

## XIII. Statement on corporate governance in 2023

### 1. Corporate governance at Santander Bank Polska S.A.

Corporate governance sets out the rules for operation of the governing bodies, systems and processes at Santander Bank Polska S.A. Its objective is to build good relationships with shareholders, customers and other stakeholders, and to increase effectiveness of internal oversight, key internal systems and functions as well as statutory bodies. The corporate governance principles adopted by the Bank focus on professionalism and integrity of members of the management and supervisory bodies, transparency and due care, which helps build trust in Santander Bank Polska Group, supports sustainable development and increases credibility of the capital market in Poland.

The Bank's corporate governance framework is based on applicable laws (in particular the Commercial Companies Code, the Banking Law Act and capital market regulations) as well as the rules set out in Best Practice for GPW Listed Companies 2021, Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority (KNF) and the Code of Banking Ethics. Since 1 January 2022, the Bank has complied with Recommendation Z on internal governance in banks issued by the Polish Financial Supervision Authority (KNF).

In 2023, Santander Bank Polska S.A. adhered to all the rules set out in the amended Best Practice for GPW Listed Companies 2021 adopted by virtue of Resolution no. 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange dated 29 March 2021 and effective as of 1 July 2021.

Furthermore, the Bank applied all Principles of Corporate Governance for Supervised Institutions issued by the KNF on 22 July 2014.

In the reporting period, no departures from the above-mentioned regulations were reported.



The Bank has complied with the official corporate governance principles since 2002 when the first issue of best practice was published by the Warsaw Stock Exchange (Best Practice for Public Companies 2002). It also follows best sector practice contained in the Banking Ethics Code developed by the Polish Bank Association (ZBP).

The Bank has adopted the following internal regulations setting out in detail the corporate governance rules: the Group-Subsidiary Governance Model and Guidelines for Subsidiaries, Specific Corporate Frameworks, Internal Governance Rules of Santander Bank Polska S.A., Corporate Governance Rules of Santander Bank Polska Group, the General Code of Conduct and specific bylaws and policies e.g. the Disclosure Policy, the Conflict of Interest Prevention Policy, the Code of Conduct in the Securities Markets, the Anti-Money Laundering Policy, the Anti-Corruption Programme and the Sustainability Policy, the Code of Conduct in the Securities Markets, the Anti-Money Laundering Policy, the Anti-Bribery and Corruption Policy, the Responsible Banking Model and the Responsible Banking and Sustainability Policy.

This Statement on corporate governance in 2023 has been prepared in accordance with § 70(6)(5) of the Finance Minister's Regulation of 29 March 2018 on current and financial reports published by the issuers of securities and the rules of equal treatment of the information required by the laws of a non-member state.

In accordance with Commission Recommendation of 9 April 2014 on the quality of corporate governance reporting (2014/208/EU), the section below presents details on application of corporate governance rules regarding the topics of most importance for shareholders.

Pursuant to Article 5(2) of Directive (EU) 2022/2464 which obliges the Bank to follow reporting standards in respect of sustainable development information presented in the report for the year started on 1 January 2024 and pursuant to Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (ERS Regulation), the Bank has decided to disclose the selected additional information about corporate governance (required under the ERS Regulation) in this very Statement on corporate governance.

- Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies,
- Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies,
- Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes.

Irrespective of its disclosure in Chapter XIV Statement on non-financial information and the ESG Report for 2023, the selected information presented in this Statement was highlighted as disclosed by reference to the specific requirement arising from the ERS2 standard (e.g. ERS 2 – Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies).

## Best Practice for GPW Listed Companies 2021

The Best Practice for GPW Listed Companies 2021 effective as of 1 July 2021 was adopted by virtue of Resolution no. 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange dated 29 March 2021.

The full text is available on the website of the Warsaw Stock Exchange at: [https://www.gpw.pl/pub/GPW/files/PDF/dobre\\_praktyki/DPSN21\\_BROSZURA.pdf](https://www.gpw.pl/pub/GPW/files/PDF/dobre_praktyki/DPSN21_BROSZURA.pdf)

The above version of best practice was adopted by the Bank by way of Management Board Resolution no. 160/2021 of 21 July 2021, Supervisory Board Resolution no. 108/2021 of 27 July 2022 and Resolution no. 33 of the General Meeting of Shareholders of 27 April 2022.

On 29 July 2021, the Bank published a report on application of the rules set out in Best Practice for GPW Listed Companies 2021 (it is available on the Bank's website at:

[https://www.santander.pl/regulation\\_file\\_server/time2021072912136/download?id=163350&lang=pl\\_PL](https://www.santander.pl/regulation_file_server/time2021072912136/download?id=163350&lang=pl_PL)). The Bank has been strictly following all these rules since then. The table below describes the delivery of initiatives which are of key importance to the Bank's shareholders.

Chapter	Important aspects of application of Best Practice for GPW Listed Companies 2021
Disclosure policy, investor communications (Chapter 1)	<ul style="list-style-type: none"> <li>▶ The Bank has an effective and transparent disclosure policy in place in relation to shareholders, investors and analysts, which is supported by modern communication tools. Pursuant to the Disclosure Policy of Santander Bank Polska S.A. (available on the Bank's website: <a href="https://www.santander.pl/relacje-inwestorskie/dokumenty-korporacyjne#dokument=4">https://www.santander.pl/relacje-inwestorskie/dokumenty-korporacyjne#dokument=4</a>), the Bank actively communicates with its stakeholders in order to meet their information needs, with particular activities adjusted to their profile.</li> <li>▶ The communication with capital market participants is based on the following rules:</li> <li>▶ Periodic reports (including information about the Bank's sponsorship and corporate giving activities) are published at the earliest possible date following the end of the reporting period. The market is informed in advance, via current reports, about the planned dates of publishing reports.</li> <li>▶ Current reports providing information required by applicable laws are published at the dates specified therein.</li> <li>▶ Each year, the Bank organises four conferences to present analysts, investors and all the interested parties with quarterly figures. They are broadcast online in Polish and English. To the extent permitted by law, the Bank answers questions asked during the conferences and sent by email to the email address of the Investor Relations Director (available on the Bank's Investor Relations website).</li> <li>▶ The corporate website is available in Polish and English at: <a href="http://www.santander.pl">www.santander.pl</a> and includes the Investor Relations tab with all the information required to be published in accordance with law and Best Practice for GPW Listed Companies 2021.</li> <li>▶ The Bank also has a website dedicated to General Meetings, which is available at <a href="http://www.santander.pl/wza">www.santander.pl/wza</a>.</li> <li>▶ As part of open communication with the shareholders, the Bank (acting through the representatives of its governing bodies) provides them with all answers and explanations, ensures the possibility to participate in the general meetings by means of electronic communication and enables media representatives to join such meetings.</li> <li>▶ The Bank promptly replies to any questions about the published information, and in the case of questions from investors concerning unpublished data, the Bank takes efforts to reply as soon as possible and no later than within 14 days (in accordance with laws and market standards).</li> <li>▶ The Bank participates in investor conferences organised by Polish and foreign brokerage companies.</li> <li>▶ The Bank publishes its financial results achieved in a given reporting period before the deadlines prescribed by law, being one of the leaders in this respect among the companies listed on the Warsaw Stock Exchange.</li> <li>▶ The Bank's Investor Relations service at <a href="http://www.santander.pl">www.santander.pl</a> includes a section dedicated to Best Practice for GPW Listed Companies, which contains all the required information such as: report on application of Best Practice for GPW Listed Companies 2021, information about the Supervisory Board committees and their composition and terms of reference, information about changes in the share capital and transactions in shares, information about incentive plans, dividend policy, questions asked by investors (along with answers), information about pay equality between men and women (including measures taken to eliminate any gaps), the Group's structure, schedule of corporate events, information about shareholders, Statement on Non-Financial Information, information about the Diversity Policy, information about members of the Bank's governing bodies and the General Meeting, basic corporate documents, financial statements (including presentations), development strategy, recommendations and analyses of rating agencies, current reports, records of meetings with investors, channels of communication between investors and the Bank, and information about mergers and acquisitions.</li> </ul>

Disclosure  
policy, investor  
communications  
(Chapter 1)

- ▶ On its website, the Bank publishes information about its strategy, including strategic directions and objectives, results of actions taken to implement the strategy as well as financial and non-financial metrics.
- ▶ The Bank's strategy addresses ESG aspects, both environmental protection and social and employee matters, defining precise metrics and taking into account sustainable development. The Bank publishes annual ESG reports on its corporate website.
- ▶ Environmental protection and climate factors are one of the pillars of the Responsible Banking agenda, which was part of the Bank's Safety & Trust strategic direction under the business strategy of the Bank for 2021–2023. For 2024–2026, the Bank's Management Board adopted the "We Help You Achieve More" strategy based on three strategic directions. They are described in the Introduction to the Strategy:
- ▶ Helping our customers and employees prosper is our purpose and the foundation of our three-year strategy for 2024–2026. Our actions are people-oriented: we focus on customers and employees. This is why relationships are the focal point of our strategy. We want them to be long-lasting and based on trust. We aim to evoke positive emotions and projecting the image of a Bank that is close to people. We believe that caring about the experience will make us stand out on the market. This is what our first strategic direction – Total Experience – is about. We also know that positive emotions and experience to a large extent depend on the interactions in the digital world. For this reason, with increased determination, we follow the path of digital innovation offering our customers new possibilities in remote channels and ensuring our employees simple and effective processes. This is what our second strategic direction – Total Digitalisation – is about. Challenges we face as a Bank and society require a huge responsibility. And for us, responsibility is not just theory but a rule that guides us in our daily operations. We consciously make ethical decisions, keeping in mind our impact on the community and the environment. With a sustainable business model, we create value for customers, employees, shareholders and local communities, working towards a better future for our children and our planet. This is what our third strategic direction – Total Responsibility – is about.
- ▶ The metrics include, among other things, the share of energy bought from renewable sources (100%), the share of used single-use plastics (0% since 2020) or the share of green financing in line with the Sustainable Finance Classification System. This regulation was implemented at the Bank in order to set up the criteria for identification and classification of transactions as sustainable (it is available at <https://www.santander.pl/aktualnosci/aktualnosci-lista/eko-rozwiazania>). It is based on globally-recognised industry guidelines and principles (e.g. ICMA Social and Green Bond Principles, Climate Bond Standards) and the EU Taxonomy.
- ▶ As part of measures taken to ensure gender equality, the Bank strives to increase the share of women in senior executive positions and ensure gender balance in recruitment and development processes. It also offers development programmes dedicated to women, ensures a relevant female representation in succession planning and promotes equal treatment and inclusion among employees. One of the key metrics in this regard is the female representation on the Management Board (30% by 2025), on the Supervisory Board (between 40% and 60% by 2025) and in executive positions (40% by 2025). In this regard, the Bank follows the GPW Corporate Governance Committee's guidelines on the application of Best Practice for GPW Listed Companies 2021. Rule 2.1 requires that the Bank implement a diversity policy which incorporates the requirements set out in that rule, including the target minimum participation of the minority group of at least 30%. However, it is not necessary – the Bank's bodies have already met the diversity requirement set out in the Best Practice for GPW Listed Companies 2021), as well as the EPG – Equal Pay Gap indicator. The Bank also undertakes initiatives to support diversity and inclusion: there are Diversity Ambassadors (a role performed by senior executives), employee networks (bottom-up initiatives focused on the promotion of diversity), educational campaigns, training, webinars (e.g. as part of the Diversity Month). The activities in this area are supported by strategic partnerships with expert organisations: Share the Care, UN Global Compact Network Poland, Vital Voices, Responsible Business Forum.
- ▶ Employee focus is one of the Bank's strategic directions for 2021–2023 and it is also a component of the new strategy set for 2024–2026. Its delivery is monitored on an ongoing basis, also as part of quarterly eNPS surveys. Another measure is the title of the employer of choice in the banking sector (2023 Top Employer Poland certificate, Great Place to Work! certificate, Ethical Company title). The Bank implemented a hybrid work model, promotes diversity, equal treatment and inclusion, supports talent development, and promotes a healthy and eco-friendly lifestyle as part of wellbeing programmes for employees.

