

LISTING PROSPECTUS DATED November 8, 2018



**Banco Santander (Brasil) S.A.**  
**(a company incorporated under the laws of the Federative Republic of Brazil),**  
**acting through its Grand Cayman Branch**

**U.S.\$1,250,000,000 7.25% Tier 1 Subordinated Perpetual Notes**  
**and**  
**U.S.\$1,250,000,000 6.125% Tier 2 Subordinated Notes due 2028**

---

The Issuer is issuing U.S.\$1,250,000,000 aggregate principal amount of 7.25% Tier 1 Subordinated Perpetual Notes (the "**Tier 1 Subordinated Notes**") and U.S.\$1,250,000,000 aggregate principal amount of 6.125% Tier 2 Subordinated Notes due 2028 (the "**Tier 2 Subordinated Notes**", and together with the Tier 1 Subordinated Notes, the "**Notes**").

The Tier 1 Subordinated Notes will be perpetual securities with no final maturity date and will not be subject to any mandatory redemption provisions resulting from any action by the holders of the Notes ("**Noteholders**"). The Tier 2 Subordinated Notes will mature on November 8, 2028. The Notes may be redeemed by the Issuer, at its option, on the fifth anniversary of the Issue Date or on any Interest Payment Date thereafter, subject to the prior approval of the Central Bank of Brazil (*Banco Central do Brasil* or the "**Central Bank**") and any other applicable Brazilian Governmental Authority (if then required). The Notes will also be subject to redemption by the Issuer only in the event of certain changes in Brazilian banking regulations or in the event of certain changes in Brazilian and Cayman withholding taxes, subject to the prior approval of the Central Bank or any other applicable Brazilian Governmental Authority (if then required). Unless the Issuer is required not to pay interest as described below, interest on the Notes will be payable semi-annually in arrear on each May 8 and November 8, commencing on May 8, 2019. The Notes will be the Issuer's unsecured and subordinated obligations. The Issuer will not be obligated to pay interest on the Notes in certain circumstances, including in the event payment would result in its non-compliance with applicable capital adequacy and operational limits, in the event of certain regulatory or bankruptcy events and in the event of certain defaults. If the Issuer does not pay interest in any of these cases, the non-payment will not constitute a Payment Default or an Event of Default, as the case may be, under the Notes and interest will not accrue or accumulate for those periods. The right of Noteholders to accelerate payment on the Notes, including the payment of principal and interest, will be limited to certain events of bankruptcy. See "*Terms and Conditions of the Tier 1 Subordinated Notes*" and "*Terms and Conditions of the Tier 2 Subordinated Notes*" for further details.

---

**Issue Price of Tier 1 Subordinated Notes: 100.0%**

**Issue Price of Tier 2 Subordinated Notes: 100.0%**

---

**Investing in the Notes involves risks. See "Risk Factors" beginning on page 5 of this Listing Prospectus.**

The Issuer expects that the Notes will be ready for delivery in book-entry form through Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**"), and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") on or about November 8, 2018.

**The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act") and are subject to United States tax law requirements. The Notes are being offered outside the United States in accordance with Regulation S under the Securities Act ("Regulation S"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S.**

**persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.**

The Notes will be in registered form in the denomination of U.S.\$150,000. The Notes may be held and transferred, and will be offered and sold, in the principal amount of U.S.\$150,000 and integral multiples of U.S.\$1,000 in excess thereof. The Notes will be represented by a global registered note certificate (the "**Global Note Certificate**") registered in the name of The Bank of New York Depository (Nominees) Limited, as the nominee for the common depository for Euroclear and Clearstream, Luxembourg. Individual note certificates ("**Individual Note Certificates**") evidencing holdings of Notes will only be available in certain limited circumstances. See "*Summary of Provisions Relating to the Notes in Global Form*".

Applications have been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and for the Notes to be traded on the Euro MTF Market of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's Euro MTF market is not a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). This Listing Prospectus constitutes a base prospectus for the purposes of listing the Notes on the Luxembourg Stock Exchange and trading on the Euro MTF market, in accordance with the Luxembourg law on Prospectuses for Securities dated July 10, 2005, as amended.

## CONTENTS

	Page
INFORMATION INCORPORATED BY REFERENCE .....	1
OVERVIEW .....	2
RISK FACTORS .....	5
TERMS AND CONDITIONS OF THE TIER 1 SUBORDINATED NOTES .....	11
TERMS AND CONDITIONS OF THE TIER 2 SUBORDINATED NOTES .....	26
SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM .....	41
FORM OF NOTES AND SUBSCRIPTION .....	43
TAXATION .....	44
DESCRIPTION OF THE ISSUER .....	48
INDEPENDENT AUDITORS .....	52
GENERAL INFORMATION .....	53

## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Listing Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Listing Prospectus to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Listing Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer.

This Listing Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes.

The distribution of this Listing Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Listing Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. **In particular, the Notes have not been and will not be registered under the Securities Act and are not subject to United States tax law requirements. Subject to certain exceptions, the Notes will not be offered, sold or delivered within the United States or to U.S. persons.**

In this Listing Prospectus, unless otherwise specified, references to (i) "U.S. \$", "U.S. dollars" or "dollars" are to United States dollars, (ii) "CIS\$" are to Cayman Islands dollars, and (iii) "real", "reais" or "R\$" are to the Brazilian *real*, the official currency of Brazil.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II") or; (ii) a customer within the meaning of directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes will not be registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*, CVM). Any public offering or distribution, as defined under Brazilian laws and regulations, of the Notes in Brazil is not legal without such prior registration under Law 6,385, at December 7, 1976, as amended. If a Brazilian resident acquires any Note, such Note can neither circulate in Brazil in bearer form nor be repaid in Brazil in a currency other than the Brazilian currency at the time such payment is made.

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Notes unless the Issuer is listed on the Cayman Islands Stock Exchange.

The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons and may not be legally or beneficially owned at any time by any U.S. person. By its purchase of a Note, each purchaser will be deemed or required, as the case may be, to have agreed that it may not resell or otherwise transfer any Note held by it except (i) to the Issuer or any affiliate thereof or (ii) outside the United States to or for the account of a non-U.S. person in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, in each case in accordance with all applicable U.S. state securities laws.

The Notes are not underwritten and will be placed directly to the purchaser.

Pursuant to article 15 of Resolution 4,192, any provision of this Listing Prospectus that conflicts with the Terms of Subordination with respect to the relevant Notes shall be null and void.

## INFORMATION INCORPORATED BY REFERENCE

The information set out below shall be deemed to be incorporated in, and to form part of, this Listing Prospectus **provided however that** any statement contained in any document incorporated by reference in, and forming part of, this Listing Prospectus shall be deemed to be modified or superseded for the purpose of this Listing Prospectus to the extent that a statement contained herein modifies or supersedes such statement.

The Issuer is a reporting company subject to the informational requirements of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and, in accordance therewith, files reports and other information with the Securities and Exchange Commission (the "**SEC**") including annual audited and interim (quarterly) unaudited financial statements. As described below, the Issuer is incorporating certain information that it files and/or furnishes to the SEC into this Listing Prospectus by reference.

The information being incorporated by reference includes a complete description of the Issuer's business, an analysis of its financial condition and results of operations over recent periods, a discussion of the material risks associated with its business and information about its shareholders, directors and executive officers, among other things. The information incorporated by reference is considered to be a part of this Listing Prospectus and information that the Issuer files and/or furnishes to the SEC later and which is incorporated by reference in this Listing Prospectus will automatically supersede and update the previously filed and/or furnished information.

The Issuer incorporates by reference into this Listing Prospectus (i) its annual report on Form 20-F for the year ended December 31, 2017 filed with the SEC on April 9, 2018, as amended by the Issuer's Form 20-F/A filed with the SEC on April 10, 2018, except for (a) any financial statements as of and for periods ended prior to December 31, 2016, (b) Presentation of Financial and Other Information—Consolidated Financial Statements, (c) Item 16(c) – Principal Accountant Fees and Services, (d) Item 17 – Financial Statements, (e) Item 18 – Financial Statements, (f) Item 19 – Exhibits, and (g) the financial statements of the Issuer as of and for the years ended December 31, 2017 and 2016 and the related audit reports commencing on page F-1, (ii) its annual financial statements and the corresponding economic and financial analyses, prepared in accordance with International Financial Reporting Standards ("**IFRS**") on Form 6-K furnished to the SEC on October 31, 2018, except for any financial statements as of and for periods ended prior to December 31, 2016, and (iii) its financial statements and the corresponding economic and financial analyses, prepared in accordance with IFRS, as of and for the nine-month period ended September 30, 2018 on Form 6-K furnished to the SEC on October 31, 2018.

You may obtain copies of the information incorporated by reference in this Listing Prospectus by:

- accessing the website of the SEC at (<http://www.sec.gov>);
- visiting the public reference room of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Information about the operation of the public reference room may be obtained by calling the SEC at 1-800-SEC-0300; or
- contacting the Issuer directly in writing or orally, following which the Issuer will provide you copies of the information incorporated by reference without charge. Requests for such copies should be directed to: Banco Santander (Brasil) S.A., Avenida Presidente Juscelino Kubitschek, 2,235– 26º floor, Vila Olímpia, São Paulo, SP 04543-011, Federative Republic of Brazil, Phone: (55 11) 3553-3300.

Documents incorporated by reference will be published on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

## OVERVIEW

*This overview must be read as an introduction to this Listing Prospectus and any decision to invest in the Notes should be based on a consideration of the Listing Prospectus as a whole, including the documents incorporated by reference.*

*Words and expressions defined in the "Terms and Conditions of the Tier 1 Subordinated Notes" or the "Terms and Conditions of the Tier 2 Subordinated Notes" below or elsewhere in this Listing Prospectus have the same meanings in this overview.*

<b>The Issuer:</b>	Banco Santander (Brasil) S.A., acting through its Cayman Islands branch
<b>Trustee:</b>	The Bank of New York Mellon
<b>Paying Agent and Transfer Agent:</b>	The Bank of New York Mellon
<b>Principal Paying Agent:</b>	The Bank of New York Mellon, London Branch
<b>The Notes:</b>	U.S.\$1,250,000,000 7.25% Tier I Subordinated Perpetual Notes (the " <b>Tier Subordinated 1 Notes</b> ") and the U.S.\$1,250,000,000 6.125% Tier 2 Subordinated Notes due 2028 (the " <b>Tier 2 Subordinated Notes</b> ", together with the Tier 1 Subordinated Notes, the " <b>Notes</b> ").
<b>Issue Price:</b>	100.0 per cent. of the principal amount of the Notes.
<b>Issue Date:</b>	Expected to be on or about November 8, 2018.
<b>Use of Proceeds:</b>	Refinancing of outstanding 7.375% Tier 1 Subordinated Perpetual Notes and 6.000% Tier 2 Subordinated Notes due January 29, 2024.
<b>Interest:</b>	<p>The Tier 1 Subordinated Notes will bear interest from November 8, 2018 at a rate of 7.25 per cent. per annum payable semi-annually in arrear on May 8 and November 8 in each year commencing May 8, 2019.</p> <p>The Tier 2 Subordinated Notes will bear interest from November 8, 2018 at a rate of 6.125 per cent. per annum payable semi-annually in arrear on May 8 and November 8 in each year commencing May 8, 2019.</p>
<b>Status:</b>	<p>The Tier 1 Subordinated Notes constitute unsecured and subordinated obligations of the Issuer and will be subordinated in right of payment to all existing and future Senior to Tier 1 Liabilities of the Issuer and will rank <i>pari passu</i> and without preference among themselves and equally with all other present and future Tier 1 Parity Liabilities of the Issuer under the terms of Resolution 4,192 (other than those preferred by mandatory provisions of law).</p> <p>The Tier 2 Subordinated Notes constitute unsecured and subordinated obligations of the Issuer and will be subordinated in right of payment to all existing and future Senior to Tier 2 Liabilities of the Issuer and will rank <i>pari passu</i> and without preference among themselves and equally with all other present and future Tier 2 Parity Liabilities of the Issuer under the terms of Resolution 4,192 (other than those preferred by mandatory provisions of law).</p>
<b>Form and Denomination:</b>	The Notes will be issued in registered form in the denomination of U.S.\$150,000 and integral multiples of U.S.\$1,000 in excess thereof.
<b>Final Redemption:</b>	The Tier 1 Subordinated Notes are perpetual in nature and do not have a final maturity date. The maturity date for the Tier 2 Subordinated Notes is November 8, 2028.

<b>Optional Redemption:</b>	The Notes may be redeemed at the option of the Issuer (either in whole or in part) on or after the fifth anniversary of the Issue Date subject to the prior approval of the Central Bank, and the terms applicable to such redemption.
<b>Tax Redemption:</b>	On or after the fifth anniversary of the Issue Date and subject to the prior approval of the Central Bank, the Notes will be redeemable at the option of the Issuer for tax reasons.
<b>Redemption for Regulatory Reasons:</b>	Subject to the prior approval of the Central Bank, the Notes will be redeemable at the option of the Issuer prior to maturity if, subsequent to the time that the Notes initially qualify as Tier 1 Capital or Tier 2 Capital, as the case may be, the Central Bank or any other applicable Brazilian Governmental Authority provides written notice or enacts a law or regulation determining that the Notes will no longer be included in the consolidated Tier 1 Capital or Tier 2 Capital, as the case may be, of the Issuer or will be included in such consolidated Tier 1 Capital or Tier 2 Capital, as the case may be, in a lower proportion than set forth by the regulation in force at the time of issuance of the Notes.
<b>No Redemption at the Option of the Noteholders:</b>	In accordance with Resolution 4,192, the Notes may not be redeemed at the option of the Noteholders.
<b>Suspension and Cancellation of Payments on Tier 1 Subordinated Notes:</b>	Payments of interest amounts due with respect to the Tier 1 Subordinated Notes shall be suspended or cancelled upon the occurrence of the events set out in Condition 17(c)(ii) of the " <i>Terms and Conditions of the Tier 1 Subordinated Notes</i> ".
<b>Write-off :</b>	Any payment on the Notes will be written-off on a permanent basis, in a minimum amount corresponding to the balance allocated to the Tier 1 Capital or Tier 2 Capital, as the case may be, upon the occurrence of the events set out in Condition 17(d) of the " <i>Terms and Conditions of the Tier 1 Subordinated Notes</i> " and Condition 17(c) of the " <i>Terms and Conditions of the Tier 2 Subordinated Notes</i> ", as the case may be.
<b>Status of Notes:</b>	<p>The Tier 1 Subordinated Notes will be direct, unsecured and subordinated obligations of the Issuer and shall be subordinated in right of payment to all existing and future Senior to Tier 1 Liabilities of the Issuer and shall rank <i>pari passu</i> and without preference among themselves with the rights and claims of holders of Tier 1 Parity Liabilities in accordance with Condition 17 of the "<i>Terms and Conditions of the Tier 1 Subordinated Notes</i>".</p> <p>The Tier 2 Subordinated Notes will be direct, unsecured and subordinated obligations of the Issuer and shall be subordinated in right of payment to all existing and future Senior to Tier 2 Liabilities of the Issuer and shall rank <i>pari passu</i> and without preference among themselves with the rights and claims of holders of Tier 2 Parity Liabilities in accordance with Condition 17 of the "<i>Terms and Conditions of the Tier 2 Subordinated Notes</i>".</p>
<b>Payment Default on Tier 1 Subordinated Notes:</b>	Any failure by the Issuer to (i) pay the amount due to satisfy payment on the Tier 1 Subordinated Notes when due and payable and such failure continues for a period of 14 days, unless such payment is suspended as described in Condition 17(c) of the " <i>Terms and Conditions of the Tier 1 Subordinated Notes</i> " or written-off as described in Condition 17(d) of the " <i>Terms and Conditions of the Tier 1 Subordinated Notes</i> ", or (ii) pay the Optional Redemption Amount or the Early Redemption Amount, as the case may be, on a Redemption Date. If a Payment Default occurs and is continuing, the Trustee may, according to Condition 9(b) of the " <i>Terms and Conditions of the Tier 1 Subordinated Notes</i> ", institute judicial

proceedings against the Issuer in any court, but may not declare the principal amount of any outstanding Tier 1 Subordinated Notes to be due and payable or pursue any other legal remedy, including commencing a judicial proceeding for the collection of the sums due and unpaid.

<b>Event of Default on Tier 2 Subordinated Notes:</b>	The " <i>Terms and Conditions of the Tier 2 Subordinated Notes</i> " contain limited events of default. Payment of principal of the Tier 2 Subordinated Notes may be accelerated only in the case of certain events involving the Issuer's bankruptcy, dissolution, suspension of payment on or failure or inability to pay all or a material part of (or of a particular type of) its debts generally as they become due or similar events. The Issuer will only be required to make payment on acceleration after it has been declared bankrupt, has been dissolved or suspend payment on or fail or are unable to pay all or a material part of (or of a particular type of) its debts generally as they become due.
<b>Withholding Tax:</b>	All payments by or on behalf of the Issuer in respect of the Notes will be made without withholding or deduction for, or on account of, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by Brazil or the Cayman Islands or any authority in or of Brazil or the Cayman Islands having the power to tax unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in receipt by the holders of the Notes of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions as described in Condition 8 of the " <i>Terms and Conditions of the Tier 1 Subordinated Notes</i> " and the " <i>Terms and Conditions of the Tier 2 Subordinated Notes</i> ".
<b>Amendments to the Terms and Conditions of the Notes:</b>	The Issuer expects to qualify the Notes as Tier 1 Capital or Tier 2 Capital subject to the Central Bank's approval. The Issuer will be permitted to, without the prior consent of Noteholders, amend the terms and conditions of the Notes at any time, and from time to time, in order to, and only to the extent necessary to, comply with any new resolution or written instruction of the Central Bank setting forth its requirements to qualify, or maintain the qualification of, the Notes as Tier 1 Capital or Tier 2 Capital, as the case may be.
<b>Substitution:</b>	The Issuer may with respect to the Notes, without the consent of any holder, substitute for itself any other branch of Banco Santander (Brasil) S.A. if it complies with the specific requirements of Condition 11(d) of the " <i>Terms and Conditions of the Tier 1 Subordinated Notes</i> " or the " <i>Terms and Conditions of the Tier 2 Subordinated Notes</i> ".
<b>U.S. Selling Restrictions:</b>	The Notes may not be offered, sold, resold, traded, pledged, redeemed, transferred, delivered or exercised, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person.
<b>Governing Law:</b>	The Notes, the Trust Deed, the Agency Agreement and the Subscription Agreement will be governed by English law.
<b>Listing and Trading:</b>	Applications have been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and for the Notes to be traded on the Euro MTF Market of the Luxembourg Stock Exchange.
<b>Clearing Systems:</b>	Euroclear and Clearstream, Luxembourg
<b>Risk Factors:</b>	Investing in the Notes involves risks. See " <i>Risk Factors</i> ".



## RISK FACTORS

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Listing Prospectus, including, in particular the risk factors described below, and the risk factors related to Brazil, the Issuer and the its industry set out in the documents incorporated by reference. Words and expressions defined in the "Terms and Conditions of the Tier 1 Subordinated Notes" and the "Terms and Conditions of the Tier 2 Subordinated Notes" below or elsewhere in this Listing Prospectus have the same meanings in this section.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline, and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Listing Prospectus and their personal circumstances.*

### **Risk Relating to the Issuer's Controlling Shareholder and The Notes**

***The Issuer's ultimate controlling shareholder has a great deal of influence over its business and its interests could conflict with the Issuer's.***

Santander Spain, the Issuer's ultimate controlling shareholder, currently owns, directly and indirectly, approximately 88.8% of the Issuer's total capital (not including the shares held by Banco Madasant - Sociedade Unipessoal). Due to its share ownership, the Issuer's controlling shareholder has the power to control the Issuer and its subsidiaries, including the power to:

- elect a majority of its directors that appoint its executive officers, set its management policies and exercise overall control over the company and its subsidiaries;
- influence the appointment of its principal officers;
- declare the payment of any dividends;
- agree to sell or otherwise transfer its controlling stake in the company; and
- determine the outcome of substantially all actions requiring shareholder approval, including amendments of its by-laws, transactions with related parties, corporate reorganizations, acquisitions and dispositions of assets, and dividends.

