

LONG-TERM ENGAGEMENT POLICY

**Openbank
Policy**

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1. INTRODUCTION

Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 – which amends Directive 2007/36/EC regarding the encouragement of long-term engagement of shareholders in listed companies (Shareholder Rights Directive, SRD) – aims to encourage shareholders’ long-term participation in companies admitted to trading on a regulated market that are located in or operate in a Member State (for the purposes of simplification, we will refer to them as “listed companies”) in which they invest.

This Directive has been transposed into the Spanish legal system through Act 5/2021 of 12 April, which amends the consolidated text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July, and other financial regulations, regarding the encouragement of the long-term engagement of shareholders in listed companies (the “Act 5/2021”).

These regulations require companies that provide portfolio management services to draw up and publish an engagement policy that describes how they incorporate their engagement in listed companies as shareholders or asset managers of shareholders into their investment policy.

In this context, OPEN BANK, S.A. (“Openbank” or “the Bank”) and its Group (“Santander” or “Grupo Santander”) recognise that environmental, social and governance issues (“ESG”) pose some of the most relevant challenges for the global economy’s long-term prosperity, for people’s well-being and for society, and also for the natural environment’s ability to support life.

2. OBJECTIVE

The objective of this Engagement Policy (hereinafter, the “Policy”) is to establish the principles that would need to be taken into account in the future if the activity of direct investment in companies and issuers were to be incorporated into their portfolios, taking ESG criteria into consideration and thus complying with the regulatory requirements.

The investment strategies of the portfolio management service that Openbank offers to its customers are currently composed exclusively of investment funds of third-party companies and in no case do the managed portfolios incorporate direct investments in listed companies.

Therefore, at the date of approval of this Policy, it is not possible to carry out engagement activities in the aforementioned listed companies.

However, in the event that Openbank incorporates any direct investment in listed companies into the portfolios of its customers in the future, it will encourage long-term engagement activities. To this end, it will exercise voting rights and encourage active dialogue, provided that these engagement activities can have a real impact on the management of the listed companies.

In these cases, the exercise of the voting rights will always be conducted for the benefit and in the interest of the end customers. The vote may be exercised directly or through specialised voting advisors when the stake held in the company in question is considered to be sufficiently representative to the extent that Openbank’s vote may affect the decision or because the issue in question is considered relevant to the interests of the end customers.

The active dialogue will be carried out by any means deemed appropriate and proportionate to the shareholding of Openbank, through the managed portfolios, in the company.

Conflicts of interest will be considered, identified, and managed in these long-term engagement activities.

In the event that there are direct investments in listed companies in the future as part of the managed portfolios of customers, information on how the engagement activities have been carried out in the previous year will be published annually on the website. In particular, and in compliance with the regulations, the exercise of voting rights will be reported, including an explanation of the most important votes in which they have participated and, where appropriate, if they have used the services of voting advisors. Votes that are considered irrelevant due to the purpose of the vote will be excluded from this list, depending on the percentage of shares held in the company in question.

3. SCOPE OF APPLICATION

This Policy would be applicable to Openbank, in accordance with SRD and Act 5/2021, given that it provides portfolio management services to its customers. Due to the above, and in accordance with Directive (EU) 2017/828 (SRD II) and Act 5/2021, the bank is responsible for developing and publishing its engagement policy in order to describe how it could incorporate its engagement as a shareholder into its investment policy.

As mentioned in the previous section on the Objective, the investment strategies of the portfolio management service offered by Openbank to its customers do not currently include direct investments in listed companies, and therefore, at the date of approval of this Policy it is not applicable to carry out engagement activities in the aforementioned listed companies.

4. GENERAL PRINCIPLES

As stated in the Sustainability Policy of Grupo Santander, Openbank supports different conventions, protocols, codes of conduct and international guidelines, such as:

- The Equator Principles
- Environmental and Social Performance Standards and Guidance Notes of the International Finance Corporation (IFC)
- The United Nations Global Compact
- Universal Declaration of Human Rights
- Sustainable Development Goal
- The Fundamental Conventions of the International Labour Organization (ILO)
- The United Nations Principles of Responsible Investment.

5. REGULATORY FRAMEWORK

The Policy has been prepared taking into account the current legislation and, in particular, the following regulations:

- **Directive (EU) 2017/828 (SRD II)** of the European Parliament and of the Council of 17 May 2017, amending Directive 2007/36/EC regarding the encouragement of long-term shareholder engagement, and its transposition in Spain.
- **Regulation (EU) 2019/2088 (SFDR)** of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
- **Commission Implementing Regulation (EU) 2018/1212** of 3 September 2018, laying down minimum requirements implementing the provisions of Directive 2007/36/EC of the European Parliament and of the Council, as regards shareholder identification, the transmission of information and the facilitation of the exercise of shareholder rights.
- **Act 5/2021** of 12 April, which amends the consolidated text of the Capital Companies Act, aimed at transposing Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 into the Spanish legal system, which amends Directive 2007/36/EC regarding the encouragement of long-term shareholder engagement in listed companies.

6. PUBLICATION OF THE POLICY

This Policy will be kept up to date on the Openbank website.

7. OWNERSHIP, INTERPRETATION, VALIDITY DATE AND REVIEW

7.1 Ownership of the Policy

The Compliance department is responsible for drawing up this policy. Its approval will be overseen by Openbank's Compliance Committee.

7.2 Interpretation

The Compliance department is responsible for interpreting this policy.

7.3 Date of validity and review of the policy

This policy will enter into force on the date of its publication.

Its content will be subject to periodic review by the Compliance Department, which will make whatever changes or amendments it considers appropriate or whenever it is necessary to amend or adapt it to new regulatory requirements or when significant changes are made to the established procedures.

8. RECORD OF CHANGES

ID	Owner	Maintenance	Validation	Approval	
				Committee	Date
1	Regulatory Compliance	Regulatory Compliance		Compliance Committee	29/07/2021

ID	Description