Chapter	Important aspects of application of Best Practice for GPW Listed Companies 2021
Disclosure policy, investor communications (Chapter 1)	<ul style="list-style-type: none"> <li>▶ Customer obsession is also one of the pillars of the Bank's strategy. The Bank takes constant efforts to improve customer satisfaction and all products and services are designed and implemented with a customer focus. These aspects are measured using NPS (Net Promoter Score) – a customer loyalty metric. As part of the customer-centric strategy, the Bank accelerated digitalisation and optimisation of processes, simplifies language in communication with customers and ensures that products and distribution channels are tailored to the needs of specific customer groups (including support for refugees from Ukraine – products and services for retail and business customers).</li> <li>▶ Since 2014, the Bank has been organising dialogue sessions with representatives of social and business partners in accordance with the AA1000SES standard. Their purpose is to gather feedback and expectations regarding the Bank's activities in the area of responsible banking. Suggestions made by stakeholders are analysed and taken into account in delivery of the strategy, in planning processes and in non-financial reporting. The last dialogue sessions were held in 2023 as part of the update of the ESG relevance matrix. The key external stakeholders of the Bank (suppliers, customers, business partners, sectoral organisations, NGOs, financial organisations, regulatory institutions, ESG experts in the banking industry) were invited to take part in the studies of the ESG impact on the Bank and the impact of the Bank in this respect on the environment.</li> <li>▶ The Bank's equal pay index is published on the site dedicated to the Best Practice: <a href="https://www.santander.pl/relacje-inwestorskie/dobre-praktyki">https://www.santander.pl/relacje-inwestorskie/dobre-praktyki</a>. In 2023, the index was at 97.05%.</li> <li>▶ Each year, the Bank publishes a list of expenses incurred by the Group to support culture, sports, charity organisations, media and civil society organisations (the list for 2023 is presented in Chapter VIII, Part 3 "Communication with stakeholders".)</li> <li>▶ The Bank's disclosure policy concerning investor relations is described in more detail in Chapter VII "Investor relations". For more information about the arrangements facilitating communication with shareholders, see "General Meeting" below (Part 4 "Governing bodies").</li> </ul>

Chapter	Important aspects of application of Best Practice for GPW Listed Companies 2021
Management Board, Supervisory Board (Chapter 2)	<ul style="list-style-type: none"> <li>▶ All members of the Bank's Management Board and the Supervisory Board have appropriate knowledge, experience and skills to duly perform their duties. Detailed information about their qualifications is presented in the later part of this statement (Part 4 "Governing bodies", Sections: "Management Board" and "Supervisory Board").</li> <li>▶ The Bank has a diversity policy in place which promotes diversity among members of the Management Board and the Supervisory Board in terms of their qualities and skills, gender, educational background, expertise, age, professional experience and geographical provenance. It also requires the Supervisory Board to ensure at least 30% representation of women in the Management Board by 2025. As regards the Supervisory Board, the Bank is to ensure 40%–60% representation of women by 2025 (women already account for 40% of the Supervisory Board membership) – more details are presented in Part 4 "Governing Bodies" and Part 8 "Diversity Policy".</li> <li>▶ The independence criteria (specified in the Act on statutory auditors, audit firms and public oversight, Commission Recommendation 2005/162/EC of 15 February 2005, and additional criteria stipulated in the Bank's Statutes as agreed with the KNF) are met by five of ten members of the Supervisory Board, who do not have actual and material connections with a shareholder holding at least 5% of total voting power at the Bank's General Meeting. These criteria are met by the Chairman and all members of the Audit and Compliance Committee.</li> <li>▶ Members of the Management Board and the Supervisory Board commit sufficient time to perform their duties. The functions performed on the Bank's Management Board are the main area of the professional activity of its members, some of whom also sit on the supervisory boards of the Bank's subsidiaries, which facilitates oversight and operation of the Group as a whole. Management Board members may perform roles on the boards of entities outside Santander Bank Polska Group exclusively with the consent of the Supervisory Board.</li> <li>▶ The Supervisory Board exercises an effective oversight of the Bank's operations, verifies the activities of the Management Board in terms of delivery of the strategic objectives and monitors the Bank's performance. The Management Board provides the Supervisory Board with access to information about matters related to the Bank as well as relevant resources and opportunity to use independent, professional advisory services if need be. The Supervisory Board provides the General Meeting with the Report on the Supervisory Board's activity, which includes detailed information about supervisory activities as well as the assessment of the Bank's position, internal control system, assessment of the remuneration policy, assessment of the Bank's performance of its information obligations and the sponsorship and corporate giving policy.</li> </ul>
Systems and internal functions (Chapter 3)	<ul style="list-style-type: none"> <li>▶ The Bank has an effective internal control, risk management and compliance system in place, as well as an effective internal audit function adequate to the size of the Bank and the type and scale of its operations. Their effectiveness is monitored and assessed by the Supervisory Board in coordination with the Audit and Compliance Committee.</li> <li>▶ The Bank's organisational structure includes units responsible for the tasks of individual systems and functions.</li> <li>▶ The Head of the Internal Audit Area adheres to international standards for the professional practice of internal auditing and reports directly to the President of the Management Board, with a dotted reporting line to the Chairman of the Audit and Compliance Committee.</li> <li>▶ Remuneration payable to persons responsible for risk management and compliance and the Head of the Internal Audit Area depends on the delivery of the tasks set rather than short-term results of the Bank.</li> <li>▶ The head of the compliance function reports directly to the Member of the Management Board in charge of the Compliance and FCC Division. The Risk Management Division is headed by the Vice President of the Management Board.</li> <li>▶ The internal audit function meets the international standards for the professional practice of internal auditing, which is verified as part of independent third-party assessment at least once every five years. The last assessment was carried out in June 2019 by the Institute of Internal Auditors.</li> </ul>

Chapter	Important aspects of application of Best Practice for GPW Listed Companies 2021
General Meeting, shareholder relations (Chapter 4)	<ul style="list-style-type: none"> <li>▶ Annual General Meetings are convened as soon as possible after the publication of an annual report at the date set in keeping with the applicable legislation. In 2023, the Annual General Meeting was held on 19 April, eight weeks after the release of the annual report for 2022.</li> <li>▶ When selecting the venue for the General Meeting, the Bank enables the participation of the largest-possible number of shareholders (the General Meetings of the Bank are held in Warsaw).</li> <li>▶ Since 2011, the Bank's shareholders can participate in the General Meetings by means of electronic communication channels (e-meetings) and exercise their rights from anywhere in the world. General Meetings are broadcast live on the Bank's website. The representatives of media can participate in General Meetings.</li> <li>▶ To help shareholders make informed voting decisions, on the date of the notice of the General Meeting the Bank publishes justifications of all resolutions (except for points of order and where justification follows from the materials submitted to the General Meeting) together with their drafts on a dedicated website (<a href="http://www.santander.pl/wza">www.santander.pl/wza</a>). The materials to be considered by the General Meeting are presented in a manner convenient to the shareholders.</li> <li>▶ In the case of resolutions requested by a shareholder to be included on the agenda, justifications are published immediately after receiving the shareholder's request (in the case of requests made in the course of the General Meeting, the justification is presented to shareholders prior to adopting a resolution). Additionally, members of the Bank's governing bodies provide verbal information prior to the vote on the matter if it is required so to consider the matter properly. The Bank takes efforts to ensure that draft resolutions are submitted no later than three days before the General Meeting.</li> <li>▶ The General Meeting should be attended by members of the Management Board and the Supervisory Board who will be able to give substantive answers to questions asked during the meeting.</li> <li>▶ Answers to shareholders' questions are provided in line with the applicable legislation within the set time limits.</li> <li>▶ The Bank strives to distribute profit to the shareholders in accordance with the dividend policy and the KNF recommendations. Under Resolution no. 6 of 19 April 2023, the Annual General Meeting allocated to the Dividend Reserve nearly PLN 2.4bn from the net profit earned by the Bank in the accounting year from 1 January 2022 to 31 December 2022. On 23 October 2023, in response to its request, the Bank received the KNF consent for dividend payment (interim dividend). Consequently, on 16 November 2023 the Bank's Management Board advised that it decided to pay out an interim dividend for the accounting year of 2023 and to allocate PLN 2,375,901,550.50 for that purpose. The dividend payment was made on 29 December 2023.</li> </ul>
Conflict of interest, related party transactions (Chapter 5)	<ul style="list-style-type: none"> <li>▶ The Bank and its subsidiaries have transparent procedures in place for managing conflicts of interest. They are described in the General Code of Conduct and the Conflict of Interest Prevention Policy as well as policies applicable in individual companies. They specify the criteria and circumstances in which a potential conflict of interest may arise and procedures to be followed in such cases. They also define ways to prevent, identify and resolve conflicts of interest.</li> <li>▶ Members of the Management Board and the Supervisory Board refrain from professional activities which might cause a conflict of interest. They must not participate in decision-making if there is an actual or potential conflict of interest. They must also inform the Bank about such situations. Potential conflicts of interest involving members of the Management Board and the Supervisory Board are also considered when assessing the suitability of candidates for these bodies and as part of ongoing suitability assessments.</li> <li>▶ The Bank ensures equal treatment of customers and suppliers. No shareholder has preference over other shareholders in related party transactions.</li> <li>▶ Transactions with related parties are made in accordance with the Bank's internal regulations and market standards. Approval from the Supervisory Board is required if: transactions with related parties exceed 5% of the Bank's total assets, transactions with a single entity during the accounting year exceed PLN 50,000,000 or if transactions exceed the PLN equivalent of EUR 4,000,000 (if applicable under specific internal provisions).</li> <li>▶ The Supervisory Board may seek external expert advice when making a valuation and analysing economic effects of related party transactions. If the transaction requires the approval of the General Meeting, the Supervisory Board assesses the need for seeking such advice.</li> </ul>

Chapter	Important aspects of application of Best Practice for GPW Listed Companies 2021
Remuneration (Chapter 6)	<ul style="list-style-type: none"> <li>▶ The Bank's Remuneration Policy meets all the requirements prescribed by law and supports the Group's growth and security. It complies with the principles of sound and effective risk management, prudent capital management, and it is consistent with the Bank's business strategy, objectives, values and long-term interests.</li> <li>▶ The Bank ensures the stability of its management team through such measures as transparent, fair, consistent and non-discriminatory terms of remuneration.</li> <li>▶ The remuneration of members of the Management Board and the Supervisory Board and key managers is sufficient to attract, retain and motivate persons with skills necessary for proper management and supervision of the Bank. The remuneration structure fully reflects market practices while the remuneration levels match the ones offered in the banking sector, taking into account the size of business. Remuneration is adequate to the scope of tasks performed.</li> <li>▶ In the case of the incentive plan established under the resolution of the Annual General Meeting of 27 April 2022, the level of remuneration depends on financial and non-financial performance in the long term (PAT, ROTE, NPS), including sustainability factors (delivery of ESG objectives).</li> <li>▶ The remuneration of Supervisory Board members does not depend on the Bank's results. The Supervisory Board members receive fixed monthly remuneration irrespective of the number of Supervisory Board meetings held. Supervisory Board members receive additional remuneration for work on the Supervisory Board committees.</li> </ul>

## Corporate Governance Rules for Supervised Institutions

Santander Bank Polska S.A. is required to apply the Principles of Corporate Governance for Supervised Institutions issued by the KNF on 22 July 2014.

The document describes internal and external relations of supervised institutions, including relations with shareholders and customers, their organisation, internal oversight framework and key internal systems and functions, as well as statutory bodies and the rules of their cooperation.

The document is available on the KNF website at

[https://www.knf.gov.pl/knf/pl/komponenty/img/knf\\_140904\\_Zasady\\_ladu\\_korporacyjnego\\_22072014\\_38575.pdf](https://www.knf.gov.pl/knf/pl/komponenty/img/knf_140904_Zasady_ladu_korporacyjnego_22072014_38575.pdf)

and on the Bank's website at:

[https://static3.santander.pl/asset/z/a/l/zal-do-uchwaly-objetej-pkt-13-porzadku-obrad\\_pl\\_55449.pdf](https://static3.santander.pl/asset/z/a/l/zal-do-uchwaly-objetej-pkt-13-porzadku-obrad_pl_55449.pdf).

The Principles of Corporate Governance for Supervised Institutions were approved for full application in Santander Bank Polska S.A. starting from 1 January 2015 by force of Management Board resolution no. 116/2014 of 9 October 2014 and Supervisory Board Resolution no. 58/2014 of 17 December 2014. Then, the Principles were approved by the General Meeting of Shareholders of Santander Bank Polska S.A. on 23 April 2015.

The table below describes the delivery of initiatives which are of the key importance to the Bank's shareholders.