In December 2012, primarily in response to the requirements of the European Banking Authority, Santander Spain adopted a corporate governance framework (*Marco de Gobierno Interno del Grupo Santander*) to organize and standardize the corporate governance practices of certain companies of Santander Group (including us). The Issuer adopted this corporate governance framework in May 2013, subject to the precedence of applicable Brazilian laws, regulations and limitations, such as banking secrecy laws, as well as its corporate governance practices, including its policies for related party transactions and for disclosure of material acts and facts.

On July 27, 2015, as a result of the new requirements of the European Central Bank, the Bank of Spain and the regulators in different jurisdictions, the Issuer's parent, Santander Spain established a new corporate governance model for its subsidiaries, with the purpose of setting forth a clear and transparent conceptual framework to govern their relationship. The Issuer's Board of Directors approved the new corporate governance model on January 26, 2016. The Issuer operates as a stand-alone subsidiary within the Santander Group. Its controlling shareholder has no liability for its banking operations, except for the amount of its holdings of the Issuer's capital stock and for other specific limited circumstances under Brazilian law. The interests of Santander Spain may differ from the interests of the Issuer's other shareholders, and the concentration of control in Santander Spain will limit other stockholders' ability to influence corporate matters. As a result, the Issuer may take actions that its other shareholders or the Noteholders do not view as beneficial.

***There is no active trading market for the Notes.***

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the official list and trading on its Euro MTF market, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

***Obligations under the Notes may be subordinated to certain statutory liabilities.***

Under Brazilian law, the Issuer's obligations under the Notes will be subordinated to certain statutory preferences. In the event of its liquidation, certain claims, such as claims for salaries, wages, social security, taxes and court fees and expenses will have preference over any other claim, including the Notes.

***The Subordinated Notes are subordinated obligations of the Issuer.***

Upon the occurrence of a Bankruptcy Event, the Tier 1 Subordinated Notes will be subordinated in right of payment to all present and future Senior to Tier 1 Liabilities and the Tier 2 Subordinated Notes will be subordinated in right of payment to all present and future Senior to Tier 2 Liabilities, in accordance with Condition 17 of the Terms and Conditions of Tier 1 Subordinated Notes and the Terms and Conditions of Tier 2 Subordinated Notes, respectively. There is a significant risk that an investor in the Tier 1 Subordinated Notes or Tier 2 Subordinated Notes will lose all or some of such investor's investment in the event of the Issuer's winding-up, bankruptcy, liquidation, dissolution or similar proceeding.

***The Notes may be cancelled, and you may lose all or part of the value of your investment in the Notes.***

In accordance with Resolution 4,192 and the terms and conditions of the Notes, the outstanding principal, interest and all other amounts due with respect to the Notes may be permanently written-off by the Issuer in a minimum amount equal to: (a) the amount allocated to the Tier 1 Capital of the Issuer with respect to the Tier 1 Subordinated Notes, or (b) the amount allocated to the Tier 2 Capital of the Issuer with respect to the Tier 2 Subordinated Notes, in accordance with the applicable Central Bank procedures. The occurrence of a write-off is inherently unpredictable and depends on a number of factors. A write-off may occur in the following events:

- if the Issuer discloses that its Common Equity Tier 1 Capital is below 5.125% of its RWA, in the case of the Tier 1 Subordinated Notes, or below 4.5% of its RWA, in the case of the Tier 2 Subordinated Notes, determined in accordance with Resolution 4,193;
- if an agreement for capital contribution is executed pursuant to the exception set forth in the recital to article 28 of Supplementary Law No. 101, dated May 4, 2000, which prohibits that public funds be used to bail out financial institutions, unless a specific law is enacted in this regard;
- if the Central Bank decrees a temporary special administration regime (*Regime de Administração Especial Temporária*) or an intervention in the business of the Issuer; or
- if the Central Bank determines, based on criteria established by the National Monetary Council, a write-off of the Tier 1 Subordinated Notes and/or the Tier 2 Subordinated Notes, as the case may be.

Neither the write-off of any amount due under the Notes nor the occurrence of any of the events described above will (i) be deemed to be an event of default with respect to the Notes in question, (ii) accelerate the maturity of any other obligations of the Issuer, or (iii) provide any right of acceleration of any payment with respect to the Notes.

Fluctuations in the Issuer's Common Equity Tier 1 Capital may be affected by changes in applicable capital adequacy standards and guidelines of the Central Bank or other applicable Brazilian Governmental Authorities. Fluctuations in its risk-weighted assets may be caused by changes in the total risk exposure. In addition, because the Central Bank or any other applicable Brazilian Governmental Authority may require its Common Equity Tier 1 Capital and risk-weighted assets to be calculated as of any date, a write-off could occur at any time.

Calculation of the Issuer's Common Equity Tier 1 Capital and risk-weighted assets could be affected by, among other things, the growth of its business, including through acquisitions, and its earnings and dividend payments. It may also be impacted by its ability to reduce risk exposure in businesses that it may seek to exit or losses in its business.

In addition, the calculation of the Issuer's Common Equity Tier 1 Capital and risk-weighted assets may be affected by changes in applicable accounting rules. Accounting changes may have a material adverse impact on its reported financial position. The Issuer may apply its accounting policies based on applicable rules and regulations, including the exercise of any discretion that may be permitted from time to time by such rules and regulations, notwithstanding any potential adverse impact this may have on the position of holders of the Notes.

By the acquisition of the Notes, holders will be bound by the exercise of any power by the Central Bank or other relevant regulatory authority that may result in the cancellation of all, or a portion, of any amounts due with respect to the Notes, and the rights of holders under the Notes are subject to any decision of the Central Bank or other relevant regulatory authority that may result in you and other holders losing the value of all or a part of your investment in the Notes. The Central Bank regulations that require the write-off are relatively new and have not been tested. Accordingly, the market value of the Notes may not necessarily follow other types of subordinated securities. Any such write-off could materially adversely affect the rights of holders to receive principal and interest with respect to the Notes, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under any Notes. Any indication that the Issuer's Common Equity Tier 1 Capital level is trending towards a level below 5.125%, in the case of the Tier 1 Subordinated Notes, or 4.5%, in the case of the Tier 2 Subordinated Notes, of The Issuer's risk-weighted assets, can be expected to have a material adverse effect on the market price of the Notes. Accordingly, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to more conventional investments.

***The Issuer may not pay interest on the Tier 1 Subordinated Notes in certain circumstances, and those amounts need not be subsequently paid to the holders.***

Pursuant to Resolution 4,192, payment of interest on the Tier 1 Subordinated Notes will be made solely with profits and profit reserves available for distribution as of the latest date of determination, will not be due and payable and will not accrue or accumulate, in the following events:

- if amounts due exceed the funds available for such purpose;
- if the Central Bank or any applicable Brazilian Governmental Authority imposes any restriction on the payment of dividends or other distributions with respect to shares eligible for treatment as Common Equity Tier 1 Capital, then the amounts due will be reduced proportionally to the amounts of such restrictions; or
- if the Issuer has insufficient Additional Core Capital or the payment would result in the Issuer being in non-compliance with the minimum ratio requirements for Common Equity Tier 1 Capital, Tier 1 Capital and Regulatory Capital, the Issuer will be required to withhold amounts to be paid or distributed following the percentages set forth in article 9, paragraph 4, of Resolution 4,193, and interest on the Tier 1 Subordinated Notes will be reduced proportionally to the amounts withheld.

There can be no assurance interest payments on the Tier 1 Subordinated Notes will not be suspended and cancelled in the future. In the event of a cancellation of an interest payment on the Tier 1 Subordinated Notes, as described above, such interest shall not accrue or accumulate and shall not be deemed due and payable under the terms of the Tier 1 Subordinated Notes, shall be deemed extinguished, and such failure to pay an interest amount will not constitute a Payment Default. There can be no assurance that interest payments with respect to the Tier 1 Subordinated Notes will not be suspended in the future. Holders will bear the risk of any such non-payment of interest.

***The Issuer's interests and the regulatory authorities' interests may not be aligned with those of the holders.***

The Issuer's Common Equity Tier 1 Capital will depend in part on decisions made by it relating to its business and operations, as well as the management of its capital position. The Issuer will have no obligation to consider the interest of holders in connection with its strategic decisions, including in respect of capital management. Holders will not have any claim against the Issuer relating to decisions that affect its capital position, regardless

of whether they result in the occurrence of a write-off. Such decisions could cause holders to lose the amount of their investment in the Notes.

***Other regulatory capital instruments may not be subject to a write-off at the same time as the Notes or at all.***

The terms and conditions of other financial instruments issued or to be issued after the date hereof by the Issuer and subject to Brazilian capital requirements may vary. Accordingly, such instruments may not be written-off at the same time, or to the same extent, as the Notes, or at all. In addition, according to Resolution 4,192, the Central Bank requires the write-off of the Issuer's Additional Tier 1 Capital, including the Tier 1 Subordinated Notes, before it determines write-offs of financial instruments qualifying as Tier 2 Capital.

***If the Issuer does not satisfy its obligations under the Notes, your remedies will be limited.***

Payment of principal on the Notes may be accelerated only in the case of certain events involving the Issuer's bankruptcy, dissolution, winding up, or similar events, as applicable. There will be no right of acceleration in the case of a default in the performance of any of its covenants, including the payment of principal or interest in respect of the Notes.

Even if the payment of principal on the Notes is accelerated, the Issuer's assets will be available to pay those amounts only after:

- all of its Senior to Tier 1 Liabilities, in respect of the Tier 1 Subordinated Notes, and Senior to Tier 2 Liabilities, in respect of the Tier 2 Subordinated Notes, have been paid in full; and
- the Issuer has been declared bankrupt, has been dissolved or has been subject to winding up.

***No assurance can be given that the Notes will qualify as Tier 1 Capital or Tier 2 Capital, as applicable, or that the Central Bank will not amend the existing regulations or change its interpretation of regulations applicable to Tier 1 Capital or Tier 2 Capital.***

The Issuer anticipates that the Notes will initially meet the requirements of Tier 1 Capital or Tier 2 Capital in accordance with Resolution 4,192, as applicable. The applicable requirements of Resolution 4,192 for qualification as Tier 1 Capital and Tier 2 Capital have not been subject to significant regulatory interpretation by the Central Bank or other Brazilian Governmental Authorities. The Central Bank's approval for the Notes to be classified as Tier 1 Capital or Tier 2 Capital has not yet been requested and the Issuer cannot give any assurance that the Notes will qualify as Tier 1 Capital or Tier 2 Capital. Alternatively, the Central Bank may require the Issuer to amend certain terms and conditions of the Notes as a condition to granting any such approval.

Furthermore, no assurance can be given that the applicable requirements for Tier 1 Capital or Tier 2 Capital will not change in the future. Even if the Notes meet the requirements of Tier 1 Capital or Tier 2 Capital as of the Issue Date under the current regulations, if current regulations change in the future, the Notes may no longer be eligible to be included in the Issuer's Tier 1 Capital or Tier 2 Capital, as applicable, or may be included in such Tier 1 Capital or Tier 2 Capital in a lower proportion than set forth by the regulation in force on the Issue Date of the Notes. Changes to the capital treatment of the Notes could have a material adverse effect on the Issuer's capital structure.

In addition, any such changes could result in a Tier 1 Regulatory Event or a Tier 2 Regulatory Event, as the case may be, and, subject to the approval of the Central Bank or any other applicable Brazilian Governmental Authority (if such approval is then required), the Issuer would have the right to redeem the Notes.

***The Issuer may amend certain terms and conditions of the Notes without your prior consent to comply with Central Bank requirements to qualify the Notes as Tier 1 or Tier 2 Capital, as applicable.***

The Issuer may, without the consent of holders, modify certain terms and conditions of the Notes solely to the extent necessary to comply with the requirements of the Central Bank to qualify, or maintain the qualification of, such Subordinated Notes as Tier 1 Capital or Tier 2 Capital, as the case may be. However, the Issuer will not be permitted to make amendments without holders' consent if such amendment would affect in any way the interest rate of the Notes, the cumulative nature of any interest payment due on amounts in arrears (except with respect to the suspension and cancellation of interest on Tier 1 Subordinated Notes as set forth in Resolution 4,192), the dates of any payments, the outstanding principal amount of the Notes or the ranking of the Notes. Any amendment to the Notes may adversely impact your rights as a holder and may adversely impact the market value of the Notes.

***The Tier 1 Subordinated Notes have no maturity date and are not redeemable at the holder's option at any time.***

The Tier 1 Subordinated Notes are perpetual, have no fixed maturity or mandatory redemption date, and are not redeemable at the holder's option at any time. As a result, holders will be entitled to receive a return of the Principal Amount of the investment only if the Issuer (i) elects to exercise the Call Option in relation to the Tier 1 Subordinated Notes, which may only happen on or after the fifth anniversary of the Issue Date of the Tier 1 Subordinated Notes, or (ii) redeem the Tier 1 Subordinated Notes for taxation reasons or following a Tier 1 Regulatory Event, and provided that the Issuer is in compliance with the applicable risk based capital requirements and receive the prior authorization of the Central Bank. Accordingly, holders should be aware that they will be required to bear the financial risks of an investment in the Tier 1 Subordinated Notes for an indefinite period of time.

***The Issuer may redeem the Notes at its own option or for taxation reasons or redeem the Notes upon the occurrence of a Tier 1 Regulatory Event or Tier 2 Regulatory Event, as applicable.***

The Issuer may at its own option redeem the Notes, in whole or in part. Such redemption (i) is subject to the approval of the Central Bank or any other applicable Brazilian Governmental Authority (if such approval is then required), and (ii) will only be permitted (x) on or after the fifth anniversary of the Issue Date and (y) if the Issuer is in compliance with the minimum requirements for Common Equity Tier 1, Tier 1 Capital and Regulatory Capital, and satisfies the Additional Core Capital requirement set forth under Resolution 4,193 and other operational limits.

The Issuer may also redeem the Notes in whole, but not in part, for taxation reasons. Such redemption will be subject to the approval of the Central Bank or any other applicable Brazilian Governmental Authority (if such approval is then required) and may only happen on or after the fifth anniversary of the Issue Date.

Additionally, subject to the approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), the Issuer may at any time redeem the Notes in whole, but not in part, following the occurrence of a Tier 1 Regulatory Event or Tier 2 Regulatory Event, as applicable.

***The Issuer can issue further debt or other instruments which may rank senior to or pari passu with the Notes.***

There are no restrictions on the Issuer's ability to incur additional indebtedness that is senior to, or *pari passu* with, the Notes. The issuance of any such instruments may reduce the amount recoverable by holders upon any bankruptcy, insolvency or similar events.

***Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.***

The Notes will be represented by the Global Note Certificate except in certain limited circumstances described in the Global Note Certificate. The Global Note Certificate will be registered in the name of the nominee for common depositary as nominee for, and deposited with, the common depositary for Euroclear and Clearstream, Luxembourg. Individual Note Certificates evidencing holdings of Notes will only be available in certain limited circumstances. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Note Certificate. While the Notes are represented by the Global Note Certificate, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Global Note Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note Certificate.

Holders of beneficial interests in the Global Note Certificate will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

***Minimum Denomination***

As the Notes have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of U.S.\$150,000 (or its equivalent) that are not integral multiples of U.S.\$150,000 (or its equivalent). In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum denomination.

## TERMS AND CONDITIONS OF THE TIER 1 SUBORDINATED NOTES

The following is the text of the Terms and Conditions of the Tier 1 Subordinated Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form:

The Tier 1 Subordinated Notes are constituted by a Trust Deed dated November 8, 2018 (as amended from time to time) (the "**Trust Deed**") and made between Banco Santander (Brasil) S.A., acting through its Grand Cayman Branch (the "**Issuer**"), and The Bank of New York Mellon as trustee for the Noteholders (the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees under the Trust Deed). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Tier 1 Subordinated Notes. Copies of the Trust Deed and of the Agency Agreement (as amended from time to time, the "**Agency Agreement**") dated November 8, 2018 and made among the Issuer, the Trustee and the Agents (as defined below), are available for inspection during usual business hours at the specified offices of each of the Trustee and the principal paying agent, the other paying agents (if any), the registrar, the replacement agent and the transfer agents for the time being. Such persons are referred to below respectively as the "**Principal Paying Agent**", the "**Paying Agents**", the "**Registrar**", the "**Replacement Agent**" and the "**Transfer Agents**" and together as the "**Agents**". The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all of the provisions of the Trust Deed and are deemed to have notice of those applicable to them of the Agency Agreement. In these Terms and Conditions, each of "**Noteholder**" and "**Holder**" means the person in whose name a Tier 1 Subordinated Note is registered.

### 1. Form, Denomination and Title

(a) *Form:* The U.S.\$1,250,000,000 7.25% Tier 1 Subordinated Perpetual Notes (the "**Tier 1 Subordinated Notes**", which expression includes any further notes issued pursuant to Condition 15 and forming a single issue therewith) are issued in registered form in amounts of U.S.\$150,000 and higher integral multiples of U.S.\$1,000 (each a "**Specified Denomination**") on November 8, 2018 (the "**Issue Date**") in accordance with these Terms and Conditions and Resolution 4,192.

The Tier 1 Subordinated Notes will initially be represented by a global note in fully registered form without interest coupons (the "**Global Note Certificate**") and will be registered in the name of The Bank of New York Depository (Nominees) Limited, as nominee for the common depository of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Beneficial interests in the Global Note Certificates shall be represented through book entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in Euroclear or Clearstream, Luxembourg. Interests in the Global Note Certificate shall be exchangeable, in accordance with their terms and the Agency Agreement, for individual note certificates (each an "**Individual Note Certificate**"). An Individual Note Certificate will be issued to each Noteholder in respect of its registered holding or holdings of Tier 1 Subordinated Notes. Each Individual Note Certificate will be numbered serially with an identifying number which will be recorded in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar.

(b) *Title:* Title to the Tier 1 Subordinated Notes shall pass by registration in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Tier 1 Subordinated Note shall be deemed to be and may be treated as the absolute owner of such Tier 1 Subordinated Note for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Tier 1 Subordinated Note shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

### 2. Definitions

"**Additional Amounts**" has the meaning given to it in Condition 8.

"**Additional Core Capital**" means the *adicional de capital principal* or the additional core capital required pursuant to Resolution 4,193.

"**Additional Tier 1 Capital**" means the *capital complementar* or any additional capital determined pursuant to article 6 of Resolution 4,192, which has been authorized or will become authorized by the Central Bank to be eligible as Tier 1 Capital of the Regulatory Capital.

"**Affiliate**" means any legal entity related to the Issuer within the same financial conglomerate or any non-financial entity controlled by the Issuer.

"**Agency Agreement**" has the meaning given to it in the preamble.

"**Agents**" has the meaning given to it in the preamble.

"**Bankruptcy Event**" has the meaning given to it in Condition 17(b).

"**Benchmark Reset Date**" means the fifth anniversary of the Issue Date and each successive fifth anniversary of such date.

"**Benchmark Reset Rate**" means (i) the rate per annum corresponding to the semi-annual equivalent yield to maturity, under the heading that represents the average for the week immediately prior to the Benchmark Reset Date, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication that is published weekly by the US Federal Reserve and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities", for the 5-Year US Treasury Bond or (ii) if such release (or any successor release) is not published during the week preceding the applicable Benchmark Reset Date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the 5-Year US Treasury Bond, calculated by a Reference Dealer appointed by the Issuer using a price for the 5-Year US Treasury Bond (expressed as a percentage of its principal amount) equal to the average of four quotations obtained with the Reference Dealers for the applicable Benchmark Reset Date. The Benchmark Reset Rate will be calculated on the third (3rd) Business Day preceding the applicable Benchmark Reset Date.

