in the intermediary's opinion the best result can be obtained for the customers' orders.

- Other factors: (i) hedging of securities held by each intermediary based on their access to various trading venues, (ii) operating capacity to execute the volume instructed by the Bank's customers in an environment of low operational risk, and (iii) the level of service each intermediary is able to offer in the execution of orders.

The choice of intermediaries for the execution of a specific order may be determined by the type of order, the instrument to which the order relates, the characteristics of the trading venue in which it may be executed and the instructions received from the customer.

The Bank will annually review intermediaries' quality of execution in terms of speed and operational flexibility. This analysis will include a review of total costs (including price and fees) for the execution of transactions and the trading venues in which the intermediaries used operate.

Chosen intermediaries

Intermediaries are chosen from among entities of recognised solvency that meet the above requirements, and taking account the following: (i) hedging of securities, (ii) operating capacity and (iii) level of service.

As noted above, MiFID 2 states that the best possible result for the orders of retail customers who have not given specific instructions will be determined in terms of total consideration.

Based on these criteria, and for the trading of equities, UCITS shares, warrants and certificates and exchange-traded products (ETPs) at trading venues of which the bank is not a member or to which it does not have direct access, the intermediaries listed in Appendix I, on the understanding that they reasonably satisfy the general requirements.

3.1.4. **Selection of intermediaries for certain derivatives traded in organised markets.**

The Bank receives and transmits orders on these financial instruments only from professional customers and eligible counterparties.

In transactions with these instruments, the Bank will engage the services of an intermediary for the execution of orders where the Bank (i) is not a member and has no direct access to organised markets in which derivatives are traded, or it (ii) has access to these markets but prefers to use an intermediary owing to either the conditions of the markets or the size of the customer's order.

In these cases, the Bank acts as the recipient and transmitter of customers' orders to the intermediary. The latter is responsible for execution of the order in the trading venue or, as the case may be, for its transmission to another intermediary for execution in the execution venue of the market instructed by the customer.

For the selection of an intermediary through which to carry out this service, the ones that meet the following two requirements shall be eligible:

- Existence of an order execution policy for market areas in which the MiFID II regulation applies: Consideration will only be given to intermediaries in possession of a formally established order execution policy which meets all the requirements established by the MiFID regulation.
- Access to execution venues: intermediaries will be eligible if they have access to the execution venues in which these instruments are traded, either directly or through transmission of the order to another intermediary that has access to these venues.

In addition, the Bank takes into account factors such as the following when choosing intermediaries from among those that meet the above requirements, given that, owing to the nature of the transactions, each of the derivatives contracts discussed in this document can be executed in a single market and the trading price is known to all participants: (i) their global reach, (ii) execution security, and (iii) specialisation by product type, i.e. it operates with these financial instruments only for professional customers and eligible counterparties.

<u>Intermediaries chosen for dealing in derivatives</u>.

As listed in the appendix to this document.

3.2 Provision of the order execution service on behalf of customers

3.2.1 Listed equities, UCITS shares, warrants, certificates and exchange-traded products (ETPs) traded at trading venues where the bank is an exchange member.

These transactions may be carried out in different execution venues where the above instruments are traded, provided the bank is a member: regulated markets, multilateral trading facilities, organised trading facilities. The bank will direct the orders of its retail customers preferably towards regulated markets, provided that these markets offer the necessary conditions to achieve the best possible result for its customers.

The Bank will be able to execute the orders of a customer (or type of customer) in a single venue provided that, once the different execution venues are analysed, it is reasonable to conclude that it satisfies overall (i) the best execution requirements of its customers and (ii) the premise of obtaining results which are just as good as those which could be reasonably expected if an alternative execution venue were used.

The bank has identified key execution venues for the various financial instruments indicated herein, and will transmit execution orders to those specific venues.

When selecting the trading venue, the following factors will be taken into account:

• Direct access costs: Direct access costs (as a member) to trading venues compared with access costs via intermediaries. Both the direct and indirect costs which may be incurred in both cases will be taken into account.

• Price: Ability to consistently offer competitive prices.

• Liquidity Ability to provide significant and sufficient liquidity to ensure that high volume orders are executed swiftly with no significant impact on prices. The trading venues which provide a significant market share will be selected.

• Depth: Ability to offer a sufficient volume of orders at different prices and variations in them which reduce volatility.

• Free access: Free access to the venue, avoiding any kind of discriminatory behaviour towards members/participants.

• Protection for investors and transparency: Supervision by competent authorities.

• Clearing and settlement: Clearing and settlement of transactions through recognised central counterparties for the purposes of securities payment and settlement rules or clearing and settlement systems with high credit ratings.

The execution venues for retail customers shall be selected taking account of the total consideration.

The factors, applicable under normal circumstances, will not prevent the Bank, in exceptional cases, from prioritising other factors and resorting in a one-off and justified manner to other trading venues, provided that in its opinion, the best result can be obtained for the customers' orders.

There may sometimes be a limited choice of execution venues due to the nature of the order, the customer's needs and other prevailing circumstances.

The Bank will regularly review the quality of the execution obtained by the various trading venues at least once a year.

3.2.2 Fixed-income instruments and other financial instruments.

3.2.2.1 OTC transactions.

OTC trading involves transactions executed outside a trading venue in which the volume, liquidity or price allows the Bank to execute orders received from its customers and act directly as the counterparty of its customers' transactions.