Chapter	Important aspects of application of the Principles of Corporate Governance for Supervised Institutions by Santander Bank Polska S.A.
Organisation and organisational structure (Chapter 1)	<ul style="list-style-type: none"> <li>▶ The organisation of the Bank facilitates the delivery of long-term objectives, among other things by combining strategic planning with analysis of the required resources. The Bank sets its strategic objectives taking into account the character and scale of business activity in its strategy approved by the Management Board and the Supervisory Board.</li> <li>▶ The Bank has a transparent and appropriate organisational structure with functions assigned to organisational and tasks clearly allocated to Management Board members, head office units, branches and specific groups of positions. The effectiveness of the Bank's structure is analysed on an ongoing basis, taking into account market trends and benchmark data. The Bank's structure is available at: <a href="https://www.santander.pl/relacje-inwestorskie/informacje-o-spolce/wladze-banku">https://www.santander.pl/relacje-inwestorskie/informacje-o-spolce/wladze-banku</a>.</li> <li>▶ The organisation of the Bank makes it possible to change priorities as part of quarterly planning and business review, taking into account the analysis of business risks it is exposed to. Furthermore, the Bank has clear procedures to be followed in a special situation, i.e. in case of significant deterioration of its financial position or occurrence of operational events that disrupt or prevent the Bank from conducting its business activity. The Bank also has business continuity plans to minimise losses and ensure continuity of operations if special situations materialise.</li> <li>▶ The Bank complies with law and supervisory and regulatory recommendations and has specialised units (Legal Area, Compliance Area) which support the Bank in adhering to regulations and monitor the performance of the Bank's obligations in this respect. The Bank's internal control system is effective and efficient. Its objective is to ensure the Bank's compliance with law and risk management rules, reliability of financial reporting and effectiveness of the Bank's operations. The Bank's employees may anonymously report breaches using the whistleblowing channels available at</li> </ul>

	<p>the Bank without fear of retaliation from managers or colleagues. The effectiveness of the procedure for anonymous reporting of breaches is assessed at least once a year by the Supervisory Board.</p>
<p>Relations with supervised institution's shareholders (Chapter 2)</p>	<ul style="list-style-type: none"> <li>▶ The Bank conducts its activity taking into account the interests of all stakeholders as long as they are not contrary to the interests of the Bank. To that end, the Bank has adopted detailed guidelines setting out rules of conduct and principles for preventing conflicts of interest.</li> <li>▶ The Bank provides its shareholders with appropriate access to information and facilitates their participation in General Meetings, as described in detail in the section that discusses the material aspects of application of the Best Practice for GPW Listed Companies 2021 set out in Chapter 4 "General Meeting, shareholder relations"</li> <li>▶ By exercising oversight, the shareholders contribute to effective and proper functioning of the Management Board and Supervisory Board. Members of the Management Board do not exercise their voting rights attached to the shares they hold. 50% of the Supervisory Board members meet the independence criterion, which prevents worsening of the effectiveness of the shareholder oversight.</li> <li>▶ The Bank's shareholders do not hold any individual or other specific rights. Each share of the Bank gives one vote at the General Meeting.</li> <li>▶ Transactions with related parties are made in line with legal and tax requirements. The Bank has relevant internal policies in place, ensuring that such transactions are made in the interest of the Bank, are transparent and comply with market standards.</li> <li>▶ The purpose of the Bank's dividend policy is to ensure stable profit distribution in the long term and optimal capital structure of the Bank and Santander Bank Polska Group. The Bank's Management Board recommends payment of dividend by way of a resolution, taking into account prudent management and capital surplus over the acceptable capital ratios, as well as laws and recommendations and individual guidance issued by the supervisory authority (KNF).</li> </ul>
<p>Management body (Chapter 3)</p>	<ul style="list-style-type: none"> <li>▶ The Bank is managed by the Management Board which is a collective body. All members of the Management Board meet the criteria arising from law, best practice, regulatory recommendations and principles of corporate governance for supervised institutions, giving assurance of proper performance of their duties. It is verified by the Nominations Committee and the Supervisory Board as part of suitability assessment conducted before the appointment of the Management Board members and periodically (at least annually).</li> <li>▶ The Management Board is the only body with the authorisation and duty to manage the Bank's operations. While pursuing the adopted strategy, the Management Board is guided by safety of the Bank, applicable law, recommendations of supervisors and internal regulations of the Bank.</li> <li>▶ Members of the Management Board are collectively responsible for decisions which are within its remit, irrespective of the internal of responsibility for particular areas. The internal division of powers among Management Board members is transparent and covers all operational areas of the Bank. It is based on the organisational structure and adopted in the form of the Management Board resolution approved by the Supervisory Board.</li> <li>▶ None of the Management Board members conducts an activity which could lead to a conflict of interest or adversely affect his or her reputation as a member of the Management Board. Functions performed on the Management Board are their main area of professional activity, which ensures that they commit relevant time and effort to their responsibilities.</li> <li>▶ There is a succession plan for Management Board members, approved by the Supervisory Board, which enables their immediate replacement (if need be).</li> </ul>

Chapter	Important aspects of application of the Principles of Corporate Governance for Supervised Institutions by Santander Bank Polska S.A.
Supervisory body (Chapter 4)	<ul style="list-style-type: none"> <li>▶ The Bank is supervised by the Supervisory Board. All members of the Supervisory Board meet the criteria arising from law, best practice, regulatory recommendations and principles of corporate governance for supervised institutions, giving assurance of proper performance of their duties. It is verified by the Nominations Committee as part of suitability assessment conducted before appointment of the Supervisory Board members and periodically (at least annually). The suitability assessment is submitted to the General Meeting for approval.</li> <li>▶ The composition of the Supervisory Board ensures an appropriate number of persons who speak Polish (five out of ten members) and have appropriate experience and knowledge of the Polish financial market (six out of ten members). The Supervisory Board members who do not speak Polish take advantage of the assistance of interpreters and documentation translated into English. Half of the members of the Supervisory Board (including all members of the Audit and Compliance Committee and its Chairman) have independent status (the independence criteria arise from the Act on statutory auditors, audit firms and public oversight, and they include in particular no direct or indirect connections with the Bank, members of the governing bodies, major shareholders and their connected entities).</li> <li>▶ As part of its tasks described in its Terms of Reference, the Audit and Compliance Committee monitors the performance of financial audit activities and agrees the rules of conducting these activities, including their proposed plan. The co-operation of the Audit and Compliance Committee and of the Supervisory Board with the external auditor is documented in the reports and letters addressed to these bodies and in the minutes of their meetings.</li> <li>▶ Members of the Supervisory Board actively perform their functions and are sufficiently engaged in the work of the Supervisory Board, as demonstrated e.g. by high attendance at the meetings in 2023. All members of the Supervisory Board give assurance of proper performance of their duties. Specifically, all members of the Supervisory Board meet the criteria set out in Article 22aa of the Banking Law Act related to the maximum number of functions performed.</li> <li>▶ The Supervisory Board exercises ongoing oversight of the Bank's operations and takes preventive and remedial measures. The Supervisory Board receives reports on all areas of the Bank's operations, including reports on the delivery of strategic objectives, significant changes in the level of risk or materialisation of significant risks as well as on financial reporting and the accounting policy.</li> <li>▶ There is a succession plan for Supervisory Board members which enables their immediate replacement (if need be).</li> <li>▶ Each year, the Supervisory Board assesses compliance with the Principles of Corporate Governance for Supervised Institutions. A relevant statement in this respect is an element of the report on the Supervisory Board's activities and is available on the website at: <a href="https://www.santander.pl/relacje-inwestorskie/dobre-praktyki">https://www.santander.pl/relacje-inwestorskie/dobre-praktyki</a>.</li> </ul>
Remuneration policy (Chapter 5)	<ul style="list-style-type: none"> <li>▶ The rules regarding remuneration for members of the Management Board and the Supervisory Board are set out in the Remuneration Policy for Members of the Management Board of Santander Bank Polska S.A. and in the Remuneration Policy for Members of the Supervisory Board of Santander Bank Polska Group approved by the General Meeting.</li> <li>▶ The remuneration policy takes into account the Bank's financial position and payment of variable remuneration depends on the achievement of specific financial and non-financial objectives by the Bank.</li> <li>▶ The Supervisory Board oversees the remuneration policy, including verification of the criteria for payment of variable components of remuneration. The Supervisory Board submits an annual report on the remuneration policy to the General Meeting, indicating whether the policy supports the Bank's growth and security.</li> <li>▶ The remuneration of the Management Board members is set by the Supervisory Board and the remuneration of the Supervisory Board members is set by the General Meeting, considering the functions performed and the scale of the Bank's business. The Supervisory Board members who sit on committees are remunerated for additional tasks performed.</li> <li>▶ Remuneration regulations for key function holders (other than Management Board members) are adopted and supervised by the Management Board.</li> <li>▶ Variable remuneration is awarded to Management Board members based on the evaluation of their performance. Variable remuneration for the Bank's Management Board members and key managers depends on the assessment of the company's long-term financial position, long-term growth in shareholder value, stability of the company's operations and risk appetite.</li> <li>▶ Members of the Bank's Management Board do not receive remuneration for performing duties of supervisory board members in the companies to which they have been designated by the Bank.</li> </ul>

Chapter	Important aspects of application of the Principles of Corporate Governance for Supervised Institutions by Santander Bank Polska S.A.
Disclosure policy (Chapter 6)	<ul style="list-style-type: none"> <li>▶ The Bank has a disclosure policy in place, providing clear and reliable information to its shareholders, customers and other stakeholders. The policy provides for active measures to be taken by the Bank to satisfy information requirements of its stakeholders. The Bank communicates with capital market participants in a way that is adjusted to the needs of specific groups.</li> <li>▶ The Bank's information policy is available on the Bank's website at: <a href="https://www.santander.pl/relacje-inwestorskie/dokumenty-korporacyjne#dokument=4">https://www.santander.pl/relacje-inwestorskie/dokumenty-korporacyjne#dokument=4</a>. Detailed information about its assumptions is presented in the Chapter 1 "Disclosure policy, investor communications" in the section on the application of Best Practice for GPW Listed Companies 2021.</li> </ul>
Promotional activities and client relations (Chapter 7)	<ul style="list-style-type: none"> <li>▶ Customer focus and customer experience are among the Bank's strategic priorities. The Bank's Consumer Protection Policy establishes the criteria for identification, organisation and protection of consumer rights in all activities of the Bank, including as part of the use of customer-centric model of products and services, agreed rules for communication, complaints handling and application of predefined control mechanisms.</li> <li>▶ When offering financial products and services, the Bank is focused on providing customers with accurate information and meaningful explanations. Before entering into an agreement, customers receive necessary information about products and services in due course. The Bank makes sure that documents provided to customers are made in plain language and are easy to understand.</li> <li>▶ Customer complaints are handled by the Customer Care Office in accordance with clear and transparent rules. They are also periodically analysed to identify causes and take remedial actions.</li> <li>▶ The Bank has formal rules in place with respect to marketing communication and advertising messages, ensuring that they are accurate and not misleading and that they comply with applicable laws, principles of fair trade and good conduct.</li> </ul>
Key internal systems and functions (Chapter 8)	<ul style="list-style-type: none"> <li>▶ The Bank has an effective and appropriate internal control system in place that covers all levels of the Bank's organisational structure and is annually assessed by the Audit and Compliance Committee and the Supervisory Board.</li> <li>▶ The Bank ensures independence of the internal audit function and the compliance function. The Head of the Internal Audit Area adheres to international standards for the professional practice of internal auditing and reports directly to the President of the Management Board, with a dotted reporting line to the Chairman of the Audit and Compliance Committee. The head of the compliance function reports directly to the Member of the Management Board in charge of the Compliance and FCC Division. The Head of the Audit Area and the head of the compliance function take part in all meetings of the Management Board, the Audit and Compliance Committee, the Risk Committee and the Supervisory Board.</li> <li>▶ The Bank's risk management system is organised according to the nature, scale and complexity of the business, taking into account the strategic objectives, the risk management strategy and the risk appetite. It is assessed by the Risk Committee and the Supervisory Board on an annual basis.</li> </ul>
Execution of rights resulting from assets acquired at customer's risk (Chapter 9)	<ul style="list-style-type: none"> <li>▶ When buying assets at the customer's risk, the Bank (Santander Brokerage Poland) executes the customer's orders in line with the terms and conditions and the general terms of providing services which include the principle of best execution (Best Execution Policy). The decision-making process is duly documented.</li> </ul>

## Recommendation Z of the Polish Financial Supervision Authority (KNF) on corporate governance in banks

Recommendation Z has been effective as of 1 January 2022. To ensure full compliance with the recommendation, the processes and corporate governance rules were already reviewed and refined in 2021 both at the Bank and the Group level, including as part of the review or update of several dozen internal regulations.

Recommendation Z is a set of best practice on internal governance for banks. It supplements, refines and develops existing laws in this respect as well as KNF documents, in particular the Principles of Corporate Governance for Supervised Institutions described above.

Pursuant to Recommendation Z, in February 2023 the Bank's Management Board and Supervisory Board made a periodical assessment of internal governance in the Bank and Santander Bank Polska Group based on the dedicated "Methodology for the assessment of internal governance in Santander

Bank Polska S.A." approved by the Supervisory Board. Findings from the assessment confirmed a very high level of internal governance both in the Bank and in the Bank's subsidiaries.

The section below presents the main aspects of application of Recommendation Z by the Bank. Recommendation Z is available on the KNF's website at: [https://www.knf.gov.pl/knf/pl/komponenty/img/Rekomendacja\\_Z\\_70998.pdf](https://www.knf.gov.pl/knf/pl/komponenty/img/Rekomendacja_Z_70998.pdf).