"**Brazil**" means the Federative Republic of Brazil.

"**Brazilian Governmental Authority**" means, as applicable, the government of Brazil, or any political subdivision thereof, whether federal, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government over the Issuer.

"**Brazilian Taxes**" has the meaning given to it in Condition 8.

"**Business Day**" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in New York City or São Paulo, Brazil.

"**Calculation Period**" has the meaning given to it in Condition 5.

"**Cayman Taxes**" has the meaning given to it in Condition 8.

"**Central Bank**" means the Central Bank of Brazil or any Brazilian Governmental Authority that replaces the Central Bank of Brazil in its current functions applicable to the subordination provisions set out in Condition 17.

"**Clearstream, Luxembourg**" has the meaning given to it in Condition 1(a).

"**Common Equity Tier 1 Capital**" means the *capital principal* or any capital determined pursuant to article 4 et seq. of Resolution 4,192 and included as part of the Tier 1 Capital of the Regulatory Capital.

"**Credit Spread**" means 4.2270%.

"**Early Redemption Amount**" means an amount equal to 100% of the then outstanding principal amount of the Tier 1 Subordinated Notes.

"**Euroclear**" has the meaning given to it in Condition 1(a).

"**Extraordinary Resolution**" has the meaning given to it in Condition 11(a).

"**FATCA**" means sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (including any regulations or official interpretations issued, agreements or non-U.S. laws entered into or enacted, with respect thereto).

"**Global Note Certificate**" has the meaning given to it in Condition 1(a).



"**Holder**" has the meaning given to it in the preamble.

"**Individual Note Certificate**" has the meaning given to it in Condition 1(a).

"**Interest Payment Date**" has the meaning given to it in Condition 5.

"**Interest Period**" has the meaning given to it in Condition 5.

"**Issue Date**" has the meaning given to it in Condition 1(a).

"**Issuer**" has the meaning given to it in the preamble.

"**New Residence**" has the meaning given to it in Condition 11(d)(iii).

"**Noteholder**" has the meaning given to it in the preamble.

"**Opinion of Counsel**" means a written opinion of counsel from any person, which may include, without limitation, counsel for the Issuer, whether or not such counsel is an employee of the Issuer, in all cases in form and substance reasonably acceptable to the Trustee.

"**Optional Redemption Amount**" means an amount equal to 100% of the then outstanding principal amount of the Tier 1 Subordinated Notes.

"**Optional Redemption Date**" means the fifth anniversary of the Issue Date or any Interest Payment Date occurring thereafter.

"**Paying Agents**" has the meaning given to it in the preamble.

"**Payment Default**" has the meaning given to it in Condition 9.

"**person**" means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having a separate legal personality.

"**Principal Paying Agent**" means The Bank of New York Mellon, London Branch.

"**Proceedings**" has the meaning given to it in Condition 20(b).

"**Rate of Interest**" has the meaning given to it in Condition 5.

"**Record Date**" has the meaning given to it in Condition 7(a).

"**Redemption Date**" means the date of redemption specified by the Issuer in its notice of redemption delivered pursuant to the terms and conditions of the Tier 1 Subordinated Notes.

"**Reference Dealers**" means any primary U.S. Government securities dealer(s) in the City of New York selected by the Issuer in its sole discretion.

"**Register**" has the meaning given to it in Condition 1(a).

"**Registrar**" means The Bank of New York Mellon.

"**Regulatory Capital**" means the *patrimônio de referência* or the sum of Tier 1 Capital and Tier 2 Capital, as determined in accordance with the calculation methodology set out in Resolution 4,192 and any other applicable regulations.

"**Resolution 4,192**" means Resolution 4,192 of March 1, 2013 issued by the *Conselho Monetário Nacional* (the National Monetary Council), as amended, modified, supplemented or superseded from time to time.

"**Resolution 4,193**" means Resolution 4193 of March 1, 2013 issued by *Conselho Monetário Nacional* (the National Monetary Council), as amended, modified, supplemented or superseded from time to time.

"**RWA**" means the risk weighted assets.

**"Relevant Date"** has the meaning given to it in Condition 8.

**"Replacement Agent"** has the meaning given to it in the preamble.

**"Senior to Tier 1 Liabilities"** means all liabilities of the Issuer other than the Tier 1 Parity Liabilities and items that would constitute the Common Equity Tier 1 Capital upon dissolution of the Issuer.

**"Series"** means Tier 1 Subordinated Notes of the Issuer issued in accordance with Resolution 4,192 which have identical terms and conditions of the Tier 1 Subordinated Notes, other than in respect of the Issue Date, the date on which interest commences to accrue and related matters.

**"Specified Denomination"** has the meaning given to it in Condition 1(a).

**"Subscription Agreement"** means the subscription agreement dated November 5, 2018 between the Issuer and Banco Santander, S.A., as further amended and/or supplemented from time to time.

**"Substituted Debtor"** has the meaning given to it in Condition 11(d).

**"Substituting Debtor"** has the meaning given to it in Condition 11(d).

**"Substitution Documents"** has the meaning given to it in Condition 11(d)(ii).

**"Successor Corporation"** means the corporation formed by consolidation or into which the Issuer is merged or the person which acquires by conveyance or transfer (including in connection with a *cisão*) all or substantially all of the properties and assets of the Issuer.

**"Terms of Subordination"** means the terms of subordination prepared in accordance with Resolution 4,192, which form part of the Trust Deed.

**"Tier 1 Capital"** means any capital of the Issuer or any of its Affiliates that was or will be authorized by the Central Bank as Tier 1 Capital and which forms part of the Regulatory Capital, as set forth in Resolution 4,192.

**"Tier 1 Parity Liabilities"** means, with respect to the Issuer, any securities or liabilities that have been or will be deemed part of the Additional Tier 1 Capital in accordance with and determined pursuant to Resolution 4,192.

**"Tier 1 Regulatory Event"** means, subsequent to the time that the Tier 1 Subordinated Notes initially qualify as Tier 1 Capital, the Central Bank or any other applicable Brazilian Governmental Authority provides written notice or enacts a law or regulation determining that any of the then outstanding Tier 1 Subordinated Notes will no longer be included in the consolidated Tier 1 Capital of the Issuer or will be included in such consolidated Tier 1 Capital in a lower proportion than set forth by the regulation in force the time of issuance of the Tier 1 Subordinated Notes.

**"Tier 1 Write-Off Event"** has the meaning given to it in Condition 17(d).

**"Tier 1 Subordinated Notes"** has the meaning given to it in Condition 1(a).

**"Tier 2 Capital"** means any capital of the Issuer or any of its Affiliates that was or will be authorized by the Central Bank as Tier 2 Capital and which forms part of the Regulatory Capital of the Issuer, as set forth in Resolution 4,192.

**"Transaction Documents"** means the Trust Deed (other than the Terms of Subordination annexed thereto), the Agency Agreement, the Subscription Agreement and the Global Note Certificates.

**"Transfer Agents"** has the meaning given to it in the preamble.

**"Trustee"** has the meaning given to it in the preamble.

**"Trust Deed"** has the meaning given to it in the preamble.

### 3. Transfers of Notes and Issue of Individual Note Certificates

(a) *Transfer of Tier 1 Subordinated Notes:* A Tier 1 Subordinated Note may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part in a Specified Denomination upon the surrender of the Individual Note Certificate issued in respect of the Tier 1 Subordinated Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Tier 1 Subordinated Note, a new Individual Note Certificate in respect of the balance not transferred will be issued to the transferor. Each new Individual Note Certificate to be issued to the transferee upon transfer of such Tier 1 Subordinated Note will, within three Business Days of receipt of such form of transfer, be mailed at the risk of the Holder entitled to the new Individual Note Certificate to such address as may be specified in such form of transfer.

(b) *Transfer Free of Charge:* Registration of transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

(c) *Closed Periods:* No Noteholder may require the transfer of a Tier 1 Subordinated Note to be registered (i) during the period of 15 days ending on the due date for any payment of principal (being, for the purposes of these Terms and Conditions, unless the context otherwise requires, the amount payable on redemption of a Tier 1 Subordinated Note) of that Tier 1 Subordinated Note, (ii) during the period of 60 days prior to any date on which Tier 1 Subordinated Notes may be redeemed by the Issuer at its option pursuant to Condition 17(e)(ii) or (iii) after any notice has been delivered for redemption in whole or in part of any Note in accordance with Condition 17(e)(iv).

(d) *Regulations:* All transfers of Tier 1 Subordinated Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Tier 1 Subordinated Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be made available by the Registrar to any Holder of a Tier 1 Subordinated Note upon request.

### 4. Status

The Tier 1 Subordinated Notes constitute unsecured and subordinated obligations of the Issuer and shall be subordinated in right of payment to all existing and future Senior to Tier 1 Liabilities of the Issuer in accordance with the provisions of Condition 17. The Tier 1 Subordinated Notes shall rank *pari passu* and without preference among themselves and equally with all other present and future Tier 1 Parity Liabilities of the Issuer under the terms of Resolution 4,192 (other than those preferred by mandatory provisions of law).

### 5. Interest

Subject to the provisions set forth in Condition 17, each Tier 1 Subordinated Note bears interest on its outstanding nominal amount from (and including) November 8, 2018 at the rate of 7.25% per annum (the "**Rate of Interest**") until the fifth anniversary of the Issue Date. Thereafter, for each Interest Period falling on or after the fifth anniversary of the Issue Date, the Rate of Interest shall be determined by reference to the Benchmark Reset Rate plus the Credit Spread on the relevant Benchmark Reset Date. The Rate of Interest on the Issue Date corresponds to the sum of (i) the rate per annum corresponding to the semi-annual equivalent yield to maturity of the 5-Year U.S. Treasury Bond, equivalent to 3.023% per annum, plus (ii) the Credit Spread.

Such interest is payable semi-annually in arrears on each May 8 and November 8 in each year (each, an "**Interest Payment Date**"), commencing on May 8, 2019. Each period beginning on (and including) the Issue Date or any Interest Payment Date, as the case may be, and ending on (but excluding) the next Interest Payment Date or the Redemption Date, as the case may be, is herein called an "**Interest Period**".

Each Tier 1 Subordinated Note will cease to bear interest from the due date for redemption unless, after surrender of the Individual Note Certificate, payment of principal is improperly withheld or refused. In such event interest will continue to accrue at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Tier 1 Subordinated Note up to that day are received by or on behalf of the relevant Holder and (b) the day seven days after the Trustee, the Principal Paying Agent or any Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Tier 1 Subordinated

Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Holders under these Terms and Conditions).

The amount of interest payable in respect of each Tier 1 Subordinated Note for any Interest Period shall be calculated by applying the Rate of Interest to the principal amount of such Tier 1 Subordinated Note, dividing the product by two and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

If interest is required to be calculated for any period other than an Interest Period (a "**Calculation Period**"), it will be calculated based on the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).

## **6. Redemption and Purchase**

(a) *Repurchases:* The Issuer and any of its Affiliates may repurchase Tier 1 Subordinated Notes in the open market or otherwise only in accordance with the provisions set forth in Condition 17. Tier 1 Subordinated Notes so repurchased by the Issuer or any Affiliate shall not be deemed to be outstanding for the purposes of Conditions 9, 11 or 12.

(b) *Redemption of Tier 1 Subordinated Notes:* Tier 1 Subordinated Notes may not be redeemed at the option of Noteholders and, except as provided in Condition 17(e), may not be redeemed at the option of the Issuer.

(c) *Write-off of Tier 1 Subordinated Notes:* Tier 1 Subordinated Notes shall be subject to the provisions relating to write-off set forth in Condition 17.

(d) *Cancellation:* All Tier 1 Subordinated Notes redeemed shall be cancelled and may not be resold or reissued, provided that any Tier 1 Subordinated Notes repurchased in accordance with Condition 17(e)(i) need not be cancelled and may be resold; provided further that any such resale is in compliance with all relevant laws, regulations and directives.

## **7. Payments**

(a) *Payments of Principal and Interest:* Payments of principal and interest in respect of the Tier 1 Subordinated Notes will be made or procured to be made by the Principal Paying Agent on the due date for payment to the person shown on the Register (or, in case of joint Holders, the first named) at the close of business (local time in the place of the specified office of the Principal Paying Agent) on the fifteenth day before the due date for payment thereof (the "**Record Date**") by cheque drawn on, or by transfer to an account in US dollars maintained by the payee in the jurisdiction of the Principal Paying Agent.

Payments of principal in respect of the Tier 1 Subordinated Notes will only be made against surrender of the relevant Individual Note Certificate at the specified office of any Transfer Agent. Upon application by the Holder to the specified office of any Transfer Agent not less than 15 days before the due date for any payment in respect of a Tier 1 Subordinated Note, such payment will be made by transfer to an account maintained by the payee with a bank in the jurisdiction of the Principal Paying Agent. Details of the account to which a registered Holder's payments will be made should be notified by the Holder to the specified office of the Principal Paying Agent before the Record Date preceding the relevant payment date. If the amount of principal being paid is less than the nominal amount of the relevant Individual Note Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Individual Note Certificate with a nominal amount equal to the remaining unpaid nominal amount.

(b) *Payment Initiation:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or if that is not a Business Day, for value the first following day which is a Business Day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed (at the risk of the Holder of such Tier 1 Subordinated Note) on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Individual Note Certificate has not been surrendered at the specified office of any Transfer Agent, on a day on

which the Principal Paying Agent is open for business and on which the relevant Individual Note Certificate is surrendered.

(c) *Delay in Payment:* Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Tier 1 Subordinated Note if the due date is not a Business Day, if the Noteholder is late in surrendering or cannot surrender its Individual Note Certificate (if required to do so) or if a cheque mailed in accordance with Condition 7(b) arrives after the due date for payment.

(d) *Payment Not Made in Full:* If the amount of principal or interest which is due on any Tier 1 Subordinated Note is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest, if any, in fact paid on such Tier 1 Subordinated Note.

(e) *Payments Subject to Law, etc.:* All payments are subject in all cases to any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 9. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(f) *Appointment of Agents:* The Principal Paying Agent, the Paying Agents, the Registrar, the Replacement Agent and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed in the Agency Agreement. The Issuer reserves the right at any time, with the prior written approval of the Trustee, which shall not be unreasonably withheld, to vary or terminate the appointment of any Agent, to appoint another Registrar or Replacement Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer will at all times maintain (i) a Principal Paying Agent, (ii) a Registrar and a Transfer Agent, and (iii) a Replacement Agent. Notice of any such change or any change in the specified office of any Agent will promptly be given to the Noteholders in accordance with Condition 18.

(g) *Satisfaction of Obligations:* Every payment of any sum due in respect of Tier 1 Subordinated Notes made to the Principal Paying Agent as provided for herein shall, to such extent, be a good discharge to the Issuer. In the event there is a default by the Principal Paying Agent in any payment to any Paying Agent or by any Paying Agent in any payment on the Tier 1 Subordinated Notes to any Holder in accordance with these Terms and Conditions, the Issuer shall pay such additional amounts as will result in receipt by such Holder of such amount as would have been received by it had no such default occurred.

## 8. Additional Amounts

All payments in respect of the Tier 1 Subordinated Notes, including, without limitation, payments of principal and interest, will be made by the Issuer without withholding or deduction for or on account of any present or future taxes, duties, levies, contributions or withholdings of whatever nature in connection with such payments in effect on the relevant settlement date or imposed or established in the future by or on behalf of Brazil or any authority in Brazil or any organization of which Brazil is or becomes a member ("**Brazilian Taxes**") and the Cayman Islands or any authority in the Cayman Islands or any organization of which the Cayman Islands is or becomes a member ("**Cayman Taxes**"). In the event any such taxes, duties, levies, contributions or withholdings are in effect on the Issue Date or are imposed or established in the future, the Issuer will pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts receivable by the Noteholders after any withholding or deduction in respect of such tax, duty, levy, contribution or withholding shall equal the respective amounts of principal and interest which would have been receivable in respect of the Tier 1 Subordinated Notes in the absence of such withholding or deduction; provided that no such Additional Amounts will be payable with respect to any payment on any Tier 1 Subordinated Note:

(i) by or on behalf of a holder who is liable for taxes or duties in respect of such Tier 1 Subordinated Note by reason of his having some connection with Brazil or the Cayman Islands other than the mere holding of such Tier 1 Subordinated Note or the receipt of principal or interest in respect thereof;

(ii) in respect of any estate, asset, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment or governmental charge; or

(iii) presented more than 30 days after the Relevant Date except to the extent that the Noteholder would have been entitled to such additional amounts on presenting such Tier 1 Subordinated Note for payment on the last day of such period of 30 days;

As used herein, "**Relevant Date**" means, in respect of any payment, the later of (A) the date on which such payment first becomes due and (B) if the full amount of the moneys payable has not been received by the

Principal Paying Agent or, as the case may be, the Registrar, on or prior to such due date, the first date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 18.

Any reference herein to principal and/or interest shall be deemed also to refer to any Additional Amounts that may be payable under the undertakings referred to above. If the payment of any Brazilian Taxes or Cayman Taxes results in the payment of Additional Amounts, the Issuer is required to provide the Principal Paying Agent a receipt evidencing the payment of such Brazilian Taxes or Cayman Taxes, as the case may be, and the Principal Paying Agent shall provide a copy of such receipt to any Noteholder requesting same.

If the Issuer becomes subject at any time to any taxing jurisdiction other than Brazil and the Cayman Islands, references in these Conditions to Brazil and the Cayman Islands shall be construed as references to Brazil and the Cayman Islands and/or such other jurisdiction.

The Issuer, and any other person to or through which any payment with respect to the Tier 1 Subordinated Notes may be made, will be entitled to withhold or deduct from any payments made with respect to the Tier 1 Subordinated Notes amounts required to be withheld or deducted under or in connection with FATCA, and, notwithstanding anything herein, Holders and beneficial owners of Tier 1 Subordinated Notes will not be entitled to receive any gross up or other additional amounts on account of any such withholding or deduction.

## **9. Payment Default**

(a) *Failure to Pay:* A "**Payment Default**" occurs in the event that the Issuer: (i) fails to pay or set aside for payment the amount due to satisfy payment on the Tier 1 Subordinated Notes when due and payable in accordance with the terms and conditions of the Tier 1 Subordinated Notes, and such failure continues for a period of 14 days, unless such payment is suspended as described in Condition 17(c) or written-off as described in Condition 17(d); or (ii) fails to pay the Optional Redemption Amount or the Early Redemption Amount, as the case may be, on a Redemption Date.

(b) *Limitation on Remedies:* If a Payment Default occurs and is continuing, the Trustee may, and if directed by the Holders of at least one third, in aggregate nominal amount then outstanding, of the Notes, subject to being indemnified and/or secured and/or prefunded to its satisfaction shall to the fullest extent permitted by applicable law, institute judicial proceedings against the Issuer in any court, but may not declare the principal amount of any outstanding Tier 1 Subordinated Notes to be due and payable or pursue any other legal remedy, including commencing a judicial proceeding for the collection of the sums due and unpaid.

(c) *Acceleration for Bankruptcy Event:* The outstanding nominal amount of the Tier 1 Subordinated Notes will be automatically accelerated and become due and payable upon a Bankruptcy Event to the extent required under the Brazilian subordination rules described in Condition 17(b)(ii) to allow Noteholders to participate in bankruptcy, liquidation, dissolution, winding up or similar legal procedures in Brazil relating to such Bankruptcy Event. For the avoidance of doubt, the acceleration of the outstanding nominal amount of the Tier 1 Subordinated Notes in this case does not constitute a Payment Default and shall not result in the acceleration of any other debt or financial instrument to which the Issuer is a party.