In these transactions, the Bank seeks the best result for the customer by providing an equitable and fair price, taking into account, as appropriate, comparable data for financial instruments within the current market price ranges or other mechanisms which exist in the Bank, including established costs and margins when these are implicit in the final price for the customer.

The bank is the systematic internaliser for certain fixed income assets, either because the established limits have been exceeded or because it has voluntary chosen to be one.

3.2.2.2 Transactions at execution venues where the bank is a member.

The Bank may execute orders received from its customers through these execution venues after analysing the variables of traded volume, liquidity, speed and price. These orders shall be processed in accordance with the established regulations in each of the trading venues and the established intermediation fees shall apply.

3.2.3 Derivatives and securities financing transactions.

3.2.3.1 Derivatives in organised markets.

With respect to derivatives traded in execution venues of which the Bank is a member and/or has direct access to them, the Bank receives, processes and directly executes its customers' orders. The appendix to this document provides a list of the intermediaries and trading venues chosen for dealing in derivatives. In view of the nature of transactions with this type of financial instrument, these trading venues are the only possible execution venues for these derivative financial instruments and they are able to consistently achieve the best possible result for customers in terms of price and costs because there are no other options for their execution.

3.2.3.2 Derivatives and securities financing transactions on the OTC market

The bank acts as the customer's counterparty in these transactions.

When arranging these products, including bespoke products, the bank will calculate an equitable and fair initial base price based on market data, to which the relevant costs and margins will be added when they are implicit in the final transaction price. The final price for the customer is therefore determined including:

- The bid and ask price, calculated taking into account certain adjustments for different objective risk items.

- Depending on the type of instrument, adjustments for risk items are added according to the nature and characteristics the customer and transaction (customer credit risk, liquidity risk, funding risk etc.).

- Other transaction costs and expenses for the customer when they are implicit in the price, including margins.

The fact that these transactions are executed outside trading venues involves a counterparty risk for the customer, should the Bank cease to meet the contractual obligations undertaken with the customer.

The Bank is the systematic internaliser for certain derivatives, either because the established limits have been exceeded or because it has voluntary chosen to be one.

The bank shall not enter into financial guarantee agreements with change of ownership with retail customers for the purpose of guaranteeing or covering existing or future, actual, contingent or prospective obligations of customers.

3.3 Summary of intermediaries and operators.

The following table shows the intermediaries/operators described in sections 3.1 and 3.2:

Financial Instrument	Intermediary/Operator
Listed equities and UCITS shares traded at BME; warrants and certificates; Exchange-traded products (ETPs); Fixed income; Derivatives in organised markets	The bank and intermediaries indicated in the appendix.
Unlisted investment funds	Spanish managers linked to Santander Group and Allfunds Bank for the UCITS of other managers
Derivatives and other OTC-traded financial instruments	The Bank

Updates to the referenced annex shall be subject to the approval of Compliance & Conduct.

3.4 Transactions with financial instruments conducted as part of the discretionary portfolio management service.

The Bank provides a discretionary portfolio management service to its customers. The bank may delegate the provision of this service to Santander Private Banking Gestión, S.G.I.I.C. or to Santander Asset Management, S.G.I.I.C.

Their respective order execution policies apply in the investment or disinvestment decisions that either manager may make with portfolios whose management has been delegated by the bank.

The Bank will check that the managers' policies observe the order execution policy set out in their own order execution policies, especially with respect to the selection of intermediaries used. It will also verify that they have rigorous procedures in place for processing orders and that they observe the principles for assigning orders, which is of particular importance in grouped orders.

The Bank will also verify that they have sufficient technical and human resources for supervising and controlling their respective order execution policies.

These policies are available to bank customers who have arranged this service via the website.

4 DEMONSTRATION OF COMPLIANCE WITH THE POLICY

The bank is able demonstrate to the supervisor (CNMV) or to customers, if asked, that it applies this Order Execution Policy and can therefore demonstrate that customer orders have been executed in accordance with the provisions of this document.

5 GOVERNANCE OF THE POLICY

5.1 Ownership.

The compliance and conduct function of Santander Spain is responsible for drawing up this document.

5.2 Validation and approval.

The board of Santander Spain approved this policy in December 2017. It will be reviewed annually by Santander Spain's compliance & conduct function and any resulting changes will be laid before the compliance committee of Santander Spain for its approval.

5.3 Validity and review.

This document shall come into force on the date of its publication. It will be subject to periodic review and any changes or modifications deemed necessary will be made.

The bank shall provide customers with adequate and advance information about any significant change to this policy through its website (www.bancosantander.es), in the MiFID section, and through its branch network.

6 VERSION CONTROL

Document history and version control		
Version	**Description**	**Author**
1.0	MiFID II requirements	Compliance & Conduct – Santander Spain
2.0	Annual review	Compliance & Conduct – Santander Spain
3.0	Annual review	Compliance & Conduct – Santander Spain
4.0	Annual review	Compliance & Conduct – Santander Spain
5.0	Annual review	Compliance & Conduct – Santander Spain

Approvals log		
Approval	**Version**	**Approval body**
December 2017	1.0	Santander Spain Board of Directors
October 2018	2.0	Santander Spain Board of Directors
December 2019	3.0	Compliance committee – Santander Spain
December 2020	4.0	Compliance committee – Santander Spain
December 2021	5.0	Compliance committee – Santander Spain