Chapter of Recommendation Z	Important aspects of application of Recommendation Z by Santander Bank Polska S.A.
A. General principles of internal governance in the Bank	<ul style="list-style-type: none"> <li>▶ The Bank has a transparent, effective and legally compliant internal governance framework, defined in the Bank's Statutes and the hierarchical system of internal regulations, i.e. internal governance rules, operational models, policies, terms of reference, procedures, guidelines and other internal regulations. The Bank also ensures appropriate internal governance across the Group and exercises effective shareholder oversight of its subsidiaries.</li> <li>▶ The said internal governance assessment methodology supports the Management Board and the Supervisory Board in making that assessment and verifying if internal governance is adjusted to the changing situation in the Bank and its external environment. The Supervisory Board assesses the Bank's internal governance and its implementation at least once a year.</li> </ul>
B. Rules of procedure, powers, duties and responsibilities of the Supervisory Board members, the Management Board members and key function holders in the Bank, their mutual relations and suitability	<ul style="list-style-type: none"> <li>▶ The Bank's Management Board defines the purpose, long-term plans and strategic objectives of the Bank.</li> <li>▶ The Bank provides the Supervisory Board with access to information, resources and support necessary to perform its tasks.</li> <li>▶ The Bank has regulations in place governing the appointment and removal of members of the Management Board and the Supervisory Board. The composition of the governing bodies takes into account the ownership structure, business profile and business plans of the Bank.</li> <li>▶ Members of the Supervisory Board and the Management Board and key function holders at the Bank meet the suitability requirements, i.e. they have the knowledge, skills and experience required to perform their functions and can commit sufficient time to the performance of their duties (they meet the minimum time commitment). At least once a year, the Bank assessed the suitability of all the persons mentioned above.</li> <li>▶ The Supervisory Board and the Management Board perform their tasks based on written terms of reference. The General Meeting is informed about any amendments to the Terms of Reference of the Supervisory Board. The appropriateness of internal regulations on the Supervisory Board and the Management Board operations as well as effectiveness of these bodies are subject to regular assessment (including with the participation of independent advisors – the report on independent assessment of the Bank's Supervisory Board by KPMG Advisory spółka z ograniczoną odpowiedzialnością sp.k. was presented to the Extraordinary General Meeting on 12 January 2023 and it is available online at <a href="https://www.santander.pl/wza">santander.pl/wza</a>).</li> </ul>
C. Rules of conduct and conflicts of interest at the Bank	<ul style="list-style-type: none"> <li>▶ The Bank adheres to ethical standards set out in the General Code of Conduct. The Code regulates basic standards of behaviour and is an important element of the corporate culture. When making business decisions, the Bank is guided not only by legal or regulatory requirements but also by ethical standards adopted by the organisation. Those values are the foundation for building an effective internal governance framework in the Bank (the General Code of Conduct is available on the Bank's Internal Relations site, "Corporate documents" tab: <a href="https://www.santander.pl/relacje-inwestorskie/dokumenty-korporacyjne">https://www.santander.pl/relacje-inwestorskie/dokumenty-korporacyjne</a>). At least one a year, the Management Board verifies and assesses the compliance with ethical standards and informs the Supervisory Board about the results.</li> <li>▶ The Bank has effective and transparent rules for managing conflicts of interest. The internal regulations in this respect cover in particular relations, agreements and transactions with connected entities and between the Bank and: <ul style="list-style-type: none"> <li>▶ the Bank's customers;</li> <li>▶ the Bank's shareholders;</li> <li>▶ members of the Supervisory Board and the Management Board;</li> <li>▶ the Bank's employees;</li> <li>▶ material suppliers and business partners;</li> <li>▶ other connected parties than those listed above.</li> </ul> </li> <li>▶ Prices of transactions made between the Bank and its connected entities must be made on an arm's length basis. Transactions are made upon the verification of conflicts of interest (even potential ones).</li> </ul>

	Approval from the Supervisory Board is required if: transactions with related parties exceed 5% of the Bank's total assets, transactions with a single entity during the accounting year exceed PLN 50,000,000 or if transactions exceed the PLN equivalent of EUR 4,000,000 (if applicable under specific internal provisions).
D. Outsourcing policy, remuneration rules and dividend policy of the Bank	<ul style="list-style-type: none"> <li>▶ The Bank has relevant internal regulations setting out the rules for outsourcing activities to third parties and ensures strict supervision over the outsourced activities. Every six months, the Management Board reports to the Supervisory Board on the assessment of contracts in terms of their correctness and compliance with law as well as quality and timeliness of outsourced activities.</li> <li>▶ The remuneration rules in the Bank support in particular:</li> <li>▶ Appropriate and effective management of risk and avoidance of excessive risk-taking beyond the maximum risk appetite approved by the Supervisory Board;</li> <li>▶ Implementation of the Bank management strategy and risk management strategy and prevention of conflicts of interest.</li> <li>▶ The Bank's dividend policy takes into account in particular the Bank's current economic and financial standing, macroeconomic environment, assumptions arising from internal regulations on the Bank management strategy and risk management strategy, the KNF's position on the dividend policy for financial institutions, limitations arising from the Act on macroprudential supervision over the financial system and crisis management in the financial system, and the assumed dividend payout ratio. The policy is regularly updated as part of the review of the Bank's internal regulations.</li> </ul>
E. Risk management	<ul style="list-style-type: none"> <li>▶ The Bank has the risk management system developed and implemented by the Management Board and covering the Bank's organisational units. It is based on three independent and complementary levels (lines of defence) and:</li> <li>▶ takes into account the significance of the Bank's exposure to risk;</li> <li>▶ covers all significant risk types (including environmental, social and management risks), including adequacy and effectiveness and interdependencies between particular risk types;</li> <li>▶ enables effective decision making with regard to the execution of the Bank's management strategy.</li> <li>▶ The risk culture principles applicable at the Bank cover the entire organisation and are aimed to raise the awareness of risk management obligations of all employees. The risk culture is promoted through numerous training sessions and initiatives.</li> <li>▶ The Bank's product approval policy ensures compliance with regulatory requirements and takes into account valuation models and the impact on the risk profile, capital adequacy, profitability and availability of resources. The risk management unit and the compliance unit are involved in approving new products.</li> </ul>
F. Disclosures	<ul style="list-style-type: none"> <li>▶ The Bank has the disclosure strategy, whose main purpose is to provide market participants with reliable and exhaustive information about the Bank's risk profile. The strategy sets out the scope, frequency, time limits and forms of disclosure and rules for approval and verification of information subject to disclosure, and assessment whether market participants are provided with a comprehensive picture of the risk profile (the strategy is available on the Bank's Investor Relations site, "Corporate documents" tab).</li> </ul>

## Code of Banking Ethics

In addition to the foregoing corporate governance principles, Santander Bank Polska S.A. follows best sector practice established by the Polish Bank Association (ZBP) in the Code of Banking Ethics adopted by the 25th General Meeting of ZBP dated 18 April 2013.

The Code of Banking Ethics is composed of two parts:

Code of Best Banking Practice – a set of rules to be followed by banks in their relations with customers, employees, business partners and competitors;

Bank Employee Code of Ethics – rules of conduct for bank employees.

The Code of Banking Ethics is available on the website of the KNF at: <https://www.zbp.pl/dla-klientow/poradniki-i-rekomendacje>.

## Internal regulations

The general corporate governance principles are described in detail in the Bank's internal regulations.

The Bank has the Group-Subsidiary Governance Model and Guidelines for Subsidiaries as well as Specific Corporate Frameworks in place. The above-mentioned model sets out the basic rules to be followed by the Group in its relations with subsidiaries. It also includes guidelines on management and supervisory bodies and corporate governance concerning key business, support and control functions.

The Internal Governance Rules of Santander Bank Polska S.A. define the key rules applied by the Bank with regard to the management system, organisational structure, internal and external relations, including relations with shareholders and customers, internal supervision and key internal systems and functions, as well as the rules of procedure, powers, obligations and responsibilities of members of the Supervisory Board and the Management Board and key function holders and mutual relations between them. Furthermore, the Corporate Governance Rules of Santander Bank Polska Group define the organisation and functioning of the Group entities as well as the rules for cooperation and intragroup reporting.

Irrespective of their role, all employees of the Bank and the Group must follow ethical principles and rules of conduct established in the General Code of Conduct. It is a set of key principles and values reflecting the corporate culture of Santander Group, whose aim is to build trust and lasting loyalty of employees, customers, shareholders and communities. These rules are strictly connected with the Bank's business strategy and purpose, which is to help customers and employees prosper in a Simple, Personal and Fair way.

The Bank's corporate behaviour model is based on the following five behaviours: Think customer, Embrace change, Act now, Move Together and Speak up. They emphasise that people, teams and customers are the top priority for the Bank. They are also used as performance review criteria.

The formal framework of the Bank's corporate culture also includes the Responsible Banking and Sustainability Policy, which defines the organisation's approach to sustainable development in terms of responsible banking as well as the Bank's voluntary ethical, social and environmental commitments. For details, please see Chapter XIV "Statement on non-financial information for 2023".

## 2. Issuer's securities

### Structure of share capital

The table below presents the entities with significant holdings of Santander Bank Polska S.A. shares as at 31 December 2023 and 31 December 2022.

	Number of shares and voting rights		% in the share capital and total votes at GM	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Shareholders with a stake of 5% and higher</b>				
Banco Santander S.A.	68,880,774	68,880,774	67.41%	67.41%
Nationale-Nederlanden OFE 1)	5,123,581	5,123,581	5.01%	5.01%
Other shareholders	28,184,959	28,184,959	27.58%	27.58%
<b>Total</b>	<b>102,189,314</b>	<b>102,189,314</b>	<b>100.00%</b>	<b>100.00%</b>

2) Nationale-Nederlanden Otwarty Fundusz Emerytalny (OFE) is managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne (PTE) S.A.

As at 31 December 2023, Banco Santander S.A. held a controlling stake of 67.41% in the registered capital of Santander Bank Polska S.A. and in the total number of votes at the Bank's General Meeting. The remaining shares were held by the minority shareholders, of which, according to the information held by the Bank's Management Board, only Nationale-Nederlanden Otwarty Fundusz Emerytalny (OFE) exceeded the 5% threshold in terms of share capital and voting power.

According to the information held by the Management Board, the ownership structure as regards shareholders with a minimum 5% stake in terms of the voting power did not change in the period from the end of the financial year of 2023 until the date the Annual Report of Santander Bank Polska Group for 2023 was authorised for issue.

### Rights and restrictions attached to the issuer's securities

The shares of Santander Bank Polska S.A. are ordinary bearer shares. Each share carries one vote at the General Meeting. The nominal value is PLN 10 per share. All shares are fully paid.

The Bank did not issue any series of shares that would give their holders any special control rights towards the issuer or would limit their voting power or other rights. Neither are there any restrictions on the transfer of title to the issuer's shares.

## Planned share buyback in relation to Incentive Plan VII

The Bank's Annual General Meeting of 27 April 2022 established Incentive Plan VII and determined its terms and conditions. For the purpose of the Plan, between 2023 and 2033 the Bank will buy back up to 2,331,000 shares in accordance with the revised remuneration strategy for key employees of the Bank for 2022–2026, which introduced variable remuneration based on the Bank's shares. In the case of participants of Incentive Plan VII who are material risk takers within the meaning of Article 9ca(1a) of the Banking Law Act, the form of variable remuneration has been changed from phantom stock to the Bank's actual shares.

On 12 January 2023, the Extraordinary General Meeting authorised Management Board members to acquire own shares to perform the Bank's obligations under Incentive Plan VII. In 2023, the Bank bought back the total of 165,406 of its own shares (with nominal value of PLN 1,654,060) at PLN 48,884,192.40, which represent 0.162% of the Bank's share capital and carry 0.162% votes. Instructions were made to transfer the 165,406 shares to the participants of Incentive Plan VII. Having settled all these instructions, the Bank does not hold any of its own shares.

Pursuant to the Resolution no. 29 of the Bank's Annual General Meeting of 19 April 2023 (and amended Resolution no. 3 of the Bank's Extraordinary Meeting of 11 January 2024), the Bank is going to buy back up to 271,000 own shares in 2024 as part of Incentive Plan VII.

## 3. Amendment of the Statutes of Santander Bank Polska S.A.

Any amendments to the Statutes of Santander Bank Polska S.A. may be made by way of a resolution of the General Meeting and must be entered into the register of entrepreneurs of the National Court Register in order to be valid. In accordance with the Banking Law Act, such amendments also require consent from the Polish Financial Supervision Authority (KNF). Key changes introduced in 2023:

- 1) item 3 added to §13 of the Statutes in order to make that document compliant with the requirements arising from Articles 77 and 78 of the Regulation (EU) No. 575/2013 of the European Parliament and of the Council dated 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012;
- 2) §30(2) of the Statutes amended to make the Statutes consistent with Article 388 § 3 of the Commercial Companies Code dated 15 September 2000. This change allows the Bank's Supervisory Board to take the measures provided by the Commercial Companies Code with respect to passing resolutions.

Provisions of the Statutes before and after the change:

Paragraph	Wording before the change	Wording after the change
§ 13(3)	none	3. The purchase or redemption of the Company's own shares requires the consent of the Polish Financial Supervision Authority (KNF).
§ 30(2)	2. If necessary, a resolution of the Supervisory Board can be taken by circulation. Resolutions passed by circulation are circulated to all Supervisory Board members and become valid when signed by at least half of the Supervisory Board members, including the Chairperson.	2. If there is a need, resolution of the Supervisory Board can be taken in writing or by using direct communication over distance. Resolutions adopted in writing become valid when all Supervisory Board members have been informed about the contents of the draft resolution and when at least half of them took part in adopting the resolution.

The above-mentioned amendments to the Statutes were adopted under Resolution no. 28 of the Annual General Meeting of Shareholders of 19 May 2023 re changes to the Bank's Statutes. They were registered by the registry court and came into force on 15 May 2023.

On 11 January 2024, the Extraordinary General Meeting passed Resolution no. 4 on changes to the Bank's Statutes in order to provide a more detailed catalogue of actions listed in Article 69 (2)(2) and (5) of the Act of 29 July 2005 on Trading in Financial Instruments (Journal of Laws of 2022 no. 1500 as amended) that the Bank performs pursuant to Article 70(2) of this Act.