## **10. Repayment of Monies and Prescription**

Claims against the Issuer for payment in respect of the Tier 1 Subordinated Notes shall be prescribed and become void unless made within 10 years (in the case of principal) and 5 years (in the case of interest) from the appropriate Relevant Date in respect thereof.

## **11. Meetings of Noteholders, Modification, Waiver and Substitution**

(a) *Meetings of Noteholders:* The Trust Deed contains provisions (which shall have the effect as if incorporated herein) for convening meetings of Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Tier 1 Subordinated Notes. Such a meeting may be convened by the Issuer or the Trustee, and the Trustee (subject to being indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses thereby occasioned) shall convene such a meeting upon written request of Noteholders holding not less than 10% in nominal amount of the Tier 1 Subordinated Notes for the time being outstanding. The quorum for any meeting to consider an Extraordinary Resolution will be two or more persons holding or representing in aggregate more than 50% in nominal amount of the Tier 1 Subordinated Notes for the time being outstanding, unless the business of such meeting includes voting on an

Extraordinary Resolution so as, (i) to change any date fixed for payment of principal or interest in respect of the Tier 1 Subordinated Notes, to reduce the amount of principal or interest payable on any date in respect of the Tier 1 Subordinated Notes or to alter the method of calculating the amount of any payment in respect of the Tier 1 Subordinated Notes on redemption or the date for any such payment; (ii) to effect the exchange, conversion or substitution of the Tier 1 Subordinated Notes for, or the conversion of the Tier 1 Subordinated Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed (other than as permitted under Condition 11(d)); (iii) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or (iv) to amend the definition of Reserved Matter, in which case the necessary quorum will be two or more persons holding or representing not less than 75%, or at any adjourned meeting the fraction of the aggregate principal amount of the Tier 1 Subordinated Notes for the time being outstanding represented or held by the Voters actually present at the meeting, unless the business of such meeting includes voting on an Extraordinary Resolution in respect of (i) to (iv) above, in which case the necessary quorum will be two or more persons holding or representing not less than 25%. An "**Extraordinary Resolution**" is defined in the Trust Deed to mean a resolution passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Trust Deed by a majority of at least 75% of the votes cast. A written resolution of Holders of not less than 75% in nominal amount of the Tier 1 Subordinated Notes for the time being outstanding shall take effect as an Extraordinary Resolution for all purposes. Any Extraordinary Resolution duly passed shall be binding on all Holders of Tier 1 Subordinated Notes (whether or not they were present or represented at the meeting at which such resolution was passed).

(b) *Modification, Waiver and Determination:* The Trustee may, without the consent of the Noteholders, agree to any modification of any of the provisions of the Trust Deed and the Tier 1 Subordinated Notes (i) which is of a formal, minor or technical nature or is made to correct a manifest error, or (ii) (save for any modification referred to in Condition 11(a)(i) to (iv) above) which in the opinion of the Trustee is not materially prejudicial to the interests of Noteholders under the Tier 1 Subordinated Notes or the Trust Deed. For the purposes of the foregoing, the Trustee shall be entitled to request and to rely on such Opinions of Counsel and advice as it deems necessary and shall not be responsible to anyone for any loss occasioned by so acting. In addition, the Trustee may, without the consent of the Noteholders, agree to any waiver or authorization of any breach or proposed breach of any of the provisions of the Trust Deed and the Tier 1 Subordinated Notes (other than a breach or proposed breach relating to the subject of a matter referred to in Condition 11(a)(i) to (iv) above) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby, provided that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 9 or 12, in respect of the Tier 1 Subordinated Notes. Any such modification, authorization, determination or waiver shall be binding on the Noteholders and, unless the Trustee agrees otherwise, such modification shall be notified to the Noteholders in accordance with Condition 18 as soon as practicable.

(c) *Modification by the Issuer:* In relation to the Tier 1 Subordinated Notes, the Issuer may, during the period of one year from the Issue Date, and the Trustee shall, if requested by the Issuer acting in compliance with the remainder of this Condition 11(c), without the consent of the Noteholders, modify the terms and conditions of the Tier 1 Subordinated Notes solely to comply with the requirements of the Central Bank in order to qualify the Tier 1 Subordinated Notes as Tier 1 Capital pursuant to Resolution 4,192. The Issuer will not be permitted to make any modifications without Noteholders' consent if such modification would affect in any way the interest rate of the Tier 1 Subordinated Notes, the outstanding principal amount of the Tier 1 Subordinated Notes, the ranking of the Tier 1 Subordinated Notes or the dates of payments. The Trustee shall agree to any modification of the terms and conditions of the Tier 1 Subordinated Notes which two authorized officers or attorneys of the Issuer shall have certified in writing to the Trustee is permitted in accordance with the provisions of this Condition 11(c), provided that the Trustee shall not be bound to assent to or to execute any modification to the Tier 1 Subordinated Notes which would have the effect of (i) changing, increasing or adding to the obligations or duties of the Trustee or (ii) removing or amending any protection or indemnity afforded to, or any other provision in favor of, the Trustee under the Trust Deed or the terms and conditions of the Tier 1 Subordinated Notes. The Trustee may rely absolutely on any such certificate and shall not be bound to make any further enquiries and shall have no liability whatsoever to any Noteholder for so doing.

(d) *Substitution:* The Issuer (the "**Substituting Debtor**") may, with respect to any Series of Notes issued by it, without the consent of any Holder, substitute for itself any other branch of Banco Santander (Brasil) S.A. as the debtor in respect of the Tier 1 Subordinated Notes and the Trust Deed (the "**Substituted Debtor**") upon notice by the Substituting Debtor and the Substituted Debtor to be given in accordance with Condition 18; provided that:

- (i) the Substituting Debtor is not in default under any of the relevant Notes;

(ii) the Substituting Debtor and the Substituted Debtor have entered into such documents (the "**Substitution Documents**") as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Holder of the Tier 1 Subordinated Notes to be bound by these terms and conditions and the provisions of the Trust Deed and the Agency Agreement as the debtor in respect of the Tier 1 Subordinated Notes in place of the Substituting Debtor;

(iii) if the Substituted Debtor is resident for tax purposes in a country (the "**New Residence**") other than the Cayman Islands, as applicable, the Substitution Documents contain an undertaking or such other provisions as may be necessary to ensure that each Holder of the Tier 1 Subordinated Notes has the benefit of an undertaking in terms corresponding to (A) the provisions of Condition 17(e)(ii) and Condition 8 with, where applicable, the substitution of references to the Cayman Islands with references to the New Residence and (B) the provisions of Condition 17(e)(ii) with, where applicable, the substitution of references to "the date of the issuance of the Tier 1 Subordinated Notes" with references to "the relevant date of consolidation, merger, conveyance, transfer or substitution, as the case may be;"

(iv) the Substituted Debtor and the Substituting Debtor have obtained all material governmental approvals and consents required by applicable law for such substitution and for the performance by the Substituted Debtor of its obligations under the Substitution Documents;

(v) each applicable listing authority or stock exchange shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Tier 1 Subordinated Notes will continue to be admitted to listing and/or trading by the applicable listing authority and stock exchange;

(vi) the Substituted Debtor will deliver, or cause the delivery, to the Trustee an Opinion of Counsel in the jurisdiction of organization of the Substituted Debtor and England as to the validity, legally binding effect and enforceability of the Substitution Documents and specified other legal matters, as well as an Officer's Certificate as to compliance with the provisions described under this Condition 11(d); and

(vii) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Tier 1 Subordinated Notes.

Upon the execution of the Substitution Documents and compliance with the other conditions in the Trust Deed relating to the substitution, the Substituted Debtor will be deemed to be named in the Global Note Certificate, Individual Note Certificates, the Agency Agreement and the Trust Deed as the principal debtor in place of the Substituting Debtor.

Not later than 30 Business Days after the execution of the Substitution Documents, the Substituted Debtor will give notice thereof to the holders of the Tier 1 Subordinated Notes in accordance with the provisions of the Trust Deed.

After a substitution pursuant to this Condition 11(d), the Substituted Debtor may, without the consent of any Holder, effect a further substitution. All the provisions specified above shall apply to effect the further substitution. After a substitution pursuant to the above, any Substituted Debtor may, without the consent of any Holder, reverse the substitution.

## **12. Enforcement**

At any time after the Tier 1 Subordinated Notes become due and payable, the Trustee shall, if instructed in writing by the Holders of at least one-third in nominal amount of the Tier 1 Subordinated Notes then outstanding or if directed by an Extraordinary Resolution of Noteholders and on such terms and conditions (if any) as shall be specified in such instructions or direction, institute such Proceedings against the Issuer to enforce the terms of the Trust Deed and the Tier 1 Subordinated Notes, provided that the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## **13. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee for its relief from responsibility and for the limitation of its duties and powers thereunder. The Trustee and its parent, subsidiaries



and affiliates are entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

#### 14. Replacement of Individual Note Certificates

If any Individual Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Transfer Agent (in such capacity, the Replacement Agent) subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the taxes and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Replacement Agent may require (provided that the requirement, in the case of the Issuer only, is reasonable in the light of prevailing market practice). Any replacement Individual Note Certificate will bear a notation stating the serial number of the Individual Note Certificate which it replaces or is deemed to replace. Mutilated or defaced Individual Note Certificates must be surrendered before replacements will be issued.

#### 15. Further Issuances

The Issuer may from time to time, without consent of the Noteholders and in accordance with the Trust Deed, create and issue additional Tier 1 Subordinated Notes having the same terms and conditions as the Tier 1 Subordinated Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Tier 1 Subordinated Notes.

#### 16. Agents

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation, liability or relationship of agency or trust for or with any Holder.

#### 17. Terms of Subordination

(a) Form, Subscription in Cash and Maturity

(i) *Form*: The Tier 1 Subordinated Notes will be issued as registered notes.

(ii) *Subscription and Payment in Cash*: The Tier 1 Subordinated Notes will be issued in a single Series and consideration for the Tier 1 Subordinated Notes shall be paid to the Issuer in cash on the Issue Date.

(iii) *Perpetual Notes*: The Tier 1 Subordinated Notes are perpetual securities and have no fixed maturity date.

(b) Status; Subordination Provisions

(i) *Status*: The Tier 1 Subordinated Notes constitute unsecured and subordinated obligations of the Issuer.

(ii) *Subordination*: The Tier 1 Subordinated Notes are subordinated in right of payment to all existing and future Senior to Tier 1 Liabilities of the Issuer in accordance with this Condition 17(b).

Subject to applicable law, (A) the rights and claims of Noteholders are and will be subordinated and, accordingly, subject to prior payment in full of all principal, premium, if any, interest and any other amounts due or to become due on all Senior to Tier 1 Liabilities upon the Issuer's winding-up, bankruptcy, liquidation, dissolution or similar proceedings (each a "**Bankruptcy Event**"), except for obligations with respect to the Issuer's Common Equity Tier 1 Capital, and (B)(i) the Tier 1 Subordinated Notes shall rank *pari passu* with respect to each other without any preference among themselves, and (ii) the rights and claims of Noteholders under the Tier 1 Subordinated Notes shall rank *pari passu* with the rights and claims of holders of the Tier 1 Parity Liabilities; provided that the consolidation of the Issuer with, or the merger of the Issuer into any other corporation or the liquidation or dissolution of the Issuer following the conveyance or transfer (including in connection with a *cisão*) of its properties, assets and liabilities substantially as an entirety to another corporation shall not be deemed a Bankruptcy Event for the purposes of this Condition 17 if the Central Bank has approved such consolidation, merger, transfer or conveyance. Thereafter, the Issuer shall be automatically released and discharged from all obligations and covenants under the Trust Deed and the Tier 1 Subordinated Notes, and the Tier 1 Subordinated Notes will continue to be outstanding and will be treated as subordinated debt of such Successor Corporation pursuant to the terms of Resolution 4,192.

(c) Payments and Suspension and Cancellation of Payments

(i) *Payments*: The payment of amounts due with respect to the Tier 1 Subordinated Notes shall be made solely with funds from profits and profit reserves available for distribution as of the latest date of determination, in accordance with Brazilian Corporate Law. Any interest amounts not paid as a result of the foregoing shall not accrue and shall not be deemed due and payable and shall not constitute a Payment Default.

(ii) *Suspension and Cancellation of Payments*: Payments of amounts due with respect to the Tier 1 Subordinated Notes shall be suspended (i) if the amounts due exceed the funds available for such purpose, (ii) in the same proportion as any restriction imposed by the Central Bank on the payment of dividends or other results with respect to shares or quotas eligible for treatment as Common Equity Tier 1 Capital; and (iii) at the same percentage of retention of any payment or distribution as set forth under article 9, paragraph 4, of Resolution 4,193, if the Issuer has insufficient Additional Core Capital or the payment would result in noncompliance with respect to the minimum ratio requirements for Common Equity Tier 1 Capital, Tier 1 Capital and Regulatory Capital. Any amounts not paid as a result of the foregoing shall not accrue and shall not be deemed due and payable and shall not constitute a Payment Default.

The cancellation or suspension of the payment of any amounts due with respect to the Tier 1 Subordinated Notes as a result of (i) an insufficiency of funds from profits and profit reserves available for distribution as of the latest date of determination; (ii) insufficiency of funds available for payment of the amounts due; (iii) any restriction imposed by the Central Bank with respect to the payment of dividends or other distribution with respect to the shares or quotas eligible for treatment as Common Equity Tier 1 Capital; and (iv) an insufficiency of Additional Core Capital of the Issuer or the payment would result in noncompliance with respect to the minimum ratio requirements for Common Equity Tier 1 Capital, Tier 1 Capital and Regulatory Capital in each case such amounts shall not accrue or accumulate and shall not be deemed due and payable under the Tier 1 Subordinated Notes and such cancellation or suspension of payment (i) shall not constitute a Payment Default and (ii) shall not be deemed an event of default and shall not accelerate the maturity of any other debts to which the Issuer is a party. The Issuer shall notify the Noteholders within 14 Business Days, in accordance with Condition 18, in the event that any payment of interest is suspended and cancelled pursuant to this subparagraph (ii).

(d) Write-off

(i) The Tier 1 Subordinated Notes shall be written-off on a permanent basis, in a minimum amount corresponding to the balance allocated to the Tier 1 Capital, upon the occurrence of any of the following events, or other events as may be determined by the Central Bank or by any competent Brazilian Governmental Authority (each, a "**Tier 1 Write-Off Event**"):

(A) disclosure by the Issuer, in the manner set forth by the Central Bank, that its Common Equity Tier 1 Capital is below 5.125% of the RWA determined in accordance with Resolution 4,193;

(B) execution of an agreement for capital contribution pursuant to the exception set forth in the recital to article 28 of Supplementary Law No. 101, as of May 4, 2000;

(C) decree, by the Central Bank, of a temporary special administration regime (*Regime de Administração Especial Temporária*) or an intervention in the business of the Issuer; or

(D) determination, by the Central Bank, based on criteria established by the National Monetary Council, of a write-off of the Tier 1 Subordinated Notes.

(ii) The above-mentioned Tier 1 Write-Off Events shall not occur in case of revision or republication of the documents used by the Issuer as the basis for disclosure of the ratio between the Common Equity Tier 1 Capital and the RWA, as determined in item (a) above.

(iii) The occurrence of any Tier 1 Write-Off Event, as well as the revision or republication set forth in the paragraph above, or of other events that may be determined by the Central Bank or by any

competent Brazilian Governmental Authority, shall not be deemed an event of default and shall not accelerate the maturity of any other obligations of the Issuer.

(iv) If the Tier 1 Subordinated Notes are written-off as a result of the occurrence of a Tier 1 Write-off Event, the Issuer shall notify the Noteholders in writing about the existence of such Tier 1 Write-Off Event. Such notice shall be sent to the Noteholders (with a copy to the Trustee) within 14 Business Days from the date of determination by the Central Bank of such Tier 1 Write-Off Event.

(e) Redemption, Repurchase and Guarantee or Insurance

(i) *Repurchases:* Subject to the prior approval of the Central Bank (in accordance with Article 17, IX, of Resolution 4,192) or any other applicable Brazilian Governmental Authority (if such approval is then required), the Issuer or any Affiliate may, on or after the fifth anniversary of the Issue Date, repurchase Tier 1 Subordinated Notes in the open market or otherwise in any manner and at any price. The Issuer and any of its Affiliates may at any time purchase Tier 1 Subordinated Notes that are not qualified as Additional Tier 1 Capital in the open market or otherwise in any manner and at any price. The repurchased Tier 1 Subordinated Notes need not be cancelled and may be resold; provided that any resale thereof is in compliance with all relevant laws, regulations and directives. Tier 1 Subordinated Notes so repurchased, while held by or on behalf of the Issuer or any of its Affiliates, shall not entitle the Noteholder to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders.

(ii) *Optional Redemption for Taxation Reasons:* Subject to the prior approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), the Issuer may, on or after the fifth anniversary of the Issue Date, redeem or procure the purchase of Tier 1 Subordinated Notes at its option, in whole but not in part, on giving not less than 30 days nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (together with interest accrued to, but excluding, the date fixed for redemption) if (a)(i) as the result of any change in or amendment to the laws or regulations of Brazil or the Cayman Islands or any respective political subdivision or authority thereof or therein having power to tax or any change in the application or official interpretation of such laws or regulations, which, in any case, shall become effective after the Issue Date, the Issuer has or will become obligated to pay Additional Amounts with respect to payments in respect of the Tier 1 Subordinated Notes, including without limitation, payments of principal and interest, or (ii) any act is taken by a taxing authority of Brazil or the Cayman Islands after the Issue Date (including but not limited to an adverse official interpretation by such subdivision or authority in a similar case involving third parties and other circumstances whether or not such act is taken with respect to the Issuer or any Affiliate thereof) that results in a substantial probability that the Issuer will be required to pay Additional Amounts with respect to payments of principal of, and interest on, the Tier 1 Subordinated Notes (excluding interest and penalties) in excess of the Additional Amounts that the Issuer would be obligated to pay if payments were subject to withholding or deduction at a rate of 0%; and (b) such increase cannot be avoided by the Issuer taking ministerial measures available to it, provided that no such notice of redemption or purchase in lieu of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of such Tier 1 Subordinated Notes then due. Prior to the publication of any notice of redemption or purchase in lieu of redemption pursuant to this Condition 17(e)(ii), the Issuer shall deliver to the Trustee a certificate signed by two authorised officers or attorneys of the Issuer stating that the obligation referred to in (a) above cannot be avoided by the Issuer taking ministerial measures available to it and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (b) above, which shall be conclusive and binding on the Noteholders.

(iii) *Optional Redemption due to a Tier 1 Regulatory Event:* Subject to the prior approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), the Issuer may redeem or procure the purchase of the Tier 1 Subordinated Notes, in whole but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at the Early Redemption Amount (together with interest accrued to, but excluding, the date fixed for redemption) if the Issuer certifies to the Trustee immediately prior to the giving of such notice that a Tier 1 Regulatory Event has occurred, provided, however, that no notice of redemption or purchase in lieu of redemption shall be given earlier than 90 days prior to the earliest date on which the Tier 1 Regulatory Event is or is reasonably expected to be effective. Prior to the publication of any notice of redemption or purchase in lieu of redemption pursuant to this Condition 17(e)(iii), the Issuer shall deliver to the Trustee a certificate signed by two authorised officers or attorneys of the Issuer stating that the Issuer is entitled to effect such a redemption or to cause such purchase in lieu of redemption pursuant to this Condition 17(e)(iii),

and setting forth in reasonable detail a statement of the facts giving rise to such right of redemption. Concurrently, the Issuer will deliver to the Trustee a written Opinion of Counsel stating, among other things, that a Tier 1 Regulatory Event has occurred and that all governmental approvals necessary for the Issuer to effect such redemption or purchase in lieu of redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained.

