

Information for the shareholders of Santander Bank Polska S.A.

Creating a capital reserve for the buyback (purchase) of own shares earmarked for the execution of Incentive Plan VII and authorising the Management Board to purchase own shares to execute Incentive Plan VII (item 16 of the agenda)

Given that the Annual General Meeting adopted resolution no. 30 of 27 April 2022 with regard to Incentive Plan VII and conditions of its execution (**Resolution no. 30**) and that on 2 December 2022 the Bank obtained the approval from the KNF for buyback (purchase) of its own shares in relation to the execution of the said Plan, the Bank's Management Board presented the Annual General Meeting with the resolution on authorising the Management Board to purchase own shares in order to execute Incentive Plan VII and to create a capital reserve for that purpose. The Management Board will be entitled to exercise the authorisation once the conditions set out in Resolution no. 30 and in the resolution under this agenda are met (in particular, after assessing compliance with the criteria of granting awards to employees in the form of the Bank's shares for a given year of Incentive Plan VII).

In this case, when acting upon the authorisation, the Management Board will adopt a resolution on the repurchase of shares and will inform their owners accordingly in line with the following regulations: (i) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse; (ii) Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 in connection with (iii) Article 28 of Commission Delegated Regulation (EU) 241/2014 of 7 January 2014.

Taking into account the number of shares that can be repurchased in 2027, the operation will not have any impact on the maintenance of a sound capital base.

The Management Board hereby notes that the share purchase process meets all conditions laid down in Article 362 § 2 of the Commercial Companies Code (CCC): (i) all the Bank's shares are to be fully covered; (ii) the total value of the purchased shares is not to exceed 20% of the company's share capital (the maximum nominal value of the purchased shares represents ca. 0.81% of the share capital – 826,000 shares); and (iii) the total price of the purchased shares increased by their purchase costs is not to be higher than the capital reserve created for that purpose out of the amount that might be distributed pursuant to Article 348 § 1 of the CCC.

The Bank estimates that in 2027, the share purchase costs will be PLN 220,542,000 maximum, and thus the Management Board recommends to the AGM the creation of the capital reserve in this amount to be allocated to the purchase of own shares. The maximum price per share quoted in the draft resolution does not impact the ultimate amount allocated to the purchase of shares in 2027, given the manner of defining the amount of the award due to participants in Incentive Plan VII. The number of shares granted to the Plan's participants who are not MRTs will be defined based on the amount allocated to the award for individual participants and the Bank's share price at the date of their purchase by the Bank.

The Bank intends to purchase the shares at the current market price as at the purchase time; however, Article 362 § 1(8) of the CCC imposes a requirement to provide information on the minimum and maximum payment for purchased shares in the resolution authorising the Management Board to purchase the company's own shares. Thus the minimum and maximum price that the Management Board could pay for purchasing the shares has been defined broadly from PLN 50 to PLN 1,000 per share, which in the Management Board's opinion will make it possible to purchase the shares needed to execute Incentive Plan VII.

More information on Incentive Plan VII is available on the Bank's website at: www.santander.pl/wza in the papers related to the Annual General Meeting held on 27 April 2022.