Provisions of the Statutes before and after the change:

Paragraph	Version applicable now	Version proposed
§7(2)(7a)(b):	b) client trading in non-publicly traded securities;	b) execution of orders to buy or sell financial instruments on behalf of the party placing the order;
§7(2)(7a)(c):	c) proprietary trading in the securities issued by the State Treasury and the National Bank of Poland and in non-publicly traded instruments: securities, participations in undertakings for collective	c) buying or selling financial instruments on one's own account;

	investments other than securities, money market instruments, derivatives, including options, forwards, swaps and contracts for difference;	
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The above-mentioned changes to the Bank's Statutes were registered by the registry court and came into force on 25 January 2024.

The Bank received a consent from the KNF to amend the Statutes as above.

## 4. Governing bodies

### General Meeting



#### Organisation and powers of the General Meeting

The Bank's General Meeting is held as provided for in the Commercial Companies Code of 15 September 2000, the Bank's Statutes and the Terms of Reference of the General Meeting. The Statutes as well as the Terms of Reference of the General Meeting are available on the Bank's website:

<https://www.santander.pl/relacje-inwestorskie/dokumenty-korporacyjne#dokument=6>

The Annual General Meeting is held once a year by 30 June. The Extraordinary General Meeting is convened when it is required to take a decision on a specific matter or when such a meeting is requested by eligible parties.

The General Meeting agrees on the issues within its remit, as defined by the above-mentioned laws and internal regulations. The Annual General Meeting:

- reviews and approves the Management Board's report on the Bank's performance and the financial statements for the previous financial year;
- adopts a resolution on profit distribution or loss coverage;
- gives discharge to the members of the company's governing bodies;
- reviews and approves the financial statements of the Group within the meaning of the accounting regulations;
- reviews other reports (e.g. report on the activities of the Supervisory Board).

The Annual General Meeting or the Extraordinary General Meeting may:

- adopt a resolution to amend the Bank's Statutes;
- appoint members of the Supervisory Board;
- remove members of the Management Board;
- adopt a resolution to increase share capital;
- decide on a merger with another company;
- adopt a resolution on remuneration policies for members of the Management Board and the Supervisory Board, set the remuneration for members of the Supervisory Board.

Since 2011, the Bank's shareholders may participate in the General Meeting using electronic communication channels (without the physical presence of themselves or their proxies). This enables two-way real-time communication and makes it possible for shareholders to exercise their voting rights. The Bank's approach, applied and improved for years, proved particularly effective during the Covid-19 pandemic, when the physical participation in the General Meeting was significantly impeded.

Voting (including via electronic communication channels) takes place using an electronic voting system which returns the number of votes ensuring that they correspond to the number of shares held, and in the case of a secret ballot – allows shareholders to remain anonymous. Shareholders may vote in person or by proxy.

The General Meeting is broadcast live online to all interested parties and a recording is available on the Bank's website dedicated to the General Meeting for later review. The information about the planned broadcast is published at least seven days before the date of the General Meeting.

Draft resolutions, rationale, and other submissions to the General Meeting (assessments, reports and opinions of the Bank's Supervisory Board) are published on the Bank's website early enough for the General Meeting participants to read them.

The representatives of the press, radio and TV may also attend the General Meeting.



#### General Meetings held in 2023

On 19 April 2023, the Annual General Meeting of Santander Bank Polska S.A. was held. It approved the 2022 reports submitted by the Management Board and the Supervisory Board, and the Supervisory Board's assessments of the required areas. It also considered the Management Board's proposal regarding the distribution of the profit for 2022 and the having the profit from the sale of AVIVA shares set aside as the dividend reserve, approved the collective suitability assessment of the Supervisory Board and the individual suitability assessment of the Supervisory Board members, granted discharge to the members of the Management Board and the Supervisory Board, reviewed the report on the

remuneration of Management Board and Supervisory Board members for 2022, created a capital reserve to be earmarked for the purchase of own shares under Incentive Plan VII and authorised the Management Board to purchase the Bank's own shares under the Plan in 2024. Moreover, the Bank informed the General Meeting about the KNF's guidance on assessing the adequacy of internal regulations and effectiveness of the Supervisory Board's operations (a relevant current report was distributed to the General Meeting and published online at [santander.pl/wza](https://santander.pl/wza)).

In 2023, two Extraordinary General Meetings were held.

– on 12 January 2023, the Annual General Meeting: i) passed the resolution on the authorisation of the Management Board members to acquire (buy back) own shares as part of Incentive Plan VII in 2023 and establishment of a capital reserve for that purpose; and ii) assessed the effectiveness of the Supervisory Board operations based on an independent report made by a third party (KPMG Advisory spółka z ograniczoną odpowiedzialnością sp.k.).

– on 20 July 2023, the Extraordinary General Meeting was convened in connection with changes in the composition of the Supervisory Board (John Power stepped down). Following a suitability assessment, the Extraordinary General Meeting appointed Adam Celiński as the new member of the Supervisory Board to replace John Power. The Extraordinary General Meeting also changed the monthly remuneration of Supervisory Board members because it had not been updated since June 2020 and, as such, it was no longer competitive compared to that offered by other banks.

On 13 December 2023, the Extraordinary General Meeting was called for 11 January 2024. During the meeting, the Resolution no. 29 of the General Meeting dated 19 April 2023 was amended by setting the maximum price per share for the Bank's shares to be bought back as part of Incentive Plan VII, such change resulting from a considerable growth of the market price since 19 April 2023. Secondly, a resolution to amend the Bank's Statutes was passed (for more details, see Section 3 "Amendment of the Statutes of Santander Bank Polska S.A.").



## Shareholders' rights

The rights of shareholders of Santander Bank Polska S.A. are set out in the Terms of Reference of the Bank's General Meeting in line with the Commercial Companies Code.

The fundamental right of shareholders is to attend the General Meeting and vote (personally or through proxies).

Pursuant to the Terms of Reference of the General Meeting, shareholders or their proxies may participate in the General Meeting via electronic communication channels (i.e. they may vote, make an objection, communicate with the meeting room, ask questions, etc.). Each share carries one vote at the General Meeting.

- Shareholders have certain rights with respect to the General Meeting, as specified in the Commercial Companies Code. In particular, they may:
  - object to adopting a resolution;
  - appeal against resolutions adopted by the General Meeting to the court (action for revocation or cancellation of a resolution);
  - request voting by secret ballot;
  - submit draft resolutions and propose amendments and supplements to draft resolutions concerning the business of the General Meeting by the end of discussion of a particular agenda item;
  - ask questions and request information from the Management Board regarding issues on the General Meeting agenda, as provided for by the Commercial Companies Code;
  - apply for the role of the Chairman of the General Meeting or propose a candidate for that role;
  - challenge decisions made by the Chairman of the General Meeting;
  - give a brief presentation and a short response to questions concerning individual items of the agenda.
- Shareholders may also:
  - request that a list of shareholders be emailed to them free-of-charge to the indicated address, inspect the list of shareholders available in the Bank's Management Board office and request a copy of the list at their own expense;
  - demand copies of requests included in the General Meeting agenda one week before the General Meeting;
  - have access to the General Meeting minutes and request copies of resolutions confirmed by the Bank's Management Board as true copies.

The Management Board members, acting within their powers and in accordance with the act on trading in financial instruments, have an obligation to respond to shareholders' questions which are relevant to the business of the General Meeting (for important reasons only – the response must be given in writing within two weeks of the request). The Management Board refuses to provide the requested information if it might:

- be prejudicial to the company or its subsidiaries or affiliates due to disclosure of technical, trade or organisational secret;
- cause a member of the Management Board to face criminal, civil or administrative liability.

Shareholders may request the Bank to provide information concerning the Bank outside of the General Meeting. In such a case, the Management Board may provide the requested information in writing, unless it might be prejudicial to the Bank, its subsidiary or affiliate, in particular due to disclosure of the company's technical, trade or organisational secret.

If the Bank provides information outside of the General Meeting, it publishes a current report with answers to the questions asked.

## Supervisory Board

### Rules of procedure of the Supervisory Board

The Supervisory Board of Santander Bank Polska S.A. operates under the Banking Law Act of 29 August 1997, the Commercial Companies Code of 15 September 2000, the Bank's Statutes and the Terms of Reference of the Supervisory Board, available on the Bank's website.



#### Composition, rules for appointment and removal of Supervisory Board members

The Supervisory Board consists of at least five members appointed for a joint three-year term of office. Terms of office are set in full financial years. The Supervisory Board members, including the Chairman of the Supervisory Board, are appointed and removed by the General Meeting. The Management Board informs the KNF about the composition of the Supervisory Board. The term of office of the Supervisory Board member expires no later than on the date of the General Meeting held to approve the financial statements for the last full financial year in which the member served on the Supervisory Board. It also expires as a result of the member's death, resignation or removal. The term of office of the Supervisory Board member who was appointed before the end of the term of the Supervisory Board expires at the same time as those of the remaining members.

Pursuant to the Bank's Statutes, at least half of the Supervisory Board members should be of independent status.



#### Powers of the Supervisory Board

The Supervisory Board exercises ongoing oversight of the Bank's operations. Apart from the rights and obligations provided for by the law and the Statutes, the Supervisory Board also has the following powers:

- to assess the financial statements in terms of their consistency with the books of account, documents and factual circumstances;
- to approve the Bank's annual and long-term development and financial plans, strategy and rules of prudential and stable management established by the Management Board;
- to approve the Management Board's proposals as regards setting up and winding up the Bank's units abroad;
- to give consent to equity investments to be made by the Bank if:
  - the value of such investment exceeds the PLN equivalent of EUR 4,000,000;
  - the value of such investment exceeds EUR 400,000 and, concurrently, as a result of such investment, the Bank's share in another entity will be equal to, exceed or will be reduced below 20% of the votes at the General Meeting;with the exception of underwriting agreements, the total exposure of the Bank under such agreements does not exceed one tenth of the total own funds of the Bank;
- to give consent to buy, sell or encumber non-current assets (as defined in the Accounting Act), in particular real property, if the value of a non-current asset exceeds the PLN equivalent of EUR 4,000,000, except for foreclosure of real property by the Bank as a mortgagee, as a result of an unsuccessful auction held as part of enforcement proceedings or foreclosure of another fixed asset or securities by the Bank, as a creditor secured by a registered pledge pursuant to the provisions of the Act on registered pledge and the register of pledges, or as a creditor secured by a transfer of title to secure loan repayment pursuant to the provisions of the Banking Law Act;
- to review the Management Board reports and proposals concerning profit distribution and loss coverage;
- to set remuneration for the President and members of the Management Board;
- to conclude agreements on behalf of the Bank with members of the Management Board (where authorised to do so), including employment contracts and management contracts (the Supervisory Board may appoint its Chairman or another member of the Supervisory Board to make statements of will in this respect);
- to adopt the Terms of Reference of the Bank's Management Board and other terms of reference and rules provided for by the Statutes or law, and to approve the Bank's Organisational Regulations and Policy on internal control system;
- to appoint an entity authorised to audit the Bank's financial statements and to conduct financial audits in the Bank;
- to request consent from the KNF to appoint two Management Board members, including the President of the Management Board;
- to inform the KNF about:
  - other Management Board members and each change in the Management Board composition;
  - compliance of the Management Board members with the criteria set out in the Banking Law Act, after performing the compliance assessment;
  - approving and changing the distribution of duties within the Management Board;
  - including the information on the Management Board member in charge of material risk in the Bank's operations;
- to appoint and remove the President and other members of the Management Board;
- to suspend the Management Board members for important reasons and delegate the Supervisory Board members to perform the role of the suspended Management Board members;
- to present the Annual General Meeting with a brief assessment of the Bank's situation, including the assessment of the internal control system and the material risk management system;
- to approve the policies developed by the Management Board: risk management policy, risk appetite, internal capital assessment and maintenance policy, internal control policy, remuneration policy, for each category of material risk takers;

- to approve the distribution of duties within the Management Board as decided by the Management Board;
- to review the matters to be considered by the General Meeting.

The Supervisory Board takes decisions in the form of resolutions which are adopted by absolute majority in open voting. The Supervisory Board adopts resolutions in a secret ballot in the cases stipulated by law. The Supervisory Board meetings are held as and when required and at least three times in any financial year. The Supervisory Board members convene in a single location, or in different locations using remote communication channels.

### Selected forms of communication with the shareholders



Each year, the Supervisory Board prepares and presents to the Annual General Meeting a report on its activities in the previous year, including a summary of operations of the Supervisory Board committees, a report from the audit of the annual financial statements of the Group and the Management Board's proposal of profit distribution, as well as assessment of the Group's activities (including internal control, risk management and compliance systems and internal audit function), corporate governance practices, remuneration policy and the rationale for sponsorship and corporate giving-related expenses. The above report of the Supervisory Board is published on the Bank's website at least 26 days before the General Meeting.



### Adequacy assessment for regulations concerning the Supervisory Board

On 23 February 2023, the Supervisory Board self-assessed the effectiveness of its activities in line with the KNF's Recommendation Z no. 8.9. Having analysed the regulations in detail, the Supervisory Board found that they cover all of the required issues, are adequate and enable it to operate efficiently and effectively as well as facilitate an effective governance over the Bank's operations. The regulations duly reflect the specific nature of the Bank's operations, its size and organisational structure. Moreover, they meet all the regulatory requirements, both in terms of the provisions of law, KNF recommendations and EBA's guidelines on internal governance. The Bank's General Meeting agreed with the conclusion that the regulations are adequate and enable the Supervisory Board to operate efficiently (Resolution no. 17 of the Annual General Meeting dated 19 April 2023).