(iv) *Redemption of Tier 1 Subordinated Notes at the Option of the Issuer (Call Option)*: In accordance with article 18 of Resolution 4,192, the Issuer may, on or after the fifth anniversary of the Issue Date and subject to the prior approval of the Central Bank, on giving to the Noteholders of the Tier 1 Subordinated Notes irrevocable notice of not less than 30 nor more than 60 days redeem or procure the purchase of all or some of the Tier 1 Subordinated Notes, on the Optional Redemption Date(s), at the Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption or purchase, provided that the Issuer is then and, on a pro forma basis following such purchase, will remain in compliance with the minimum requirements for Common Equity Tier 1, Tier 1 Capital and Regulatory Capital, and satisfies the Additional Core Capital requirement set forth under Resolution 4,193 and other operational limits. All Tier 1 Subordinated Notes in respect of which any such notice is given shall be redeemed or purchased on the Optional Redemption Date(s) specified in such notice in accordance with this Condition 17(e)(iv). If only some of the Tier 1 Subordinated Notes are to be redeemed or purchased at any time, the Tier 1 Subordinated Notes to be redeemed or purchased shall be redeemed or purchased *pro rata* to their principal amounts, provided always that the amount redeemed or purchased in respect of each Tier 1 Subordinated Note shall be equal to the Specified Denomination, and in each case subject to compliance with the applicable rules of each clearing system, listing authority and stock exchange and the notice to Noteholders referred to herein shall specify the serial numbers and nominal amounts of the Tier 1 Subordinated Notes to be so redeemed or purchased.

(v) *No Redemption at the Option of the Noteholders*: The Tier 1 Subordinated Notes may only be redeemed at the Issuer's option and the Noteholders shall have no right to request that the Issuer redeem the Tier 1 Subordinated Notes in whole or in part.

(vi) *No Guarantee or Insurance*: The Tier 1 Subordinated Notes are unsecured and subordinated obligations of the Issuer and do not benefit from any guarantee or insurance issued pursuant to any insurance policy or similar structure that may compromise the subordination of the Tier 1 Subordinated Notes and/or require or allow payments or transfers of funds to the Noteholders, directly or indirectly, by the Issuer or any Affiliates.

(f) Conflict of Provisions and Amendments

(i) *Conflicts*: In the event of conflict between the provisions of this Condition 17 and any other provision set forth in any Transaction Document with respect to the Tier 1 Subordinated Notes, the provisions of this Condition 17, as amended by the Terms of Subordination, shall prevail, as per article 14, II, of Resolution 4,192 and any such conflicting provision shall be null and void.

(ii) *Amendments*: In accordance with article 14, III and sole paragraph, of Resolution 4,192, the execution of any amendment, change or revocation of any provision of this Condition 17 is subject to the prior authorization of the Central Bank, if required pursuant to applicable regulations then in effect.

(iii) *No reduction*: In accordance with article 17, XII of Resolution 4,192, the original principal amount of Tier 1 Subordinated Notes issued on the Issue Date shall not be modified, directly or indirectly, including by means of agreements that establish the Issuer's obligation to compensate the Noteholders if a new note with better remuneration conditions is issued, except pursuant to any repurchase or redemption authorized under Resolution 4,192.

(iv) *No Change to Terms or Conditions for Payment of Remuneration*: In accordance with article 17, XIII of Resolution 4,192, the payment terms and conditions of the Tier 1 Subordinated Notes shall not be subject to amendment after the Issue Date, including as a result of a change in the credit quality of the Issuer.

(v) *No financing*: In accordance with article 17, XIV, of Resolution 4,192, the Issuer has not financed and may not finance, directly or indirectly, the purchase of the Tier 1 Subordinated Notes.

## **18. Notices**

Notices to Holders of Tier 1 Subordinated Notes will be mailed to them at their respective addresses in the Register (or in the case of joint Holders, to the address of the first-named in the Register) and shall be published (so long as the Tier 1 Subordinated Notes are listed on the Luxembourg Stock Exchange and the rules of the exchange so require) on the website of the Luxembourg Stock Exchange designated for such purposes pursuant to the rules of the Luxembourg Stock Exchange or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxembourger Wort*). Any such notice shall be deemed to have been given on the later of the date of such publication and the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

## **19. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Tier 1 Subordinated Notes under the Contracts (Rights of Third Parties) Act 1999.

## **20. Governing Law and Jurisdiction**

(a) *Governing Law:* The Trust Deed, the Tier 1 Subordinated Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, provided that the provisions contained in Condition 17, as amended by the Terms of Subordination, imposed on the Issuer in order for the Tier 1 Subordinated Notes to qualify as Tier 1 Capital under Resolution 4,192, shall be governed by, and construed in accordance with, the laws of Brazil.

(b) *Jurisdiction:* The courts of England have jurisdiction to settle any disputes which may arise out of or in connection with the Tier 1 Subordinated Notes or the Trust Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with the Tier 1 Subordinated Notes or the Trust Deed) and accordingly any legal action or proceedings arising out of or in connection with the Tier 1 Subordinated Notes or the Trust Deed ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the English courts.

(c) *Agent for Service of Process:* The Issuer has in the Trust Deed appointed an agent in England to receive service of process in any Proceedings in England. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

*There will appear at the foot of the Conditions endorsed on each Tier 1 Subordinated Note in definitive form the names and specified offices of the Registrar, Transfer Agents and the Paying Agents as set out at the end of this Listing Prospectus.*

## TERMS AND CONDITIONS OF THE TIER 2 SUBORDINATED NOTES

The following is the text of the Terms and Conditions of the Tier 2 Subordinated Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form:

The Tier 2 Subordinated Notes are constituted by a Trust Deed dated November 8, 2018 (as amended from time to time) (the "**Trust Deed**") and made between Banco Santander (Brasil) S.A., acting through its Grand Cayman Branch (the "**Issuer**"), and The Bank of New York Mellon as trustee for the Noteholders (the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees under the Trust Deed). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Tier 2 Subordinated Notes. Copies of the Trust Deed and of the Agency Agreement (as amended from time to time, the "**Agency Agreement**") dated November 8, 2018 and made among the Issuer, the Trustee and the Agents (as defined below), are available for inspection during usual business hours at the specified offices of each of the Trustee and the principal paying agent, the other paying agents (if any), the registrar, the replacement agent and the transfer agents for the time being. Such persons are referred to below respectively as the "**Principal Paying Agent**", the "**Paying Agents**", the "**Registrar**", the "**Replacement Agent**" and the "**Transfer Agents**" and together as the "**Agents**". The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all of the provisions of the Trust Deed and are deemed to have notice of those applicable to them of the Agency Agreement. In these Terms and Conditions, each of "**Noteholder**" and "**Holder**" means the person in whose name a Tier 2 Subordinated Note is registered.

### 1. Form, Denomination and Title

(a) *Form:* The U.S.\$1,250,000,000 6.125% Tier 2 Subordinated Notes due 2028 (the "**Tier 2 Subordinated Notes**", which expression includes any further notes issued pursuant to Condition 15 and forming a single issue therewith) are issued in registered form in amounts of U.S.\$150,000 and higher integral multiples of U.S.\$1,000 (each a "**Specified Denomination**") on November 8, 2018 (the "**Issue Date**") in accordance with these Terms and Conditions and Resolution 4,192.

The Tier 2 Subordinated Notes will initially be represented by a global note in fully registered form without interest coupons (the "**Global Note Certificate**") and will be registered in the name of The Bank of New York Depository (Nominees) Limited, as nominee for the common depository of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Beneficial interests in the Global Note Certificates shall be represented through book entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in Euroclear or Clearstream, Luxembourg. Interests in the Global Note Certificate shall be exchangeable, in accordance with their terms and the Agency Agreement, for individual note certificates (each an "**Individual Note Certificate**"). An Individual Note Certificate will be issued to each Noteholder in respect of its registered holding or holdings of Tier 2 Subordinated Notes. Each Individual Note Certificate will be numbered serially with an identifying number which will be recorded in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar.

(b) *Title:* Title to the Tier 2 Subordinated Notes shall pass by registration in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Tier 2 Subordinated Note shall be deemed to be and may be treated as the absolute owner of such Tier 2 Subordinated Note for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Tier 2 Subordinated Note shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

### 2. Definitions

"**Additional Amounts**" has the meaning given to it in Condition 8.

"**Additional Core Capital**" means the *adicional de capital principal* or the additional core capital required pursuant to Resolution 4,193.

"**Additional Tier 1 Capital**" means the *capital complementar* or any additional capital determined pursuant to article 6 of Resolution 4,192, which has been authorized or will become authorized by the Central Bank to be eligible as Tier 1 Capital of the Regulatory Capital.

"**Affiliate**" means any legal entity related to the Issuer within the same financial conglomerate or any non-financial entity controlled by the Issuer.

"**Agency Agreement**" has the meaning given to it in the preamble.

"**Agents**" has the meaning given to it in the preamble.

"**Bankruptcy Event**" has the meaning given to it in Condition 17(b).

"**Benchmark Reset Date**" means the fifth anniversary of the Issue Date and each successive fifth anniversary of such date.

"**Benchmark Reset Rate**" means (i) the rate per annum corresponding to the semi-annual equivalent yield to maturity, under the heading that represents the average for the week immediately prior to the Benchmark Reset Date, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication that is published weekly by the US Federal Reserve and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities", for the 5-Year US Treasury Bond or (ii) if such release (or any successor release) is not published during the week preceding the applicable Benchmark Reset Date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the 5-Year US Treasury Bond, calculated by a Reference Dealer appointed by the Issuer using a price for the 5-Year US Treasury Bond (expressed as a percentage of its principal amount) equal to the average of four quotations obtained with the Reference Dealers for the applicable Benchmark Reset Date. The Benchmark Reset Rate will be calculated on the third (3rd) Business Day preceding the applicable Benchmark Reset Date.

"**Brazil**" means the Federative Republic of Brazil.

"**Brazilian Governmental Authority**" means, as applicable, the government of Brazil, or any political subdivision thereof, whether federal, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government over the Issuer.

"**Brazilian Taxes**" has the meaning given to it in Condition 8.

"**Business Day**" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in New York City or São Paulo, Brazil.

"**Calculation Period**" has the meaning given to it in Condition 5.

"**Cayman Taxes**" has the meaning given to it in Condition 8.

"**Central Bank**" means the Central Bank of Brazil or any Brazilian Governmental Authority that replaces the Central Bank of Brazil in its current functions applicable to the subordination provisions set out in Condition 17.

"**Clearstream, Luxembourg**" has the meaning given to it in Condition 1(a).

"**Common Equity Tier 1 Capital**" means the *capital principal* or any capital determined pursuant to article 4 et seq. of Resolution 4,192 and included as part of the Tier 1 Capital of the Regulatory Capital.

"**Credit Spread**" means 3.1020%.

"**Early Redemption Amount**" has the meaning given to it in Condition 9.

"**Euroclear**" has the meaning given to it in Condition 1(a).

"**Event of Default**" has the meaning given to it in Condition 9.

"**Extraordinary Resolution**" has the meaning given to it in Condition 11(a).

"**FATCA**" means sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (including any regulations or official interpretations issued, agreements or non-U.S. laws entered into or enacted, with respect thereto).

"**Final Redemption Amount**" has the meaning given to it in Condition 6(a).

"**Global Note Certificate**" has the meaning given to it in Condition 1(a).

"**Holder**" has the meaning given to it in the preamble.

"**Individual Note Certificate**" has the meaning given to it in Condition 1(a).

"**Interest Payment Date**" has the meaning given to it in Condition 5.

"**Interest Period**" has the meaning given to it in Condition 5.

"**Issue Date**" has the meaning given to it in Condition 1(a).

"**Issuer**" has the meaning given to it in the preamble.

"**Maturity Date**" has the meaning given to it in Condition 6(a).

"**New Residence**" has the meaning given to it in Condition 11(d)(iii).

"**Noteholder**" has the meaning given to it in the preamble.

"**Opinion of Counsel**" means a written opinion of counsel from any person, which may include, without limitation, counsel for the Issuer, whether or not such counsel is an employee of the Issuer, in all cases in form and substance reasonably acceptable to the Trustee.

"**Optional Redemption Amount**" means an amount equal to 100% of the then outstanding principal amount of the Tier 2 Subordinated Notes.

"**Optional Redemption Date**" means the fifth anniversary of the Issue Date or any Interest Payment Date occurring thereafter.

"**Paying Agents**" has the meaning given to it in the preamble.

"**person**" means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having a separate legal personality.

"**Principal Paying Agent**" means The Bank of New York Mellon, London Branch.

"**Proceedings**" has the meaning given to it in Condition 20(b).

"**Rate of Interest**" has the meaning given to it in Condition 5.

"**Record Date**" has the meaning given to it in Condition 7(a).

"**Reference Dealers**" means any primary U.S. Government securities dealer(s) in the City of New York selected by the Issuer in its sole discretion.

"**Register**" has the meaning given to it in Condition 1(a).

"**Registrar**" means The Bank of New York Mellon.

"**Regulatory Capital**" means the *patrimônio de referência* or the sum of Tier 1 Capital and Tier 2 Capital, as determined in accordance with the calculation methodology set out in Resolution 4,192 and any other applicable regulations.

"**Resolution 4,192**" means Resolution 4,192 of March 1, 2013 issued by the *Conselho Monetário Nacional* (the National Monetary Council), as amended, modified, supplemented or superseded from time to time.

"**Resolution 4,193**" means Resolution 4193 of March 1, 2013 issued by *Conselho Monetário Nacional* (the National Monetary Council), as amended, modified, supplemented or superseded from time to time.

"**RWA**" means the risk weighted assets.

"**Relevant Date**" has the meaning given to it in Condition 8.



"**Replacement Agent**" has the meaning given to it in the preamble.

"**Senior to Tier 2 Liabilities**" means all liabilities of the Issuer other than the Tier 2 Parity Liabilities and for items that would constitute the Common Equity Tier 1 Capital and the Additional Tier 1 Capital upon dissolution of the Issuer.

"**Series**" means Tier 2 Subordinated Notes of the Issuer issued in accordance with Resolution 4,192 which have identical terms and conditions of the Tier 2 Subordinated Notes, other than in respect of the Issue Date, the date on which interest commences to accrue and related matters.

"**Specified Denomination**" has the meaning given to it in Condition 1(a).

"**Subscription Agreement**" means the subscription agreement dated November 5, 2018 between the Issuer and Banco Santander, S.A., as further amended and/or supplemented from time to time.

"**Substituted Debtor**" has the meaning given to it in Condition 11(d).

"**Substitution Documents**" has the meaning given to it in Condition 11(d)(ii).

"**Successor Corporation**" means the corporation formed by consolidation or into which the Issuer is merged or the person which acquires by conveyance or transfer (including in connection with a *cisão*) all or substantially all of the properties and assets of the Issuer.

"**Terms of Subordination**" means the terms of subordination prepared in accordance with Resolution 4,192, which form part of the Trust Deed.

"**Tier 1 Capital**" means any capital of the Issuer or any of its Affiliates that was or will be authorized by the Central Bank as Tier 1 Capital and which forms part of the Regulatory Capital, as set forth in Resolution 4,192.

"**Tier 2 Capital**" means any capital of the Issuer or any of its Affiliates that was or will be authorized by the Central Bank as Tier 2 Capital and which forms part of the Regulatory Capital of the Issuer, as set forth in Resolution 4,192.

"**Tier 2 Parity Liabilities**" means, with respect to the Issuer, any securities or liabilities that have been or will be deemed part of the Issuer's Tier 2 Capital in accordance with and determined pursuant to Resolution 4,192.

"**Tier 2 Regulatory Event**" means, subsequent to the time that the Tier 2 Subordinated Notes initially qualify as Tier 2 Capital, the Central Bank or any other applicable Brazilian Governmental Authority provides written notice or enacts a law or regulation determining that the Tier 2 Subordinated Notes will no longer be included in the consolidated Tier 2 Capital of the Issuer or will be included in such consolidated Tier 2 Capital in a lower proportion than set forth by the regulation in force the time of issuance of the Tier 2 Subordinated Notes.

"**Tier 2 Write-Off Event**" has the meaning given to it in Condition 17(c).

"**Tier 2 Subordinated Notes**" has the meaning given to it in Condition 1(a).

"**Transaction Documents**" means the Trust Deed (other than the Terms of Subordination annexed thereto), the Agency Agreement, the Subscription Agreement and the Global Note Certificates.

"**Transfer Agents**" has the meaning given to it in the preamble.

"**Trustee**" has the meaning given to it in the preamble.

"**Trust Deed**" has the meaning given to it in the preamble.

### **3. Transfers of Notes and Issue of Individual Note Certificates**

(a) *Transfer of Tier 2 Subordinated Notes:* A Tier 2 Subordinated Note may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part in a Specified Denomination upon the surrender of the Individual Note Certificate issued in respect of the Tier 2 Subordinated

Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Tier 2 Subordinated Note, a new Individual Note Certificate in respect of the balance not transferred will be issued to the transferor. Each new Individual Note Certificate to be issued to the transferee upon transfer of such Tier 2 Subordinated Note will, within three Business Days of receipt of such form of transfer, be mailed at the risk of the Holder entitled to the new Individual Note Certificate to such address as may be specified in such form of transfer.

(b) *Transfer Free of Charge:* Registration of transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

(c) *Closed Periods:* No Noteholder may require the transfer of a Tier 2 Subordinated Note to be registered (i) during the period of 15 days ending on the due date for any payment of principal (being, for the purposes of these Terms and Conditions, unless the context otherwise requires, the amount payable on redemption of a Tier 2 Subordinated Note) of that Tier 2 Subordinated Note, (ii) during the period of 60 days prior to any date on which Tier 2 Subordinated Notes may be redeemed by the Issuer at its option pursuant to Condition 17(d)(ii) or (iii) after any notice has been delivered for redemption in whole or in part of any Note in accordance with Condition 17(d)(iv).

(d) *Regulations:* All transfers of Tier 2 Subordinated Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Tier 2 Subordinated Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be made available by the Registrar to any Holder of a Tier 2 Subordinated Note upon request.

#### 4. Status

The Tier 2 Subordinated Notes constitute unsecured and subordinated obligations of the Issuer and shall be subordinated in right of payment to all existing and future Senior to Tier 2 Liabilities of the Issuer in accordance with the provisions of Condition 17. The Tier 2 Subordinated Notes shall rank *pari passu* and without preference among themselves and equally with all other present and future Tier 2 Parity Liabilities of the Issuer under the terms of Resolution 4,192 (other than those preferred by mandatory provisions of law).

#### 5. Interest

Subject to the provisions set forth in Condition 17, each Tier 2 Subordinated Note bears interest on its outstanding nominal amount from (and including) November 8, 2018 at the rate of 6.125% per annum (the "**Rate of Interest**") until the fifth anniversary of the Issue Date. Thereafter, for each Interest Period falling on or after the fifth anniversary of the Issue Date, the Rate of Interest shall be determined by reference to the Benchmark Reset Rate plus the Credit Spread on the relevant Benchmark Reset Date. The Rate of Interest on the Issue Date corresponds to the sum of (i) the rate per annum corresponding to the semi-annual equivalent yield to maturity of the 5-Year U.S. Treasury Bond, equivalent to 3.023% per annum, plus (ii) the Credit Spread.

Such interest is payable semi-annually in arrears on each May 8 and November 8 in each year (each, an "**Interest Payment Date**"), commencing on May 8, 2019. Each period beginning on (and including) the Issue Date or any Interest Payment Date, as the case may be, and ending on (but excluding) the next Interest Payment Date or the Maturity Date, as the case may be, is herein called an "**Interest Period**".

Each Tier 2 Subordinated Note will cease to bear interest from the due date for redemption unless, after surrender of the Individual Note Certificate, payment of principal is improperly withheld or refused. In such event interest will continue to accrue at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Tier 2 Subordinated Note up to that day are received by or on behalf of the relevant Holder and (b) the day seven days after the Trustee, the Principal Paying Agent or any Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Tier 2 Subordinated Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Holders under these Terms and Conditions).

The amount of interest payable in respect of each Tier 2 Subordinated Note for any Interest Period shall be calculated by applying the Rate of Interest to the principal amount of such Tier 2 Subordinated Note, dividing the product by two and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

If interest is required to be calculated for any period other than an Interest Period (a "**Calculation Period**"), it will be calculated based on the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).

## 6. **Redemption and Purchase**

(a) *Final Redemption:* Unless previously redeemed or purchased and cancelled, and subject to the provisions of Condition 17, each Tier 2 Subordinated Note will be redeemed at its nominal amount ("**Final Redemption Amount**") on November 8, 2028 (the "**Maturity Date**").

(b) *Repurchases:* The Issuer and any of its Affiliates may repurchase Tier 2 Subordinated Notes in the open market or otherwise only in accordance with the provisions set forth in Condition 17. Tier 2 Subordinated Notes so repurchased by the Issuer or any Affiliate shall not be deemed to be outstanding for the purposes of Conditions 9, 11 or 12.

(c) *Redemption of Tier 2 Subordinated Notes:* Tier 2 Subordinated Notes may not be redeemed at the option of Noteholders and, except as provided in Condition 17(d), may not be redeemed at the option of the Issuer.

(d) *Write-off of Tier 2 Subordinated Notes:* Tier 2 Subordinated Notes shall be subject to the provisions relating to write-off set forth in Condition 17.

(e) *Cancellation:* All Tier 2 Subordinated Notes redeemed shall be cancelled and may not be resold or reissued, provided that any Tier 2 Subordinated Notes repurchased in accordance with Condition 17(d)(i) need not be cancelled and may be resold; provided further that any such resale is in compliance with all relevant laws, regulations and directives.

## 7. **Payments**

(a) *Payments of Principal and Interest:* Payments of principal and interest in respect of the Tier 2 Subordinated Notes will be made or procured to be made by the Principal Paying Agent on the due date for payment to the person shown on the Register (or, in case of joint Holders, the first named) at the close of business (local time in the place of the specified office of the Principal Paying Agent) on the fifteenth day before the due date for payment thereof (the "**Record Date**") by cheque drawn on, or by transfer to an account in US dollars maintained by the payee in the jurisdiction of the Principal Paying Agent.

Payments of principal in respect of the Tier 2 Subordinated Notes will only be made against surrender of the relevant Individual Note Certificate at the specified office of any Transfer Agent. Upon application by the Holder to the specified office of any Transfer Agent not less than 15 days before the due date for any payment in respect of a Tier 2 Subordinated Note, such payment will be made by transfer to an account maintained by the payee with a bank in the jurisdiction of the Principal Paying Agent. Details of the account to which a registered Holder's payments will be made should be notified by the Holder to the specified office of the Principal Paying Agent before the Record Date preceding the relevant payment date. If the amount of principal being paid is less than the nominal amount of the relevant Individual Note Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Individual Note Certificate with a nominal amount equal to the remaining unpaid nominal amount.

(b) *Payment Initiation:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or if that is not a Business Day, for value the first following day which is a Business Day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed (at the risk of the Holder of such Tier 2 Subordinated Note) on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Individual Note Certificate has not been surrendered at the specified office of any Transfer Agent, on a day on

which the Principal Paying Agent is open for business and on which the relevant Individual Note Certificate is surrendered.

(c) *Delay in Payment:* Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Tier 2 Subordinated Note if the due date is not a Business Day, if the Noteholder is late in surrendering or cannot surrender its Individual Note Certificate (if required to do so) or if a cheque mailed in accordance with Condition 7(b) arrives after the due date for payment.

(e) *Payment Not Made in Full:* If the amount of principal or interest which is due on any Tier 2 Subordinated Note is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest, if any, in fact paid on such Tier 2 Subordinated Note.

(f) *Payments Subject to Law, etc.:* All payments are subject in all cases to any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 9. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(g) *Appointment of Agents:* The Principal Paying Agent, the Paying Agents, the Registrar, the Replacement Agent and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed in the Agency Agreement. The Issuer reserves the right at any time, with the prior written approval of the Trustee, which shall not be unreasonably withheld, to vary or terminate the appointment of any Agent, to appoint another Registrar or Replacement Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer will at all times maintain (i) a Principal Paying Agent, (ii) a Registrar and a Transfer Agent, and (iii) a Replacement Agent. Notice of any such change or any change in the specified office of any Agent will promptly be given to the Noteholders in accordance with Condition 18.

(h) *Satisfaction of Obligations:* Every payment of any sum due in respect of Tier 2 Subordinated Notes made to the Principal Paying Agent as provided for herein shall, to such extent, be a good discharge to the Issuer. In the event there is a default by the Principal Paying Agent in any payment to any Paying Agent or by any Paying Agent in any payment on the Tier 2 Subordinated Notes to any Holder in accordance with these Terms and Conditions, the Issuer shall pay such additional amounts as will result in receipt by such Holder of such amount as would have been received by it had no such default occurred.

## 8. Additional Amounts

All payments in respect of the Tier 2 Subordinated Notes, including, without limitation, payments of principal and interest, will be made by the Issuer without withholding or deduction for or on account of any present or future taxes, duties, levies, contributions or withholdings of whatever nature in connection with such payments in effect on the relevant settlement date or imposed or established in the future by or on behalf of Brazil or any authority in Brazil or any organization of which Brazil is or becomes a member ("**Brazilian Taxes**") and the Cayman Islands or any authority in the Cayman Islands or any organization of which the Cayman Islands is or becomes a member ("**Cayman Taxes**"). In the event any such taxes, duties, levies, contributions or withholdings are in effect on the Issue Date or are imposed or established in the future, the Issuer will pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts receivable by the Noteholders after any withholding or deduction in respect of such tax, duty, levy, contribution or withholding shall equal the respective amounts of principal and interest which would have been receivable in respect of the Tier 2 Subordinated Notes in the absence of such withholding or deduction; provided that no such Additional Amounts will be payable with respect to any payment on any Tier 2 Subordinated Note:

(i) by or on behalf of a holder who is liable for taxes or duties in respect of such Tier 2 Subordinated Note by reason of his having some connection with Brazil or the Cayman Islands other than the mere holding of such Tier 2 Subordinated Note or the receipt of principal or interest in respect thereof;

(ii) in respect of any estate, asset, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment or governmental charge; or

(iii) presented more than 30 days after the Relevant Date except to the extent that the Noteholder would have been entitled to such additional amounts on presenting such Tier 2 Subordinated Note for payment on the last day of such period of 30 days;

As used herein, "**Relevant Date**" means, in respect of any payment, the later of (A) the date on which such payment first becomes due and (B) if the full amount of the moneys payable has not been received by the

Principal Paying Agent or, as the case may be, the Registrar, on or prior to such due date, the first date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 18.

Any reference herein to principal and/or interest shall be deemed also to refer to any Additional Amounts that may be payable under the undertakings referred to above. If the payment of any Brazilian Taxes or Cayman Taxes results in the payment of Additional Amounts, the Issuer is required to provide the Principal Paying Agent a receipt evidencing the payment of such Brazilian Taxes or Cayman Taxes, as the case may be, and the Principal Paying Agent shall provide a copy of such receipt to any Noteholder requesting same.

If the Issuer becomes subject at any time to any taxing jurisdiction other than Brazil and the Cayman Islands, references in these Conditions to Brazil and the Cayman Islands shall be construed as references to Brazil and the Cayman Islands and/or such other jurisdiction.

The Issuer, and any other person to or through which any payment with respect to the Tier 2 Subordinated Notes may be made, will be entitled to withhold or deduct from any payments made with respect to the Tier 2 Subordinated Notes amounts required to be withheld or deducted under or in connection with FATCA, and, notwithstanding anything herein, Holders and beneficial owners of Tier 2 Subordinated Notes will not be entitled to receive any gross up or other additional amounts on account of any such withholding or deduction.

## 9. Events of Default

If an Event of Default described in paragraphs (b) and (c) below occurs and is continuing, the Trustee, if instructed in writing by Holders holding in aggregate at least one third in nominal amount of the Tier 2 Subordinated Notes then outstanding or if so directed by an Extraordinary Resolution of Noteholders, shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Issuer that the Tier 2 Subordinated Notes are, and they shall immediately become, due and payable at their nominal amount together with accrued interest to the date of redemption of such Tier 2 Subordinated Notes (the "**Early Redemption Amount**"). However, the Issuer will only be required to make payment on acceleration after it has been declared bankrupt, has been dissolved or suspends payment on or fails or is unable to pay all or a material part of (or of a particular type of) its debts generally as they become due, and those payments will be subject to the subordination provisions set forth in Condition 17.

Such acceleration is subject to the condition that any time after the principal of the Tier 2 Subordinated Notes shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered, Holders holding in aggregate at least two thirds in nominal amount of the Tier 2 Subordinated Notes then outstanding by written notice to the Issuer and the Trustee may rescind and annul such declaration and its consequences solely with respect to the Tier 2 Subordinated Notes, subject to certain conditions, but no such rescission and annulment shall affect any subsequent default or shall impair any right consequent thereon.

There is no right of acceleration in the case of default in the payment of principal of or interest on the Tier 2 Subordinated Notes, as described in paragraph (a) below.

Any of the following events shall be an "**Event of Default**":

(a) *Non-Payment*: Subject to Condition 17, the Issuer defaults in the payment of any principal of any Tier 2 Subordinated Note as and when such Tier 2 Subordinated Note shall become due and payable (whether at maturity, upon redemption, repayment or acceleration, or otherwise); and such default shall continue for a period of three days, or fails to pay any amount of interest (including any Additional Amounts) in respect of any Tier 2 Subordinated Notes within fifteen days of the due date for payment thereof; or

(b) *Dissolution and insolvency*: (A) Any proceeding is initiated against the Issuer in a court of competent jurisdiction in an involuntary case under applicable bankruptcy, reorganization, insolvency or other similar law now or hereafter in effect, and such proceeding shall remain undischarged or unstayed for 90 days; (B) a court of competent jurisdiction shall appoint a receiver, liquidator, assignee, custodian, trustee or sequestrator (or similar official) of the Issuer or for any material part (in the opinion of the Trustee) of the Issuer's property or shall order the winding up or liquidation of the Issuer's affairs; or a resolution is passed for the winding up or dissolution of the Issuer or a material part (in the opinion of the Trustee) of the property of the Issuer; or (C) the Issuer shall commence a voluntary case under any applicable bankruptcy, reorganization,

insolvency or other similar law now or hereafter in effect (otherwise than for the purposes of a reconstruction or amalgamation while the Issuer is solvent if such reconstruction or amalgamation is undertaken for purposes unrelated to seeking relief from creditors, the composition or readjustment of debts, or assignments for the benefit of creditors), or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee or sequestrator (or similar official) of the Issuer or for any material part (in the opinion of the Trustee) of its property, or make any general assignment for the benefit of creditors; or

(c) *Analogous events:* Any event shall occur that under the laws of Brazil or the Cayman Islands shall have an analogous effect to any of the Events of Default described in paragraph (b).

## **10. Repayment of Monies and Prescription**

Claims against the Issuer for payment in respect of the Tier 2 Subordinated Notes shall be prescribed and become void unless made within 10 years (in the case of principal) and 5 years (in the case of interest) from the appropriate Relevant Date in respect thereof.

## **11. Meetings of Noteholders, Modification, Waiver and Substitution**

(a) *Meetings of Noteholders:* The Trust Deed contains provisions (which shall have the effect as if incorporated herein) for convening meetings of Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Tier 2 Subordinated Notes. Such a meeting may be convened by the Issuer or the Trustee, and the Trustee (subject to being indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses thereby occasioned) shall convene such a meeting upon written request of Noteholders holding not less than 10% in nominal amount of the Tier 2 Subordinated Notes for the time being outstanding. The quorum for any meeting to consider an Extraordinary Resolution will be two or more persons holding or representing in aggregate more than 50% in nominal amount of the Tier 2 Subordinated Notes for the time being outstanding, unless the business of such meeting includes voting on an Extraordinary Resolution so as (i) to change any date fixed for payment of principal or interest in respect of the Tier 2 Subordinated Notes, to reduce the amount of principal or interest payable on any date in respect of the Tier 2 Subordinated Notes or to alter the method of calculating the amount of any payment in respect of the Tier 2 Subordinated Notes on redemption or maturity or the date for any such payment; (ii) to effect the exchange, conversion or substitution of the Tier 2 Subordinated Notes for, or the conversion of the Tier 2 Subordinated Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed (other than as permitted under Condition 11(d)); (iii) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or (iv) to amend the definition of Reserved Matter, in which case the necessary quorum will be two or more persons holding or representing not less than 75%, or at any adjourned meeting the fraction of the aggregate principal amount of the Tier 2 Subordinated Notes for the time being outstanding represented or held by the Voters actually present at the meeting, unless the business of such meeting includes voting on an Extraordinary Resolution in respect of (i) to (iv) above, in which case the necessary quorum at an adjourned meeting will be two or more persons holding or representing not less than 25%. An "**Extraordinary Resolution**" is defined in the Trust Deed to mean a resolution passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Trust Deed by a majority of at least 75% of the votes cast. A written resolution of Holders of not less than 75% in nominal amount of the Tier 2 Subordinated Notes for the time being outstanding shall take effect as an Extraordinary Resolution for all purposes. Any Extraordinary Resolution duly passed shall be binding on all Holders of Tier 2 Subordinated Notes (whether or not they were present or represented at the meeting at which such resolution was passed).

(b) *Modification, Waiver and Determination:* The Trustee may, without the consent of the Noteholders, agree to any modification of any of the provisions of the Trust Deed and the Tier 2 Subordinated Notes (i) which is of a formal, minor or technical nature or is made to correct a manifest error, or (ii) (save for any modification referred to in Condition 11(a)(i) to (iv) above) which in the opinion of the Trustee is not materially prejudicial to the interests of Noteholders under the Tier 2 Subordinated Notes or the Trust Deed. For the purposes of the foregoing, the Trustee shall be entitled to request and to rely on such Opinions of Counsel and advice as it deems necessary and shall not be responsible to anyone for any loss occasioned by so acting. In addition, the Trustee may, without the consent of the Noteholders, agree to any waiver or authorization of any breach or proposed breach of any of the provisions of the Trust Deed and the Tier 2 Subordinated Notes (other than a breach or proposed breach relating to the subject of a matter referred to in Condition 11(a)(i) to (iv) above) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby, provided that the Trustee will not do so in contravention of an express direction given by an

Extraordinary Resolution or a request made pursuant to Condition 9 or 12, in respect of the Tier 2 Subordinated Notes. Any such modification, authorization, determination or waiver shall be binding on the Noteholders and, unless the Trustee agrees otherwise, such modification shall be notified to the Noteholders in accordance with Condition 18 as soon as practicable.

(c) *Modification by the Issuer:* In relation to the Tier 2 Subordinated Notes, the Issuer may, during the period of one year from the Issue Date, and the Trustee shall, if requested by the Issuer acting in compliance with the remainder of this Condition 11(c), without the consent of the Noteholders, modify the terms and conditions of the Tier 2 Subordinated Notes solely to comply with the requirements of the Central Bank in order to qualify the Tier 2 Subordinated Notes as Tier 2 Capital pursuant to Resolution 4,192. The Issuer will not be permitted to make any modifications without Noteholders' consent if such modification would affect in any way the interest rate of the Tier 2 Subordinated Notes, the outstanding principal amount of the Tier 2 Subordinated Notes, the ranking of the Tier 2 Subordinated Notes or the Maturity Date. The Trustee shall agree to any modification of the terms and conditions of the Tier 2 Subordinated Notes which two authorized officers or attorneys of the Issuer shall have certified in writing to the Trustee is permitted in accordance with the provisions of this Condition 11(c), provided that the Trustee shall not be bound to assent to or to execute any modification to the Tier 2 Subordinated Notes which would have the effect of (i) changing, increasing or adding to the obligations or duties of the Trustee or (ii) removing or amending any protection or indemnity afforded to, or any other provision in favor of, the Trustee under the Trust Deed or the terms and conditions of the Tier 2 Subordinated Notes. The Trustee may rely absolutely on any such certificate and shall not be bound to make any further enquiries and shall have no liability whatsoever to any Noteholder for so doing.

(d) *Substitution:* The Issuer (the "**Substituting Debtor**") may, with respect to any Series of Notes issued by it, without the consent of any Holder, substitute for itself any other branch of Banco Santander (Brasil) S.A. as the debtor in respect of the Tier 2 Subordinated Notes and the Trust Deed (the "**Substituted Debtor**") upon notice by the Substituting Debtor and the Substituted Debtor to be given in accordance with Condition 18; provided that:

(i) the Substituting Debtor is not in default under any of the relevant Notes;

(ii) the Substituting Debtor and the Substituted Debtor have entered into such documents (the "**Substitution Documents**") as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Holder of the Tier 2 Subordinated Notes to be bound by these terms and conditions and the provisions of the Trust Deed and the Agency Agreement as the debtor in respect of the Tier 2 Subordinated Notes in place of the Substituting Debtor;

(iii) if the Substituted Debtor is resident for tax purposes in a country (the "**New Residence**") other than the Cayman Islands, as applicable, the Substitution Documents contain an undertaking or such other provisions as may be necessary to ensure that each Holder of the Tier 2 Subordinated Notes has the benefit of an undertaking in terms corresponding to (A) the provisions of Condition 17(d)(ii) and Condition 8 with, where applicable, the substitution of references to the Cayman Islands with references to the New Residence and (B) the provisions of Condition 17(d)(ii) with, where applicable, the substitution of references to "the date of the issuance of the Tier 2 Subordinated Notes" with references to "the relevant date of consolidation, merger, conveyance, transfer or substitution, as the case may be;"

(iv) the Substituted Debtor and the Substituting Debtor have obtained all material governmental approvals and consents required by applicable law for such substitution and for the performance by the Substituted Debtor of its obligations under the Substitution Documents;

(v) each applicable listing authority or stock exchange shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Tier 2 Subordinated Notes will continue to be admitted to listing and/or trading by the applicable listing authority and stock exchange;

(vi) the Substituted Debtor will deliver, or cause the delivery, to the Trustee an Opinion of Counsel in the jurisdiction of organization of the Substituted Debtor and England as to the validity, legally binding effect and enforceability of the Substitution Documents and specified other legal matters, as well as an Officer's Certificate as to compliance with the provisions described under this Condition 11(d); and

(vii) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Tier 2 Subordinated Notes.

Upon the execution of the Substitution Documents and compliance with the other conditions in the Trust Deed relating to the substitution, the Substituted Debtor will be deemed to be named in the Global Note Certificate, Individual Note Certificates, the Agency Agreement and the Trust Deed as the principal debtor in place of the Substituting Debtor.

Not later than 30 Business Days after the execution of the Substitution Documents, the Substituted Debtor will give notice thereof to the holders of the Tier 2 Subordinated Notes in accordance with the provisions of the Trust Deed.

After a substitution pursuant to this Condition 11(d), the Substituted Debtor may, without the consent of any Holder, effect a further substitution. All the provisions specified above shall apply to effect the further substitution. After a substitution pursuant to the above, any Substituted Debtor may, without the consent of any Holder, reverse the substitution.

## **12. Enforcement**

At any time after the Tier 2 Subordinated Notes become due and payable, the Trustee shall, if instructed in writing by the Holders of at least one-third in nominal amount of the Tier 2 Subordinated Notes then outstanding or if directed by an Extraordinary Resolution of Noteholders and on such terms and conditions (if any) as shall be specified in such instructions or direction, institute such Proceedings against the Issuer to enforce the terms of the Trust Deed and the Tier 2 Subordinated Notes, provided that the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## **13. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee for its relief from responsibility and for the limitation of its duties and powers thereunder. The Trustee and its parent, subsidiaries and affiliates are entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

## **14. Replacement of Individual Note Certificates**

If any Individual Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Transfer Agent (in such capacity, the Replacement Agent) subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the taxes and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Replacement Agent may require (provided that the requirement, in the case of the Issuer only, is reasonable in the light of prevailing market practice). Any replacement Individual Note Certificate will bear a notation stating the serial number of the Individual Note Certificate which it replaces or is deemed to replace. Mutilated or defaced Individual Note Certificates must be surrendered before replacements will be issued.