### Assessment of the efficiency and effectiveness of the Supervisory Board

On 22 March 2023, the Supervisory Board (acting jointly with the Nominations Committee) self-assessed the effectiveness of its activities in line with KNF's Recommendation Z no. 8.9. The Supervisory Board indicated that it duly and effectively discharged its responsibilities arising from applicable laws, including the Commercial Companies Code, the Banking Law Act, the Bank's Statutes and the KNF recommendations, as well as from corporate governance rules. The Bank's General Meeting approved the foregoing self-assessment (Resolution no. 17 of the Annual General Meeting dated 19 April 2023).



### Suitability assessment

All Supervisory Board members are subject to individual suitability assessment (initial and ongoing one). The Supervisory Board is also subject to collective suitability assessment. The foregoing processes are delivered in accordance with the Policy on suitability assessment of Supervisory Board members in Santander Bank Polska S.A. developed in line with the Joint Guidelines of the European Securities and Markets Authority and the European Banking Authority no. EBA/GL/2021/06, Guidelines of the European Banking Authority no. EBA/GL/2021/05 on internal governance, taking into account applicable laws, in particular the Banking Law Act and the Commercial Companies Code. The assessment is conducted according to the Suitability assessment methodology for members of governing bodies of supervised entities published by the KNF ("KNF's Suitability assessment methodology"). The individual and collective suitability assessments are conducted at least once a year and as required under the above-mentioned policy, e.g. when candidates are proposed for the Supervisory Board positions (in this case, the assessment should be generally performed before the formal appointment), when membership of the Supervisory Board changes or when the Bank's business model is significantly modified. The Supervisory Board presents the results of the suitability assessment at the next General Meeting.



### Supervisory Board operations in 2023

In 2023, the Supervisory Board carried out its activities based on the adopted schedule of meetings and the general work plan adjusted to the current circumstances. The Supervisory Board regularly requested and received from the Bank's Management Board exhaustive materials on issues covered by the agendas of its meetings as well as those pertaining to other matters important to the Bank's operations. The agenda of each meeting covered business issues, important developments in the Bank, matters submitted by the Bank's Management Board for consideration and any other issues mandated by the Supervisory Board or deemed necessary to be covered by the agenda by the Board. The Supervisory Board's activities are described in detail in the minutes of its meetings which, together with the adopted resolutions, are kept at the Bank's headquarters. Irrespective of regular meetings, the Supervisory Board members stayed in regular contact with the Bank's Management Board members in order to exercise comprehensive oversight of the Management Board's operations. The individual matters were also considered by the Supervisory Board's Committees in accordance with their powers. In 2023, the Supervisory Board was in charge of strategy implementation, finances, relations with external auditors, internal audit, regulatory and compliance issues, the risk management system and internal control system, as well as day-to-day issues related to the operations of individual business lines and the Bank as a whole.

The Supervisory Board committees analysed the issues within their scope of responsibility, both in detail and at the general level, and issued follow-up recommendations to the Supervisory Board – for more information, see the section on Board committees below.

## Composition of the Supervisory Board

[ESRS 2 - Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies]

The table below presents the composition of the Supervisory Board of Santander Bank Polska S.A. as at 31 December 2023 and 31 December 2022.

Role in the Supervisory Board	No.	Composition as at 31 December 2023	No.	Composition as at 31 December 2022
Chairman of the Supervisory Board:	1.	Antonio Escámez Torres	1.	Antonio Escámez Torres
Deputy Chairman of the Supervisory Board:	2.	José Luis de Mora	2.	José Luis de Mora
	3.	Dominika Bettman	3.	Dominika Bettman
	4.	José García Cantera	4.	José García Cantera
	5.	Danuta Dąbrowska	5.	Danuta Dąbrowska
Members of the Supervisory Board:	6.	Isabel Guerreiro	6.	Isabel Guerreiro
	7.	David Hexter	7.	David Hexter
	8.	Adam Celiński*	8.	John Power**
	9.	Jerzy Surma	9.	Jerzy Surma
	10.	Marynika Woroszyńska-Sapieha	10.	Marynika Woroszyńska-Sapieha

\* Supervisory Board Member since 1 August 2023

\*\* Supervisory Board Member until 1 August 2023

In March 2023, the Nominations Committee of the Supervisory Board of Santander Bank Polska S.A. assessed the individual suitability of the Supervisory Board members as well as collective suitability of the Supervisory Board of Santander Bank Polska S.A. in accordance with the applicable regulations and the KNF's Suitability assessment methodology. The Committee decided as follows, based on the above-listed criteria and their assigned weights: each of the assessed persons meets the suitability criteria set out in Article 22(aa) of the Banking Law Act, i.e. with regard to knowledge, skills and experience required to perform duties and responsibilities on the Bank's Supervisory Board as well as gives assurance of proper exercise of these duties; meets the criteria for reputation, honesty and ethical behaviour. In the Committee's opinion, there are no objective and demonstrable circumstances or factors casting doubt on the person's good reputation and each person makes independent judgements (as per the applicable criteria) and is able to devote sufficient time to the performance of his/her duties, also during periods of intensive activity. As regards the collective suitability assessment, the Committee unanimously stated that the structure, size, composition and effectiveness of the Supervisory Board in the current composition were suitable and complied with the applicable regulations, in particular Article 22(aa) of the Banking Law Act. These were ongoing annual suitability assessments. The Annual General Meeting held on 19 April 2023 approved the results of the suitability assessments.

In 2023, the composition of the Supervisory Board changed as John Power stepped down effective as of 1 August 2023 – he has retired after more than 20 years of employment with Bank Zachodni WBK and (thereafter) Santander Bank Polska. The Extraordinary General Meeting appointed Adam Celiński as the Supervisory Board member for a three-year term of office, effective as of 1 August 2023 and based on approved suitability assessment of the candidate and collective suitability assessment of the Supervisory Board in the proposed composition – made on 12 July 2023 by the Nominations Committee. The assessment result indicates that the structure, size, composition and effectiveness of the Supervisory Board in the proposed composition were suitable and complied with the applicable regulations, in particular Article 22(aa) of the Banking Law Act.

Five out of ten member of the Supervisory Board meet the independence criteria specified in the Act on statutory auditors, audit firms and public oversight, Commission Recommendation 2005/162/EC of 15 February 2005 as well as relevant criteria stipulated in the Bank's Statutes (as agreed with the KNF), Terms of Reference of the Supervisory Board and Terms of Reference of the Audit and Compliance Committee. The following members of the Supervisory Board held independent status: Dominika Bettman, Danuta Dąbrowska, David Hexter, Jerzy Surma and Marynika Woroszyńska-Sapieha. Each of the above persons made a relevant statement which is subject to suitability assessment. The results of individual and collective suitability assessments of the Supervisory Board are approved by the General Meeting.

In 2023, the members of the Supervisory Board committed sufficient time to perform their functions. 29 Supervisory Board meetings were held during the year at which 181 resolutions were passed. The average attendance of Supervisory Board members was 95.7% (this figure does not include one secret ballot via means of direct communication over distance – nine out of ten Board members participated in that voting, the non-participating member has not been identified due to the nature of the secret ballot procedure).

The table below presents the attendance of Supervisory Board members:

Role in the Supervisory Board	No.	Composition as at 31 December 2023	Attendance at meetings in 2023	No.	Composition as at 31 December 2022	Attendance at meetings in 2022
Chairman of the Supervisory Board:	1.	Antonio Escámez Torres	28/28 100%	1.	Antonio Escámez Torres	23/23 100%
Deputy Chairman of the Supervisory Board:	2.	José Luis de Mora	28/28 100%	2.	José Luis de Mora	21/23 91%
	3.	Dominika Bettman	28/28 100%	3.	Dominika Bettman	23/23 100%
	4.	José García Cantera	23/28 82%	4.	José García Cantera	21/23 91%
	5.	Danuta Dąbrowska	27/28 96%	5.	Danuta Dąbrowska	22/23 96%
	6.	Isabel Guerreiro	24/28 86%	6.	Isabel Guerreiro	20/23 87%
Members of the Supervisory Board:	7.	David Hexter	27/28 96%	7.	David Hexter	23/23 100%
	8.	Adam Celiński*	11/11 100%	8.	John Power **	22/23 96%
	9.	Jerzy Surma	27/28 96%	9.	Jerzy Surma	23/23 100%
	10.	Marynika Woroszyńska-Sapieha	28/28 100%	10.	Marynika Woroszyńska-Sapieha	23/23 100%

\* Supervisory Board Member since 1 August 2023

\*\* Supervisory Board Member until 1 August 2023. In 2023, he attended 17/17 (100%) meetings held between 1 January 2023 and 31 July 2023.



Members of the Bank's Supervisory Board have various academic background, extensive expertise and considerable professional experience in banking and business, including finance, accounting, financial analysis, IT law and economics. Individual competencies and experience of the Supervisory Board members guarantee due performance of the obligations entrusted with them, while their complementarity ensures effective discharge of collective supervisory obligations. The diversity of the Supervisory Board in terms of gender, age, geographical provenance and length of service with the bank is presented in Section 8 "Diversity Policy" ("Diversity policy regarding the governing bodies").

The individual suitability assessment of Supervisory Board members (or candidates) and collective suitability assessment of the Supervisory Board (as a whole) focuses on the expert knowledge and skills in the area of sustainable development – the Bank verifies whether the assessed persons have knowledge, skills as well as theoretical and practical experience relating to risk management (identifying, assessing, monitoring, controlling and mitigating the main types of risk, including environmental, governance and social risks and risk factors) and collects relevant statements from these persons. The Bank also provides the Supervisory Board members with access to training so that they can improve their competencies in that area on an ongoing basis. In 2023, members of the Management Board and Supervisory Board participated in training sessions on sustainable development delivered by in-house and external experts. The topics covered legal requirements and EU regulatory frameworks, greenwashing, decarbonisation, climate change-related risks and their impact on the Bank's operations (including the impact on the loan portfolio, risk management methodologies, and the ensuing opportunities and threats). Supervisory Board members attend various conferences and events concerning sustainable development. For example, Dominika Bettman participated in the Business Accessibility Forum 2023 (organised by Fundacja Widzialni.eu) and EY Corporate Reporting Forum, and also sits on the Programme Board of Chapter Zero Poland (a programme for the development of competencies of management and supervisory board members). Danuta Dąbrowska attended the XIII Supervisory Board Conference held on 18 September 2023 devoted to "ESG from the supervisory board perspective".

At the meetings, members of the Management Board and Supervisory Board supported the initiatives aimed at increasing the Bank's sustainable development-related competencies (training for employees, recruitment of experts in a given area – both for business units and for 2LoD and 3 LoD units).

The information about the academic background and professional experience of the Bank's Supervisory Board members is presented below. It is also published on the Bank's website at: <https://www.santander.pl/relacje-inwestorskie/informacje-o-spolce/wladze-banku>.

## Profiles of Members of Supervisory Board of Santander Bank Polska S.A.

	<p><b>Antonio Escámez Torres</b> <b>Chairman of the Supervisory Board</b></p> <p><b>Academic background:</b></p> <ul style="list-style-type: none"> <li>▶ Law degree from Complutense University of Madrid</li> </ul> <p><b>Professional background:</b></p> <ul style="list-style-type: none"> <li>▶ 1973–1999: Banco Central (including the role of the Chairman and Chief Executive Officer with responsibility for the North American operations of Banco Central, Member of the Board of Directors, Member of the Executive Committee and Member of the Management Committee)</li> <li>▶ since 1999: Santander Group (including the role of the Member of the Board of Directors, Member of the Executive Committee, Member of the Management Committee, Member of the Banco Santander International Advisory Board and Member of Technology and International Committees)</li> <li>▶ 2009–2018: Chairman of Spain India Council Foundation</li> <li>▶ 2007–2018: Chairman of Banco Santander Foundation</li> <li>▶ 1994–2018: Vice Chairman of Attijariwafa Bank</li> <li>▶ since 1999: Santander Consumer Finance S.A.: Chairman of the Board of Directors (1999–2020) and Non-Executive Director (since 2020)</li> </ul>
	<p><b>José Luis De Mora</b> <b>Deputy Chairman of the Supervisory Board</b></p> <p><b>Academic background:</b></p> <ul style="list-style-type: none"> <li>▶ Graduate of ICADE University (Law and Economics)</li> <li>▶ MBA degree from Boston College</li> <li>▶ Chartered Financial Analyst</li> </ul> <p><b>Professional background:</b></p> <ul style="list-style-type: none"> <li>▶ 1992–1994: Corporate Finance at Bank of Spain and Daiwa Securities</li> <li>▶ 1994–1998: Analyst with Kleinwort Benson (London), responsible for Spain's equity and banking market</li> <li>▶ 1998–2003: Analyst with Merrill Lynch (London), responsible for pan-European banks, including Spanish, French and Italian banks</li> <li>▶ since 2003: Santander Group (currently: Senior Vice President supervising financial planning and corporate development, responsible for planning an organic growth strategy, corporate acquisitions and Group's expansion) <ul style="list-style-type: none"> <li>▶ 2012–2015: Member of the Board of Sovereign Bank NA</li> <li>▶ 2012–2013: Member of the Board of Santander Consumer USA</li> <li>▶ since 2015: Member of the Board of Santander Consumer Finance S.A.</li> </ul> </li> <li>▶ since 2011: Deputy Chairman of the Supervisory Board of Santander Bank Polska S.A.</li> </ul>



**Dominika Bettman**

**Independent Member of the Supervisory Board**

**Academic background:**

- ▶ Graduate of Warsaw School of Economics, Foreign Trade Faculty, and IESE Advanced Management Programme in Barcelona

**Professional background:**

- ▶ Employed for approx. 25 years with Siemens Polska:
  - ▶ 1995-1997: Logistics Manager, Siemens Nixdorf Polska
  - ▶ 1997-2002: Senior Commercial Manager, Siemens sp. z o.o.
  - ▶ 2002-2007: Finance Director at Siemens IT (until 2004) and Siemens Telecommunication (from 2004)
  - ▶ 2007-2009: Member of the Management Board and Chief Financial Officer, Nokia Siemens Network
  - ▶ 2009-2018: Chief Financial Officer, Siemens sp. z o.o.
  - ▶ 2018-2021: President of the Management Board of Siemens sp. z o.o.
- ▶ 2015-2019: Member of the Supervisory Board of Eurobank S.A.
- ▶ 2019-2021: Head of Digital Industries at Siemens Polska
- ▶ since 2021: President of the Management Board of Microsoft Polska sp. z o.o.
- ▶ since 2020: Member of the Supervisory Board of Santander Bank Polska S.A.