## **15. Further Issuances**

The Issuer may from time to time, without consent of the Noteholders and in accordance with the Trust Deed, create and issue additional Tier 2 Subordinated Notes having the same terms and conditions as the Tier 2 Subordinated Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Tier 2 Subordinated Notes.

## **16. Agents**

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation, liability or relationship of agency or trust for or with any Holder.

## **17. Terms of Subordination**

(a) Form, Subscription in Cash and Maturity

(i) *Form:* The Tier 2 Subordinated Notes will be issued as registered notes.



(ii) *Subscription and Payment in Cash:* The Tier 2 Subordinated Notes will be issued in a single Series and consideration for the Tier 2 Subordinated Notes shall be paid to the Issuer in cash on the Issue Date.

(iii) *Maturity:* The Tier 2 Subordinated Notes shall not be amortized or become due prior to the fifth anniversary of the Issue Date.

(b) Status; Subordination Provisions

(i) *Status:* The Tier 2 Subordinated Notes constitute unsecured and subordinated obligations of the Issuer.

(ii) *Subordination:* The Tier 2 Subordinated Notes are subordinated in right of payment to all existing and future Senior to Tier 2 Liabilities of the Issuer in accordance with this Condition 17(b).

Subject to applicable law, (A) the rights and claims of Noteholders are and will be subordinated and, accordingly, subject to prior payment in full of all principal, premium, if any, interest and any other amounts due or to become due on all Senior to Tier 2 Liabilities upon the Issuer's winding-up, bankruptcy, liquidation, dissolution or similar proceedings (each a "**Bankruptcy Event**"), except for obligations with respect to the Issuer's Common Equity Tier 1 Capital and the Additional Tier 1 Capital, and (B)(i) the Tier 2 Subordinated Notes shall rank *pari passu* with respect to each other without any preference among themselves, and (ii) the rights and claims of Noteholders under the Tier 2 Subordinated Notes shall rank *pari passu* with the rights and claims of holders of the Tier 2 Parity Liabilities; provided that the consolidation of the Issuer with, or the merger of the Issuer into any other corporation or the liquidation or dissolution of the Issuer following the conveyance or transfer (including in connection with a *cisão*) of its properties, assets and liabilities substantially as an entirety to another corporation shall not be deemed a Bankruptcy Event for the purposes of this Condition 17 if the Central Bank has approved such consolidation, merger, transfer or conveyance. Thereafter, the Issuer shall be automatically released and discharged from all obligations and covenants under the Trust Deed and the Tier 2 Subordinated Notes, and the Tier 2 Subordinated Notes will continue to be outstanding and will be treated as subordinated debt of such Successor Corporation pursuant to the terms of Resolution 4,192.

(c) Write-off

(i) The Tier 2 Subordinated Notes shall be written-off on a permanent basis, in a minimum amount corresponding to the balance allocated to the Tier 2 Capital, upon the occurrence of any of the following events, or other events as may be determined by the Central Bank or by any competent Brazilian Governmental Authority (each, a "**Tier 2 Write-off Event**"):

(A) disclosure by the Issuer, in the manner set forth by the Central Bank, that its Common Equity Tier 1 Capital is below 4.5% of the RWA determined in accordance with Resolution 4,193;

(B) execution of an agreement for capital contribution pursuant to the exception set forth in the recital to article 28 of Supplementary Law No. 101, as of May 4, 2000;

(C) decree, by the Central Bank, of a temporary special administration regime (*Regime de Administração Especial Temporária*) or an intervention in the business of the Issuer; or

(D) determination, by the Central Bank, based on criteria established by the National Monetary Council, of a write-off of the Tier 2 Subordinated Notes.

(ii) The above-mentioned Tier 2 Write-off Events shall not occur in case of revision or republication of the documents used by the Issuer as the basis for disclosure of the ratio between the Common Equity Tier 1 Capital and the RWA, as determined in item (a) above.

(iii) The occurrence of any Tier 2 Write-off Event, as well as the revision or republication set forth in the paragraph above, or of other events that may be determined by the Central Bank or by any competent Brazilian Governmental Authority, shall not be deemed an event of default and shall not accelerate the maturity of any other obligations of the Issuer.

(iv) If the Tier 2 Subordinated Notes are written-off as a result of the occurrence of a Tier 2 Write-off Event, the Issuer shall notify the Noteholders in writing about the existence of such Tier 2 Write-off Event. Such notice shall be sent to the Noteholders (with a copy to the Trustee) within 14 Business Days from the date of determination by the Central Bank of such Tier 2 Write-off Event.

(d) Redemption, Repurchase and Guaranty or Insurance

(i) *Repurchases:* Subject to the prior approval of the Central Bank (in accordance with Article 20, V, of Resolution 4,192) or any other applicable Brazilian Governmental Authority (if such approval is then required), the Issuer or any Affiliate may, on or after the fifth anniversary of the Issue Date, repurchase Tier 2 Subordinated Notes in the open market or otherwise in any manner and at any price. The Issuer and any of its Affiliates may at any time purchase Tier 2 Subordinated Notes that are not qualified as Tier 2 Capital in the open market or otherwise in any manner and at any price. The repurchased Tier 2 Subordinated Notes need not be cancelled and may be resold; provided that any resale thereof is in compliance with all relevant laws, regulations and directives. Tier 2 Subordinated Notes so repurchased, while held by or on behalf of the Issuer or any of its Affiliates, shall not entitle the Noteholder to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders.

(ii) *Optional Redemption for Taxation Reasons:* Subject to the prior approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), the Issuer may, on or after the fifth anniversary of the Issue Date, redeem or procure the purchase of Tier 2 Subordinated Notes at its option, in whole but not in part, on giving not less than 30 days nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (together with interest accrued to, but excluding, the date fixed for redemption) if (a)(i) as the result of any change in or amendment to the laws or regulations of Brazil or the Cayman Islands or any respective political subdivision or authority thereof or therein having power to tax or any change in the application or official interpretation of such laws or regulations, which, in any case, shall become effective after the Issue Date, the Issuer has or will become obligated to pay Additional Amounts with respect to payments in respect of the Tier 2 Subordinated Notes, including without limitation, payments of principal and interest, or (ii) any act is taken by a taxing authority of Brazil or the Cayman Islands after the Issue Date (including but not limited to an adverse official interpretation by such subdivision or authority in a similar case involving third parties and other circumstances whether or not such act is taken with respect to the Issuer or any Affiliate thereof) that results in a substantial probability that the Issuer will be required to pay Additional Amounts with respect to payments of principal of, and interest on, the Tier 2 Subordinated Notes (excluding interest and penalties) in excess of the Additional Amounts that the Issuer would be obligated to pay if payments were subject to withholding or deduction at a rate of 0%; and (b) such increase cannot be avoided by the Issuer taking ministerial measures available to it, provided that no such notice of redemption or purchase in lieu of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of such Tier 2 Subordinated Notes then due. Prior to the publication of any notice of redemption or purchase in lieu of redemption pursuant to this Condition 17(d)(ii), the Issuer shall deliver to the Trustee a certificate signed by two authorised officers or attorneys of the Issuer stating that the obligation referred to in (a) above cannot be avoided by the Issuer taking ministerial measures available to it and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (b) above, which shall be conclusive and binding on the Noteholders.

(iii) *Optional Redemption due to a Tier 2 Regulatory Event:* Subject to the prior approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), the Issuer may redeem or procure the purchase of the Tier 2 Subordinated Notes, in whole but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at the Early Redemption Amount (together with interest accrued to, but excluding, the date fixed for redemption) if the Issuer certifies to the Trustee immediately prior to the giving of such notice that a Tier 2 Regulatory Event has occurred, provided, however, that no notice of redemption or purchase in lieu of redemption shall be given earlier than 90 days prior to the earliest date on which the Tier 2 Regulatory Event is or is reasonably expected to be effective. Prior to the publication of any notice of redemption or purchase in lieu of redemption pursuant to this Condition 17(d)(iii), the Issuer shall deliver to the Trustee a certificate signed by two authorised officers or attorneys of the Issuer stating that the Issuer is entitled to effect such a redemption or to cause such purchase in lieu of redemption pursuant to this Condition 17(d)(iii), and setting forth in reasonable detail a statement of the facts giving rise to such right of redemption. Concurrently, the Issuer will deliver to the Trustee a written Opinion of Counsel stating, among other things, that a Tier 2 Regulatory Event has occurred and that all governmental approvals necessary for the Issuer to

effect such redemption or purchase in lieu of redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained.

(iv) *Redemption of Tier 2 Subordinated Notes at the Option of the Issuer (Call Option)*: In accordance with article 21 of Resolution 4,192, the Issuer may, on or after the fifth anniversary of the Issue Date and subject to the prior approval of the Central Bank, on giving to the Noteholders of the Tier 2 Subordinated Notes irrevocable notice of not less than 30 nor more than 60 days redeem or procure the purchase of all or some of the Tier 2 Subordinated Notes, on the Optional Redemption Date(s) at the Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption or purchase, provided that the Issuer is then and, on a pro forma basis following such purchase, will remain in compliance with the minimum requirements for Common Equity Tier 1, Tier 1 Capital and Regulatory Capital, and satisfies the Additional Core Capital requirement set forth under Resolution 4,193 and other operational limits. All Tier 2 Subordinated Notes in respect of which any such notice is given shall be redeemed or purchased on the Optional Redemption Date(s) specified in such notice in accordance with this Condition 17(d)(iv). If only some of the Tier 2 Subordinated Notes are to be redeemed or purchased at any time, the Tier 2 Subordinated Notes to be redeemed or purchased shall be redeemed or purchased *pro rata* to their principal amounts, provided always that the amount redeemed or purchased in respect of each Tier 2 Subordinated Note shall be equal to the Specified Denomination, and in each case subject to compliance with the applicable rules of each clearing system, listing authority and stock exchange and the notice to Noteholders referred to herein shall specify the serial numbers and nominal amounts of the Tier 2 Subordinated Notes to be so redeemed or purchased.

(v) *No Redemption at the Option of the Noteholders*: The Tier 2 Subordinated Notes may only be redeemed at the Issuer's option and the Noteholders shall have no right to request that the Issuer redeem the Tier 2 Subordinated Notes in whole or in part.

(vi) *No Guarantee or Insurance*: The Tier 2 Subordinated Notes are unsecured and subordinated obligations of the Issuer and do not benefit from any guarantee or insurance issued pursuant to any insurance policy or similar structure that may compromise the subordination of the Tier 2 Subordinated Notes and/or require or allow payments or transfers of funds to the Noteholders, directly or indirectly, by the Issuer or any Affiliates.

(e) **Conflict of Provisions and Amendments**

(i) *Conflicts*: In the event of conflict between the provisions of this Condition 17 and any other provision set forth in any Transaction Document with respect to the Tier 2 Subordinated Notes, the provisions of this Condition 17, as amended by the Terms of Subordination, shall prevail, as per article 14, II, of Resolution 4,192 and any such conflicting provision shall be null and void.

(ii) *Amendments*: In accordance with article 14, III and sole paragraph, of Resolution 4,192, the execution of any amendment, change or revocation of any provision of this Condition 17 is subject to the prior authorization of the Central Bank, if required pursuant to applicable regulations then in effect.

(iii) *No Change to Terms or Conditions for Payment of Remuneration*: In accordance with article 20, VIII, of Resolution 4,192, the terms and conditions for payment of the Tier 2 Subordinated Notes shall not be subject to amendment after the Issue Date, including as a result of a change in the credit quality of the Issuer.

(iv) *No financing*: In accordance with article 20, IX, of Resolution 4,192, the Issuer has not financed and may not finance, directly or indirectly, the purchase of the Tier 2 Subordinated Notes.

**18. Notices**

Notices to Holders of Tier 2 Subordinated Notes will be mailed to them at their respective addresses in the Register (or in the case of joint Holders, to the address of the first-named in the Register) and shall be published (so long as the Tier 2 Subordinated Notes are listed on the Luxembourg Stock Exchange and the rules of the exchange so require) on the website of the Luxembourg Stock Exchange designated for such purposes pursuant to the rules of the Luxembourg Stock Exchange or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxembourger Wort*). Any such notice shall be deemed to have been given on the later of the date of such publication and the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

**19. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Tier 2 Subordinated Notes under the Contracts (Rights of Third Parties) Act 1999.

**20. Governing Law and Jurisdiction**

(a) *Governing Law:* The Trust Deed, the Tier 2 Subordinated Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, provided that the provisions contained in Condition 17, as amended by the Terms of Subordination, imposed on the Issuer in order for the Tier 2 Subordinated Notes to qualify as Tier 2 Capital under Resolution 4,192, shall be governed by, and construed in accordance with, the laws of Brazil.

(b) *Jurisdiction:* The courts of England have jurisdiction to settle any disputes which may arise out of or in connection with the Tier 2 Subordinated Notes or the Trust Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with the Tier 2 Subordinated Notes or the Trust Deed) and accordingly any legal action or proceedings arising out of or in connection with the Tier 2 Subordinated Notes or the Trust Deed ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the English courts.

(c) *Agent for Service of Process:* The Issuer has in the Trust Deed appointed an agent in England to receive service of process in any Proceedings in England. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

*There will appear at the foot of the Conditions endorsed on each Tier 2 Subordinated Note in definitive form the names and specified offices of the Registrar, Transfer Agents and the Paying Agents as set out at the end of this Listing Prospectus.*

## **SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM**

The Notes will be represented by a Global Note Certificate which will be registered in the name of The Bank of New York Depository (Nominees) Limited, as the nominee for the common depository for Euroclear and Clearstream, Luxembourg.

The Global Note Certificate will become exchangeable in whole, but not in part, for Individual Note Certificates if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 9 (*Payment Default*) in respect of the Tier 1 Subordinated Notes and Condition 9 (*Events of Default*) in respect of the Tier 2 Subordinated Notes occurs.

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, such Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered Holder of the Global Note Certificate, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Holder or the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

In addition, the Global Note Certificate will contain provisions that modify the Terms and Conditions of the Notes as they apply to the Notes evidenced by the Global Note Certificate. The following is a summary of certain of those provisions:

*Payments on business days:* In the case of all payments made in respect of the Global Note Certificate "**business day**" means any day which is a day on which dealings in foreign currencies may be carried on in New York City.

*Payment Record Date:* Each payment in respect of the Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

*Notices:* Notwithstanding Condition 18 (*Notices*) of the Tier 1 Subordinated Notes and the Tier 2 Subordinated Notes, so long as the Global Note Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**"), notices to Holders of Notes represented by the Global Note Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or (as the case may be) such Alternative Clearing System.

*Electronic Consent and Written Resolution:* While any Global Note Certificate is held on behalf of a clearing system, then:

- (a) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be

entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (a) accountholders in the clearing system with entitlements to such Global Note or Global Note Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

*Write-Down/Write-Up of the Notes:* While the Notes are represented by one or more Global Note Certificates and such Global Note Certificates are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, any write-down or write-up of the outstanding principal amount of the Notes shall be treated on a pro rata basis which, for the avoidance of doubt, shall be effected as a reduction or increase, as the case may be, to the pool factor.

## FORM OF NOTES AND SUBSCRIPTION

### Form of Notes

The Notes will be issued outside the United States only in reliance on the exemption from registration provided by Regulation S.

Holders of Individual Note Certificates may exchange such Notes for interests in the Global Note Certificate of the same type at any time. Transfers by the holder of, or of a beneficial interest in the Global Note Certificate may not be made except (i) to the Issuer or any affiliate thereof or (ii) outside the United States to or for the account of a non-U.S. person in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act.

The Notes and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

### Subscription, Sale and Transfer Restrictions

Each purchaser of the Notes will be deemed to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

- (a) that it is outside the United States and is not a U.S. person nor is it purchasing the Notes on behalf of a U.S. person;
- (b) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons;
- (c) that Notes are being offered outside the United States in reliance on Regulation S and will be represented by one or more Global Note Certificates;
- (d) that if it should resell or otherwise transfer the Notes, it will do so only outside the United States to or for the account of non-U.S. persons in compliance with Rule 903 or 904 of Regulation S under the Securities Act and in accordance with all applicable U.S. state securities laws and it acknowledges that the Global Note Certificates will bear a legend to the following effect unless otherwise agreed to by the Issuer: "THE NOTES REPRESENTED BY THIS GLOBAL NOTE CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, TRANSFERRED, DELIVERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. ANY TRANSFER IN VIOLATION OF THE FOREGOING TRANSFER RESTRICTIONS WILL BE VOID."; and
- (e) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account. Each purchaser and each subsequent holder is required to notify any transferee of the restrictions on transfer set forth above.

## TAXATION

*The following is a general description of certain Cayman Islands and Brazilian tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the Cayman Islands and Brazil of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Listing Prospectus and is subject to any change in law that may take effect after such date.*

*Also, investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.*

### **Cayman Islands Tax Considerations**

*The following summary is based upon the tax laws of the Cayman Islands as in effect on the date hereof and, except as provided below, is subject to any change in Cayman Islands law that may come into effect after such date.*

Payments in respect of the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any holder of a Note, and gains derived from the sale of Notes will not be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance or gift tax.

The holder of any Note (or the legal personal representative of such holder) whose Note is executed or thereafter brought into the Cayman Islands may in certain circumstances be liable to pay stamp duty imposed under the laws of the Cayman Islands in respect of such Note.

### ***Reporting Cayman Islands Financial Institution The Cayman Islands – Automatic Exchange of Financial Account Information***

The Cayman Islands has entered into an intergovernmental agreement to improve international tax compliance and the exchange of information with the United States (the "US-Cayman IGA"). The Cayman Islands has also signed, along with over 100 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "CRS").

Regulations have been issued to give effect to the US-Cayman IGA and the CRS (together, the "AEOI Regulations"). All Cayman Islands "Financial Institutions" (including the Issuer) are required to comply with the reporting requirements of the AEOI Regulations, unless the Issuer can rely on an exemption that permits it to be treated as a "Non-Reporting Cayman Islands Financial Institution" (as defined in the relevant AEOI Regulations). The Issuer does not propose to rely on any reporting exemption and will therefore comply with the registration, due diligence and reporting requirements of the AEOI Regulations as a "Reporting Financial Institution". As such, the Issuer is required to (i) register with the IRS to obtain a Global Intermediary Identification Number (for the purposes of the US-Cayman IGA only), (ii) register with the Cayman Islands Tax Information Authority (the "TIA"), and thereby notify the TIA of its status as a "Reporting Financial Institution", (iii) adopt and implement written policies and procedures setting out how it will address its obligations under the CRS, (iv) conduct due diligence on its accounts to identify whether any such accounts are considered "Reportable Accounts", and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit such information to the IRS (for US Reportable Accounts), or other applicable overseas fiscal authorities as the case may be.

### **Brazilian Tax Considerations**

The following is a general summary of the Brazilian tax considerations relating to an investment in the Notes by a non-resident of Brazil ("**Non-Resident Holder**"). It is based on the tax laws of Brazil as in effect on the date hereof and is subject to any change in Brazilian law that may come into effect after such date, possibly with retroactive effect, and to differing interpretations. The information set forth below is intended to be a general description only and does not address all possible tax consequences relating to the investment in the Notes.



The tax consequences described below do not take into account the effects of any tax treaties or reciprocity of tax treatment entered into by Brazil and other countries.

**Prospective investors should consult their own tax advisors as to the Brazilian or other tax consequences of the acquisition, ownership and disposition of notes.**

***Payments on the Notes***

As a general rule, interest, fees, commissions (including any original issue discount and any redemption premium) and any other income payable by a Brazilian entity to an investor (individual, entity, trust or organization) not resident or domiciled in Brazil in respect of debt obligations derived from the issuance, in the international markets, of securities, such as the Notes, are generally subject to Brazilian withholding tax. The rate of withholding tax with respect to such debt obligations is generally 15.0% as provided for in Article 10 of Normative Ruling No. 1,455, enacted on March 6, 2014.

According to Normative Ruling No. 1,455, in the event that the beneficiary of such payments is domiciled in a Nil or Low Taxation Jurisdiction (as defined by Brazilian tax laws from time to time), the payments of interest, fees, commissions (including any original issue discount and any redemption premium) and any other income would also be subject to withholding in respect of Brazilian income tax at the general rate of 15.0%. However, pursuant to Article 8 of Law No. 9779 of January 19, 1999, if the relevant average term of the Notes is of less than 96 months, the rate applicable to the beneficiary domiciled in a Nil or Low Taxation Jurisdiction is 25.0% (Article 691, IX of Decree No. 3,000 of March 26, 1999 and Article 1, IX of Law No. 9,481 of August 13, 1997). Accordingly, considering the general and ambiguous scope of this legislation and the absence of judicial guidance in respect thereof there is a risk that the Brazilian tax authorities may change the understanding above and apply the rate of 25.0% in the event that the beneficiary is domiciled in a Nil or Low Taxation Jurisdiction, regardless of the average term of the Notes.

If the beneficiary of the income is domiciled in a country which has a treaty for the avoidance of double taxation signed with Brazil and provided further that this beneficiary is qualified for the treaty benefits, such income might be subject to a lower rate.

***Capital Gains***

According to Article 26 of Law No. 10,833, dated December 29, 2003, gains assessed on the sale or other disposition of assets located in Brazil by Non-Resident Holders, whether to other non-Brazilian residents or Brazilian residents, may become subject to taxation in Brazil.

Although we believe that the Notes should not fall within the definition of assets located in Brazil for purposes of Law No. 10,833 since these would be issued and registered outside of Brazilian jurisdiction, considering the general and unclear scope of Law No. 10,833 and the absence of judicial court rulings in respect thereto, we are unable to predict how Law No. 10,833 would be interpreted in the Brazilian courts if one attempts to sustain that the Notes should be viewed as Brazilian assets. If this understanding does not prevail, gains realized by a Non-Resident Holder from the sale or disposition of the Notes may be subject to income tax in Brazil at progressive rates varying from 15% to 22.5%, as follows: (i) 15% for the part of the gains up to R\$5 million, (ii) 17.5% for the part of the gain that exceeds R\$5 million but does not exceed R\$10 million, (iii) 20% for the part of the gain that exceeds R\$10 million but does not exceed R\$30 million, and (iv) 22.5% for the part of the gain that exceeds R\$30 million. Non-Resident Holders located in a Nil or Low Taxation Jurisdiction, however, are subject to a flat 25.0% rate.

The tax must be withheld and paid by the buyer or, in cases where the buyer and seller are domiciled abroad, a legal representative of buyer shall be designated for the payment of the tax.

***Discussion on Low or Nil Tax Jurisdictions***

On June 4, 2010, Brazilian tax authorities enacted Normative Ruling No. 1,037 listing (i) the countries and jurisdictions considered as Low or Nil Tax Jurisdiction or where the local legislation does not allow access to information related to the shareholding composition of legal entities, to their ownership or to the identity of the effective beneficiary of the income attributed to non-residents and (ii) the privileged tax regimes, which definition is provided by Law No. 11,727, of June 23, 2008. Although we believe that the best interpretation of the current tax law could lead to the conclusion that the above mentioned "privileged tax regime" concept

should apply solely for purposes of Brazilian transfer pricing and thin capitalization rules (among other deductibility rules), we cannot assure you whether such stand would be upheld by the Brazilian tax authorities regarding the definition of a "privileged tax regime" provided by Law No. 11,727 will also apply to a Non-Resident Holder.

The Issuer recommends prospective investors to consult their own tax advisors from time to time to verify any possible tax consequence arising of Normative Ruling No. 1,037 and Law No. 11,727. If the Brazilian tax authorities determine that payments made to a Non-Resident Holder under a "privileged tax regime" are subject to the tax rules applicable to residents in Low or Nil Tax Jurisdictions, the withholding income tax applicable to such payments could be assessed at a rate up to 25%.

### ***Other Brazilian Taxes***

#### *Taxation of Foreign Exchange Transactions (IOF/FX)*

Pursuant to Decree No. 6,306/07, dated as of December 14, 2007, as amended, the conversion of Brazilian currency into foreign currency and the conversion of foreign currency into Brazilian currency may be subject to the IOF/FX.

Currently, for most exchange transactions, the rate of IOF/FX is 0.38%. The inflow of funds into Brazil in connection to foreign loans, including the issuance of notes in the international market, whose average minimum payment term is no longer than 180 days is subject to the IOF/FX tax, at a rate of 6.0%. However, if the average minimum term of the loan is longer than 180 days, the IOF/FX tax is reduced to zero. Moreover, if a loan transaction with a minimum term longer than 180 days is settled partially or completely before completion of the 180 days term, the IOF/FX tax would be 6.0%, plus interest and penalty. The outflow of funds from Brazil relating to foreign loans (i.e., repayment of principal and interest) is currently subject to the IOF/FX at a rate of 0%.

#### *Tax on Bonds and Securities Transactions (IOF/Bonds)*

Pursuant to Decree No. 6,306/07, as amended, the Tax on Bonds and Securities Transactions ("IOF/Bonds") may be imposed on any transactions involving equity securities, bonds and other securities, including those carried out on Brazilian stock, futures and commodities stock exchanges. The rate of this tax is currently zero for transactions involving shares. However, the Brazilian Government may increase such rate at any time up to 1.5% per day, but the tax cannot be applied retroactively.

There are no Brazilian inheritance, gift or succession taxes applicable to the ownership, transfer or disposition of the Notes, except for gift and inheritance taxes imposed by some Brazilian states on gifts or bequests by a Non-Resident Holder to individuals or entities domiciled or residing within such states. There are no Brazilian stamp, issue, registration, or similar taxes or duties payable by holders of the Notes.

#### ***Payments on Notes Issued Through the Grand Cayman Branch***

Payment of income on the Notes made to a Non-Resident Holder by the Issuer through its Grand Cayman Branch based on the fact that Santander Cayman is considered to be domiciled outside of Brazil for tax purposes will not generally be subject to withholding or deduction with respect to Brazilian income tax or any other taxes, duties, assessments or governmental charges in Brazil, provided such payments are made with resources held by the Issuer outside of Brazil.

#### **The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary' market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one

party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Cayman Islands and Brazil) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## DESCRIPTION OF THE ISSUER

### History and Development

#### General

The Issuer is a publicly held corporation (*sociedade anônima*) of indefinite term, incorporated under Brazilian law on August 9, 1985. Its corporate name is Banco Santander (Brasil) S.A. and its commercial name is Banco Santander. Its headquarters are located in Brazil, in the city of São Paulo, state of São Paulo, at Avenida Presidente Juscelino Kubitschek, 2,041 and 2,235, Bloco A, Vila Olímpia, 04543-011. The Issuer's telephone number is 55-11-3553-3300. Documentation of its incorporation is duly registered with the Commercial Registry of the State of São Paulo (*Junta Comercial do Estado de São Paulo* or *JUCESP*), under NIRE (Registry Number) 35300332067.

#### Santander Group in Brazil

The following graph shows the key milestones of the Issuer's history in Brazil.



The Santander Group was founded in Spain in 1857 and has expanded globally through a number of acquisitions and the integration of acquired businesses.

In 1957, the Santander Group first entered the Brazilian market through an operating agreement with Banco Intercontinental do Brasil S.A. Since the 1990s, the Santander Group has sought to establish its presence in Latin America, particularly in Brazil. In 1970, the Santander Group opened a representative office in Brazil, followed by its first branch in 1982. The Issuer has continued to pursue this strategy through organic growth, as well as acquisitions, among which the most notable are the following:

- In November 2000, the Santander Group acquired Banespa, a bank owned by the State of São Paulo, and became one of Brazil's largest financial groups.
- On July 24, 2008, Santander Spain took indirect share control of Banco Real, which it then absorbed into the Santander Group to further consolidate its investments in Brazil. On August 29, 2008, the acquisition by Santander Brasil of Banco Real's share capital was approved through a share exchange transaction (*incorporação de ações*), and Banco Real became a wholly-owned subsidiary of the Issuer, before being merged into Santander Brasil on April 30, 2009.

Since October 7, 2009, the Issuer's units, common and preferred shares have been listed and traded on the B3 S.A. and its ADRs representing American Depositary Shares registered with the SEC under the Securities Act have been listed and traded on the New York Stock Exchange.

In recent years, the Issuer has acquired companies complementary to its business, such as: (i) Getnet Adquirência e Serviços para Meios de Pagamento S.A. ("GetNet"), a technology company specialized in

electronic payment solutions; (ii) it formed a joint-venture in the payroll loan and payroll credit card loan segments known as Banco Olé Bonsucesso Consignado; (iii) it entered into a partnership with Banque PSA Finance (associated with the Peugeot, Citroën and DS automotive brands) as well as a joint venture with Hyundai Capital Services, Inc.; (iv) it launched "ContaSuper", a pre-paid card system which allows users to manage their daily financial activities entirely online; and (v) it also entered into an agreement with American Airlines Inc. for the marketing and issuance of co-branded credit cards, with the purpose of offering AAdvantage® miles to their respective customers as a result of their daily purchases.

In 2017, the Issuer acquired a 70% equity interest in Ipanema Empreendimentos e Participações S.A. ("Ipanema Credit Management"), a company that actively manages overdue loan portfolios and which it believes will further expand its expertise in credit recovery. During the course of 2017 the Issuer also announced a joint venture with HDI Seguros S.A. ("HDI Seguros") in the field of car insurance. The Issuer has also continued to expand its customer offering during 2017. For example, the Issuer launched Superdigital, an evolution of ContaSuper, which enables customers to manage their finances in a different and dynamic way through a prepaid account.

## Business of the Issuer

### Overview

The Issuer operates along two segments through which as of June 30, 2018 it offers its 22.7 million active individual, SME and corporate customers a complete portfolio of products and services:

- *Commercial Banking Segment.* In the Commercial Banking segment, the Issuer focuses on building long-term relationships with its account holder and non-account holder customers. Customers in its Commercial Banking segment include individuals and companies (except for global corporate customers, which are dealt with within the Global Wholesale Banking segment). Revenue from this segment is generated by the provision of banking and financial products and services to its account holder and non-account holder customers, including essential checking and savings account services, priority services (such as withdrawals, debit cards, deposits and transfers), credit cards, foreign exchange services, investments and loans and financing.
- *Global Wholesale Banking Segment.* The Issuer's Global Wholesale Banking segment offers financial services and structured solutions for its global corporate customers, principally local and multinational corporations, and carries out proprietary trading activities. The Issuer's Global Wholesale Banking segment offers a wide range of national and international services specifically tailored to the needs of each customer.

The following chart sets forth the Issuer's operating segments and their main focus.

<b>Commercial Banking</b>	<b>Global Wholesale Banking</b>
<ul style="list-style-type: none"> <li>• Retail banking</li> <li>• Individuals</li> <li>• SMEs (annual gross revenues up to R\$200 million)</li> <li>• Corporate (annual gross revenues in excess of R\$200 million, other than global corporate clients)</li> <li>• Consumer finance</li> </ul>	<ul style="list-style-type: none"> <li>• Global Corporate Banking ("GCB")</li> <li>• Proprietary Trading</li> </ul>

The Issuer's Commercial Banking and Global Wholesale Banking segments are strongly integrated, which enables it to capitalize on each segment's strengths to the benefit of the other. The Issuer is able to offer joint solutions to customers in each of its segments, such as for example, offering integrated solutions to (i) large retailers and their respective points of sale and (ii) large companies and their employees.

The following table presents the breakdown of the Issuer's net interest income and profit before tax by operating segment:

**For the year ended December 31,**

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Net interest income</b>		<b>Profit before tax</b>	
	<b>(R\$ millions)</b>			
Commercial Banking (1) .....	32,392	27,366	11,220	12,652
Global Wholesale Banking .....	2,554	3,221	3,293	3,732
<b>Total</b> .....	<b>34,946</b>	<b>30,586</b>	<b>14,514</b>	<b>16,384</b>

(1) Profit before tax reported under commercial banking includes the effects of the hedge for investments held abroad (offset in the same amount in the "Income Tax" line). The effect of the hedge for investments held abroad in 2017 and 2016 amounted to expenses of R\$810 million and gains of R\$6,140 million, respectively.

As of December 31, 2017, the Issuer's net interest income grew 14.3% and reached R\$34,946 million compared to R\$30,586 million as of December 31, 2016. This increase is primarily due to an increase in the volume of loans extended to customers and spread of which was primarily concentrated in its commercial banking segment. As of December 31, 2017, the Issuer's profit before tax decreased 11.4% and reached R\$14,514 million compared to R\$16,384 million as of December 31, 2016. Excluding the effects of the hedge for investment held abroad operating profit before tax was R\$15,324 million for the year ended December 31, 2017, a 49.6% increase from R\$10,244 million for the year ended December 31, 2016.

The following table shows a managerial breakdown of the Issuer's loans and advances to customers by client category at the dates indicated:

	<b>As of December 31,</b>		<b>Change between 2016 and 2017</b>
	<b>2017</b>	<b>2016</b>	
	<b>(R\$ million)</b>		
Individuals .....	107,610	91,195	18.0%
Consumer Finance .....	33,170	26,608	24.7%
SMEs .....	46,879	42,440	10.5%
Corporate(1) .....	100,171	108,195	(7.4)%
Total Credit Portfolio.....	287,829	268,438	7.2%

(1) For purposes of loan portfolio presentation, "corporate" includes companies with annual gross revenues exceeding R\$200 million, including the Issuer's Global Corporate Banking customers.

As of December 31, 2017, the Issuer's loans and advances to customers grew 7.2% and reached R\$287,829 million compared to R\$268,438 million as of December 31, 2016. This increase is primarily due to an increase in loans to individuals and consumer finance portfolio.

### **Grand Cayman Branch**

The Issuer has a branch in the Cayman Islands with its own staff and representative officers. Banco Santander (Brasil) S.A. – Grand Cayman Branch is licensed under The Banks and Trust Companies Law (2013 Revision) of the Cayman Islands, or the "Banks and Trust Companies Law", as a Category "B" Bank and it is duly registered as a Foreign Company with the Registrar of Companies in the Cayman Islands. Accordingly, the branch is duly authorized to carry on banking business in the Cayman Islands. The branch was authorized by the local authorities to act as its own registered office and it is located at the Waterfront Centre Building, 28, North Church Street – 2nd floor, George Town, Grand Cayman, Cayman Islands, P.O. Box 10444 – KYI-1004, Phone: 1-345-769-4401 and Fax: 1-345-769-4601.

The Issuer's Grand Cayman Branch is currently engaged in the business of sourcing funds in the international banking and capital markets to provide credit lines for it, which are then extended to its customers for working capital and trade-related financings. It also takes deposits in foreign currency from corporate and individual clients and extends credit to Brazilian and non-Brazilian clients, mainly to support trade transactions with Brazil. The results of the operations of the Grand Cayman Branch are consolidated in the Issuer's consolidated financial statements.

Banks and trust companies wishing to conduct business from within the Cayman Islands must be licensed by the Cayman Islands Monetary Authority under the Banks and Trust Companies Law, independent of whether the business is to be actually conducted in the Cayman Islands.

Under the Banks and Trust Companies Law, there are two main categories of banking license: a category "A" license, which permits unrestricted domestic and offshore banking business, and a category "B" license, which permits principally offshore banking business. The holder of a category "B" license may have an office in the Cayman Islands and conduct business with other licensees and offshore companies but, except in limited circumstances, may not do banking business locally with the public or residents of the Cayman Islands. The Issuer's Grand Cayman Branch has an unrestricted category "B" license.

There are no specific ratio or liquidity requirements under the Banks and Trust Companies Law, but the Cayman Islands Monetary Authority expects observance of prudent banking practices, and the Banks and Trust Companies Law imposes a minimum net worth requirement of an amount equal to CI\$400,000 (or, in the case of licensees holding a restricted category "B" or a restricted trust license, CI\$20,000). As of December 31, 2017, CI\$1 was equivalent to R\$4.0341, according to the Brazilian Central Bank.

## INDEPENDENT AUDITORS

The consolidated financial statements of the Issuer as of and for the years ended December 31, 2017 and 2016 incorporated by reference into this Listing Prospectus, have been audited by PricewaterhouseCoopers Auditores Independientes, independent auditors, as stated in their report appearing therein.



## GENERAL INFORMATION

### Authorisation

The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated November 5, 2018.

### Financial Statements

Summary financial statements as of and for the years ended December 31, 2017 and 2016 are included starting on Page 5 of the Issuer's Form 20-F incorporated by reference into this Listing Prospectus.

### Legal and Arbitration Proceedings

Save as disclosed in this Listing Prospectus or incorporated by reference herein, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Listing Prospectus, a significant effect on the financial position or profitability of the Issuer.

### Issued Capital and Securities

For a description of the issued share capital and the number and classes of securities of the Issuer, please refer to page 6 of the Issuer's Form 20-F incorporated by reference into this Listing Prospectus.

### Significant/Material Change

Since June 30, 2018 there has been no material adverse change in the prospects of the Issuer nor any significant change in the financial or trading position of the Issuer.

### Documents on Display

Copies of the following documents (together with English translations thereof) may be inspected and will be available for collection during normal business hours at the offices of The Bank of New York Mellon, London Branch at One Canada Square, London E14 5AL, England:

- (a) the constitutive documents of the Issuer;
- (b) the Agency Agreement and the Trust Deed in respect of the Tier 1 Subordinated Notes and the Tier 2 Subordinated Notes; and
- (c) the audited consolidated financial statements of the Issuer for the years ended December 31, 2017 and 2016 and the unaudited consolidated financial statements of the Issuer for the nine-month period ended September 30, 2018.

### ISIN and Common Code

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN of the Tier 1 Subordinated Notes is XS1903663166 and the common code is 190366316. The ISIN of the Tier 2 Subordinated Notes is XS1903667662 and the common code is 190366766.

### The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 549300D1H731B30TSI43.

### Notices:

Any notices to noteholders will be published on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

**REGISTERED OFFICE OF THE ISSUER**

**Banco Santander (Brasil) S.A., acting through its Grand Cayman Branch**

P.O. Box 10444 Waterfront Centre Building

28, North Church Street

2nd floor Grand Cayman KYI-1004

Cayman Islands

**PRINCIPAL PAYING AGENT**

**The Bank of New York Mellon, London**

**Branch**

One Canada Square

London E14 5AL

England

**REGISTRAR**

**The Bank of New York Mellon**

240 Greenwich Street

Floor 7-E

New York, New York 10286

United States of America

**PAYING AGENT AND TRANSFER  
AGENT**

**The Bank of New York Mellon**

240 Greenwich Street

Floor 7-E

New York, New York 10286

United States of America

**TRUSTEE**

**The Bank of New York Mellon**

240 Greenwich Street

Floor 7-E

New York, New York 10286

United States of America

**LEGAL ADVISERS**

*To the Issuer as to English law:*

**Clifford Chance**

Rua Funchal 418, 15<sup>th</sup> floor

São Paulo 04551-060, SP

Brazil

*To the Issuer as to Brazilian law:*

**Pinheiro Neto Advogados**

Rua Hungria 1,100

01455-906 São Paulo, SP

Brazil

**AUDITORS**

**PricewaterhouseCoopers Auditores Independentes**

Av. Francisco Matarazzo, 1400 – Torre Torrino

São Paulo – SP, 05001-903

Brazil