**José García Cantera**

**Member of the Supervisory Board**

**Academic background:**

- ▶ MBA degree from IE Business School

**Professional background:**

- ▶ until 2003: Latin America stock analyst; senior executive positions at Salomon Brothers-Citigroup
- ▶ 2003: Senior Vice President in charge of Global Banking and Markets Division of Banesto
- ▶ 2006-2012: CEO of Banesto
- ▶ 2012-2015: Head of Global Banking and Markets of Santander Group
- ▶ since 2015: Senior Vice President, Chief Financial Officer and Head of the Finance Division of Banco Santander S.A.
- ▶ Chairman of the Board of Santander de Titulizaciones SGFT and Santander Investment S.A.
- ▶ since 2015: Member of the Supervisory Board of Santander Bank Polska S.A.



### Danuta Dąbrowska

**Independent Member of the Supervisory Board**

#### Academic background:

- ▶ MA degree from the University of Horticulture and Food Industry in Budapest
- ▶ since 1999: Member of the Association of Chartered Certified Accountants (ACCA)
- ▶ Completed the Advanced Strategic Management Programme at IMD, Switzerland, and "Best-In-Retail" Programme at Harvard Business School
- ▶ Founding Member of FINEXA (Polish Association for Finance Directors)

#### Professional background:

- ▶ 1991–1993: Financial Assistant, Arthur Andersen & Co., Warsaw
- ▶ 1993–1997: Audit Manager, Coopers & Lybrand
- ▶ 1997–2001: Head of Financial and Business Control Department of Ericsson, Warsaw and Stockholm
- ▶ 2002–2003: CFO of TP Internet (France Telecom Group)
- ▶ 2004–2008: Member of the Board, CFO (for Eastern Europe and Middle East) at ECCO Sko A/S
- ▶ 2009–2019: Member of the Board, Vice President, CFO for Eastern Europe, Pandora Jewelry CEE
- ▶ 2012–2017: Member of the Supervisory Board of Herkules S.A.
- ▶ 2016–2018: Member of the Board, Vice President, CFO for Middle East and Africa in Panmeas Jewellery LLC (Pandora)
- ▶ since 2014: Member of the Supervisory Board of Santander Bank Polska S.A.
- ▶ 2018–2021: Member of the Audit Committee at the Polish Council of Shopping Centres (Polska Rada Centrów Handlowych)
- ▶ since 2019: Member of the Supervisory Board and Chairman of the Audit Committee at Budimex S.A.
- ▶ since 2022: Co-founder of Grupa Oryx sp. z o.o.
- ▶ since 2023: Member of the Supervisory Board and Audit Committee of VRG S.A. (Vistula Retail Group)



### Isabel Guerreiro

**Member of the Supervisory Board**

#### Academic background:

- ▶ MEng degree in Computer Software Engineering from Instituto Superior Técnico in Lisbon and MBA degree from INSEAD
- ▶ Graduate of Strategic Finance in Banking at Wharton Business School
- ▶ Completed a number of specialist courses for senior executives, e.g. Design Thinking BootCamp at Stanford University, and Driving Digital and Social Strategy at Harvard University

#### Professional background:

- ▶ 1992–1994: Lecturer in Computer Science at Instituto Superior Técnico in Lisbon
- ▶ 1995–2003: Programmer, System Analyst, Project Manager and Senior Manager at Novabase Sistemas de Informação S.A.
- ▶ Since 2005, employed with Banco Santander Totta S.A., Portugal:
  - ▶ 2005–2006: Sub-Director of Retail Banking
  - ▶ 2006–2008: Member of the Retail Banking Office
  - ▶ 2009–2013: Head of Branch Network Dynamics
  - ▶ 2013–2014: Head of Wholesale Strategy
  - ▶ 2014–2018: Head of Digital Transformation in charge of traditional and digital channels
  - ▶ Board Member in charge of Digitalisation and Transformation (since January 2019)
- ▶ since 2019: Member of the Supervisory Board of Santander Bank Polska S.A.



**David R. Hexter**

**Independent Member of the Supervisory Board**

**Academic background:**

- ▶ Graduate of Oxford University (Philosophy, Politics and Economics) and University College London (Legal and Political Theory)
- ▶ MBA degree from Cranfield School of Management
- ▶ MPhil degree from Birkbeck College London and PhD degree from Queen Mary University of London

**Professional background:**

- ▶ 1970–1992: Executive positions at Citibank N.A. in Europe and the USA, including:
  - ▶ 1986: Senior Credit Officer
  - ▶ 1989–1992: Division Executive for Central and Eastern Europe
- ▶ 1992–2004: European Bank for Reconstruction and Development:
  - ▶ 1992–1996: Head of the Financial Institutions Department
  - ▶ 1996–2004: Deputy Vice President of the Banking Department; Chairman of the Equity Investment Committee, responsible for approval of EBRD loans and projects
- ▶ since 2004: Independent Director and Consultant to a number of commercial firms, banks and equity funds operating in Russia, Kazakhstan, Denmark, Vietnam and Greece
- ▶ since 2013: Member of the Supervisory Board of Santander Bank Polska S.A.
- ▶ since 2016: Member of the Board of Piraeus Bank



**Adam Celiński**



**Member of the Supervisory Board**

**Academic background:**

- ▶ Master's degree from SGH Warsaw School of Economics.
- ▶ master's degree in Philosophy in International Finance at the Glasgow University.
- ▶ 1996: member of the Association of Chartered Certified Accountants (ACCA)
- ▶ 1999: awarded the UK Audit Practicing Certificate
- ▶ 2000: member of PIBR (Polska Izba Biegłych Rewidentów, a self-government uniting all Statutory Auditors in Poland)

**Professional background:**

- ▶ 1984–1990: employed with the Ministry of Finance
- ▶ 1990–1991: employed with KPMG in Warsaw.
- ▶ 1991–2021: employed with PricewaterhouseCoopers (PwC), in particular:
  - ▶ 2015–2018: as the Financial Services Leader and Risk Management Partner for Eurasia in PwC office in Almaty in Kazakhstan;
  - ▶ 2008–2015: the Financial Services Leader in Poland and the Baltic states; and at the same time the Risk Management Partner in Poland and the Baltic states (and subsequently in Poland, Slovakia and Hungary.)
  - ▶ 2001: partner in the Audit department of PwC Central and Eastern Europe partnership (PwC CEE)
- ▶ since 2023: member of the Supervisory Board of Santander Bank Polska S.A.

	<p><b>Jerzy Surma</b></p> <p><b>Independent Member of the Supervisory Board</b></p>	<p><b>Academic background:</b></p> <ul style="list-style-type: none"> <li>▶ Graduate of the Wrocław University of Technology (Computer Science and Management)</li> <li>▶ PhD in Economic Science from the Wrocław University of Economics</li> <li>▶ Completed the IFP programme at IESE Business School and Executive Programme at MIT Sloan School of Management</li> </ul> <p><b>Professional background:</b></p> <ul style="list-style-type: none"> <li>▶ 1999–2002: Head of the Software Development Department of T-Systems Polska</li> <li>▶ 2002–2006: Director in charge of Business Consulting in IMG Information Management Polska responsible for the implementation of Business Intelligence systems, re-engineering business processes, IT advisory</li> <li>▶ since 2006: Academic at Warsaw School of Economics (currently: Associate Professor in Collegium of Economic Analysis, 2018–2019: Head of Post-graduate Business Intelligence and Cybersecurity Management Studies)</li> <li>▶ 2008–2017: Member of the Supervisory Board of Kęty Group</li> <li>▶ 2011–2014: Visiting Scholar (Harvard Business School, University of Massachusetts)</li> <li>▶ since 2012: Member of the Supervisory Board of Santander Bank Polska S.A.</li> <li>▶ 2018–2019: Head of the National Cryptology Centre (Narodowe Centrum Kryptologii)</li> </ul>
	<p><b>Marynika Woroszyńska-Sapieha</b></p> <p><b>Independent Member of the Supervisory Board</b></p>	<p><b>Academic background:</b></p> <ul style="list-style-type: none"> <li>▶ Graduate of the Medical University of Warsaw and INSEAD International Executive Programme in Fontainebleau</li> <li>▶ Member of INSEAD Alumni Club; awarded the National Order of the Legion of Honour</li> </ul> <p><b>Professional background:</b></p> <ul style="list-style-type: none"> <li>▶ Many years of service with the Institute of Cardiology in Anin as part of the team responsible for introducing new techniques in the field of interventional cardiology</li> <li>▶ Started her professional career in the pharmaceutical industry in 1994: until 1996 with Infa Biocom, since 1998 with Sanofi Group (President of the Management Board and General Manager of the branch in Poland in 2004–2015)</li> <li>▶ since 2016: Advisor to the President of the Management Board of Polpharma Group</li> <li>▶ since 2017: Member of the Supervisory Board of Polpharma Group</li> <li>▶ 2005–2012: Member of the Management Board of INFARMA (Employers' Union of Innovative Pharmaceutical Companies) in charge of activities related to the code of ethics and the transparency directive, protection of intellectual property rights and promotion of innovation in Poland <ul style="list-style-type: none"> <li>▶ 2012–2014: President of the Management Board of INFARMA</li> </ul> </li> <li>▶ since 2014: Member of the Supervisory Board of Santander Bank Polska S.A.</li> </ul>

## Supervisory Board committees

The Supervisory Board may establish committees and designate individuals responsible for managing the work of such committees. These committees are designed to facilitate the current activities of the Supervisory Board by preparing draft Supervisory Board recommendations and decisions with regard to their own motions or the motions presented by the Management Board.

The following Supervisory Board committees operate in Santander Bank Polska S.A.: Audit and Compliance Committee, Risk Committee, Nominations Committee and Remuneration Committee. The responsibilities of these committees are set out in their respective terms of reference introduced by virtue of the Supervisory Board resolutions.

The table below presents the membership of the Supervisory Board committees and attendance at the their meetings.

**Composition of the Supervisory Board committees and attendance of their members  
at the meetings in 2022 and 2023**

Role in the Supervisory Board	No.	Members of the Supervisory Board as at 31 December 2023	Audit and Compliance Committee		Risk Committee		Nominations Committee		Remuneration Committee	
			2023	2022	2023	2022	2023	2022	2023	2022
Chairman of the Supervisory Board:	1.	Antonio Escámez Torres								
Deputy Chairman of the Supervisory Board:	2.	José Luis de Mora					4/5	4/4	5/7	6/6
Members of the Supervisory Board:	3.	Dominika Bettman	9/9	8/8	6/6	6/6			7/7	6/6
	4.	José Garcia Cantera								
	5.	Danuta Dąbrowska	8/9	8/8			5/5	4/4	7/7	6/6
	6.	Isabel Guerreiro								
	7.	David Hexter	9/9	7/8	6/6	5/6	5/5	4/4		
	8.	Adam Celiński*			2/2					
	9.	Jerzy Surma	9/9	8/8	6/6	6/6	5/5	4/4		
	10.	Marynika Woroszyńska-Sapieha	9/9	8/8			5/5	4/4	7/7	6/6
<b>Number of meetings in a given year</b>			9	8	6	6	5	4	7	6

Chairperson  
Member

\* Supervisory Board Member and Risk Committee member since 1 August 2023

\*\* Having stepped down as a member of the Supervisory Board, on that date John Power also resigned as Risk Committee member. In 2022, he attended 5/6 meetings of the Committee, and between 1 January 2023 and 31 July 2023: 4/4 meetings.

The operations of the Supervisory Board committees in the last year is presented below, and it will be discussed in more detail in the report on activities of the Supervisory Board in 2023, which will be submitted to the next General Meeting of Santander Bank Polska S.A. and published in due course before that meeting.



## Audit and Compliance Committee

The **Audit and Compliance Committee** supports the Supervisory Board in fulfilment of its oversight obligations towards shareholders and other stakeholders in terms of:

- the quality and integrity of the accounting policies, financial statements and disclosure practices;
- compliance of the Bank's business with laws and internal regulations;
- independence and effectiveness of activities undertaken by internal and external auditors;
- internal control system and risk management system.

The Committee also establishes procedures for auditor selection by the Bank (the main assumptions of the Policy of Auditor Selection at Santander Bank Polska S.A. are presented in Section 9 "External Auditor", Subsection "Selection of the external auditor"), develops the auditor services policy, as well as prepares and submits recommendations to the Supervisory Board regarding appointment, re-appointment and removal of the external auditor in accordance with the applicable laws and the Policy of Auditor Selection at Santander Bank Polska S.A. The Committee assesses the independence of the statutory auditor, gives consent for such auditor to render other permitted non-audit services at the Bank and monitors financial audits.

An important role of the Committee is also to support the Supervisory Board in overseeing the compliance function and compliance risk management. To that end, the Committee conducts regular reviews of key compliance matters and changes in the regulatory environment, and assesses measures taken by the Management Board in this respect.

### In 2023, the Audit and Compliance Committee:

- reviewed the following documents and submitted them to the Supervisory Board for approval: the Bank's audited financial statements for 2022, financial statements of the Bank and the Group for Q1, Q3 and H1 2023, as well as condensed interim special-purpose financial statements of Santander Bank Polska S.A. for the 9-month period ended 30 September 2023 (produced for the needs of an interim dividend payment in 2023);
- reviewed the following documents and submitted them to the Supervisory Board for approval: Capital Adequacy Report and Report on Disclosure Committee Operations in 2022 as well as the Condensed Capital Adequacy Report of the Group as at 30 June 2023;
- issued a recommendation to the Supervisory Board to appoint PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audit sp.k. to review and audit the financial statements of the Bank and the Group for 2024;
- approved the assignment of permitted non-audit services to the external auditor, including:
  - ✓ review of interim financial statements of the Bank/ Group;
  - ✓ verification of consolidation packages;
  - ✓ verification of capital adequacy disclosures;
  - ✓ verification of reports on remuneration of the Management and Supervisory Boards;
  - ✓ services connected with an issue prospectus;
  - ✓ assurance services related to safekeeping of customers' assets;
  - ✓ assurance services related to corporate social responsibility for the period ended 31 December 2023
  - ✓ assurance services related to risk management and prospectuses for Santander TFI S.A.
- additionally reviewed and monitored the implementation of the external auditor's recommendations arising from the auditor's letter to the Bank's Management Board on the 2022 audit. Details of the cooperation with the auditor and the expenses related to these services are presented in Section 10 "External auditor";
- supervised the activity of the Internal Audit Area on a regular basis and monitored the Audit Plan delivery on an ongoing basis (including the status of recommendations, review of the report on the delivery of the quality assurance programme in 2022);
- reviewed the reports of the head of Internal Audit in Santander Brokerage Poland (as part of its oversight of the internal audit function);
- monitored the operations of the compliance unit in 2023, as well as assessed and recommended to the Supervisory Board the approval of the 2023 Compliance Programme;
- reviewed the compliance risk reports.

Pursuant to the Act on statutory auditors, audit firms and public oversight, the majority of audit committee members should meet the statutory independence criteria, which are also specified in the Bank's Statutes (please note that this does not mean the "independence of mind" mentioned in Article 22a of the Banking Law Act or in the suitability assessment criteria for members of the Bank's Management Board and Supervisory Board applicable under Guidelines no. EBA/GL/2021/06 and KNF's Suitability assessment methodology – rather, it means the independence as defined in Article 129 (3) of the Act on statutory auditors, audit firms and public oversight). In accordance with the Principles of Corporate Governance for Supervised Institutions, particularly members of the audit committee should have an independent status. KNF's "Best practice for public interest entity on the rules for appointment, composition and operations of the Audit Committee" (a document binding for the Bank) stipulate that "audit committee member is

deemed independent if they have no financial interest related to the entity they control except for the remuneration received for the role performed as a member of the supervisory board or other supervisory or controlling body (including the audit committee) of that entity".

The Bank goes beyond the statutory requirement and applies it to all members of the Audit and Compliance Committee (in line with the Act, the majority of audit committee members are independent). In the Bank's opinion, such approach is beneficial both for minority shareholders and transparency of the Bank's operations as well as facilitates efficient oversight in the company. It complies with the best practices developed in Santander Group – the Group-Subsidiary Governance Model assumes that all members of the Audit Committee meet the independence criteria. It means that no Committee member has been a member of the Management Board of the Bank or its connected entity over the last five years, has not been an employee of the Bank or its connected entity over the last three years, has not received additional substantial remuneration from the Bank or its connected entity except for remuneration for performing their role on the Supervisory Board, is not a shareholder of the parent entity and does not represent it, has not had actual and material connections with a shareholder holding at least 5% of total voting power at the Bank's General Meeting. The suitability assessment also takes into account the Audit Committee member's employment with other companies in the context of actual and potential conflicts of interest.

Furthermore, all members of the Audit and Compliance Committee have independence of mind understood as an ability to make their own sound, objective and independent decisions and judgments when performing their functions and responsibilities. Such behavioural skills are assessed at least once a year as part of assessment of suitability of individual Supervisory Board members conducted in accordance with the Suitability assessment methodology published by the KNF.

In line with the criteria indicated in the "Best practices for public interest entities relating to the appointment, composition and operations of the audit committee", the following members of the Audit and Compliance Committee are deemed to have relevant knowledge and skills in accountancy and examination of financial statements:

1) hold a chartered auditor's licence, ACCA certificate (Association of Chartered Certified Accountants):

→ Danuta Dąbrowska.

2) have at least two-year professional experience connected directly with financial accounting, management accounting or financial statements auditing. In other cases, the knowledge and skills of the candidate can be confirmed by: 1) education in the field of accounting or financial statements auditing confirmed by a university degree diploma or specialist courses and training in accounting or financial statement auditing confirmed by a certificate or other documents, and (2) accounting or financial statements auditing skills gained during the professional career":

→ Dominika Bettman: degree in economics and extensive professional experience gained in previous positions, including as CFO at companies from Siemens Group.

→ David Hexter: degree in economics, professional experience gained in executive positions in financial institutions.

The following Committee members have knowledge and skills in the area of banking:

→ David Hexter: competencies gained in executive positions in the banking and financial services sectors, including in Citibank and the EBRD.

→ Dominika Bettman: competencies gained as the Member of the Supervisory Board of Eurobank S.A.

Apart from the Committee's members, the attendees included the representatives of the Bank's Auditor, Vice President of the Management Board in charge of the Risk Management Division, member of the Management Board in charge of the Financial Accounting and Control Division, member of the Management Board in charge of the Financial Management Division, member of the Management Board in charge of the Compliance and FCC Division, Head of the Internal Audit Area (Chief Audit Executive) and Head of the Compliance Area. Other members of the Management Board and executives are also invited to attend the Committee meetings to present reports and discuss issues related to the areas under their management.



## Risk Committee

The Risk Committee is specifically responsible for:

- issuing opinions on the Bank's current and future risk propensity;
- issuing opinions on the risk management strategy developed by the Bank's Management Board and supervising its delivery;
- supporting the Supervisory Board in overseeing the implementation of the risk management strategy by the senior management;
- checking if the prices of liabilities and assets offered to customers match the Bank's business model and risk management strategy, and if not – making a proposal to the Management Board to ensure adequacy of asset and liability prices in relation to different risk types;
- issuing opinions in relation to appointment and removal of the Management Board member in charge of risk management and opinions on his/her annual objectives and their delivery.

The Risk Committee convenes at least four times per year at dates corresponding to the reporting and audit cycle. Additional meetings are held when necessary. In 2023, six Committee meetings were held.

When performing its responsibilities, the Committee takes into account the fact that risk-taking by the Bank has to be adequate to the scale and profile of its business. Risk management is governed by the industry standards and regulatory guidance and recommendations concerning, among other things, operational risk, credit risk, market risk and liquidity risk. The Committee provided support to the Supervisory Board in exercising continued oversight over all risks related to the Bank's operations.

In 2023, the Committee focused on the risks related to: the war in Ukraine, the Bank's IT environment, the CHF loan portfolio (including provision-related issues) and loan payment holidays (including solutions proposed by the government for the upcoming years), as well as on the cost of risk. The Committee also monitored the current macroeconomic situation and its impact on the level of risk.



## Nominations Committee

The Nominations Committee supports the Supervisory Board in performing its tasks, issues recommendations on the appointment and removal of members of the Supervisory Board, Management Board and other key function holders by the Bank's relevant bodies, and contributes to the performance of the Bank's duties with respect to the assessment of the suitability of members of the Supervisory Board, Management Board and key function holders.

The Nominations Committee holds regular meetings at least four times a year, as per the schedule agreed upon at the beginning of the year. Additional meetings are held when necessary. In 2023, five Committee meetings were held.

In 2023, the Nominations Committee focused on: (i) suitability assessment of the members of the Management Board and Supervisory Board and candidates for members of the Bank's bodies as well as on the suitability assessment of these governing bodies as a whole; (ii) succession plans; (iii) review of the diversity policy and policies concerning the suitability assessment, selection, appointment and succession planning.



## Remuneration Committee

The Remuneration Committee supports the Supervisory Board in performing its tasks concerning remuneration of members of the Bank's governing bodies and key function holders, reviews and monitors the Remuneration Policy and supports the General Meeting, the Supervisory Board and the Management Board in developing and implementing that Policy.

The Committee holds regular meetings four times a year, as per the schedule agreed upon at the beginning of the year. Additional meetings are held when necessary. In 2023, seven Committee meetings were held.

In 2023, the Remuneration Committee:

- reviewed the Management Board members' performance and set their targets for 2023 (including the target matrix for Management Board members for the needs of the Long Term Incentive Plan VII);
- recommended the 2022 bonus for Management Board members, the Head of Internal Audit Area and the Head of Compliance;
- reviewed and assessed the compliance with the triggers for payment of variable remuneration to the individuals with the status of Identified Employees and recommended that the Supervisory Board should approve the payment of certain deferred portions of variable remuneration payable in 2023;
- reviewed the bonus schemes for key executives, management, employees of the Business Support Centre and branch banking employees;
- recommended the amount of remuneration for newly-appointed members of the Management Board;
- reviewed and evaluated the current remuneration policy;
- reviewed and identified the Material Risk Takers;
- reviewed the existing remuneration levels and the Management Board's decisions on adjustment of remuneration levels;
- reviewed the remuneration levels for members of the Management Board and Supervisory Board and issued change recommendations;
- confirmed that requirements for 2022 bonus payment have been fulfilled for participants of the Incentive Plan VII as well as
- reviewed the internal regulations within the scope of the Committee's operations.

## Management Board



### Appointment and removal of executives

Members of the Management Board of Santander Bank Polska S.A. are appointed and removed in accordance with the Commercial Companies Code, Banking Law Act and the Bank's Statutes.

The Bank's Management Board consists of at least three persons (including the Management Board President) appointed by the Supervisory Board for a joint three-year term of office. Terms of office are set in full financial years. At least half of the Management Board members (including the Management Board President) are required to speak Polish, have a university degree, be permanent residents of Poland, have good knowledge of the Polish banking sector and experience of the Polish market to manage a Polish banking institution. Two Management Board members, including the Management Board President, are appointed with the approval of the KNF. Management Board members may be removed by the Supervisory Board or the General Meeting at any time.

The term of office of the Management Board member expires no later than on the date of the General Meeting held to approve the financial statements for the last full financial year in which the member served on the Management Board. It also expires as a result of the member's death, resignation or removal. The term of office of the Management Board member who was appointed before the end of the term of the Management Board expires at the same time as those of the remaining members.

All Management Board members are subject to individual suitability assessment (initial and ongoing). The Management Board is also subject to collective suitability assessment. The foregoing processes are delivered in accordance with the Policy on suitability assessment of Management Board members and key function holders in Santander Bank Polska S.A. developed in line with the Joint Guidelines no. EBA/GL/2021/06, Regulation of the Minister of Finance of 7 May 2018 on specific tasks of the nomination committees in significant banks, and other applicable laws, in particular the Banking Law Act and the Commercial Companies Code. The assessment is also conducted according to the KNF's Suitability assessment methodology. The individual and collective suitability assessments are conducted at least once a year and as required under the above-mentioned policy, e.g. when candidates are proposed for the Management Board positions (in this case, the assessment should be generally performed before the formal appointment), when membership of the Management Board changes or when the Bank's business model is significantly modified.

Pursuant to Article 22b(1) of the Banking Law Act, the Management Board President and the Management Board member in charge of material risk management are appointed with the approval of the KNF. Such approval was required in relation to the appointment of Michał Gajewski as the President of the Management Board and Andrzej Burliga as the Vice President of the Management Board in charge of the Risk Management Division and the Business Intelligence Area.

The individual and collective suitability assessments confirmed that each member of the Management Board and the Management Board as a whole have appropriate knowledge and skills and meet all the suitability criteria to perform their functions.



### Powers of executives

The Management Board of Santander Bank Polska S.A. manages and represents the Bank.

The Management Board takes decisions to raise obligations or transfer assets where the total value for one entity exceeds 5% of the Bank's own funds. It may also, by way of resolution, delegate its powers to take such decisions to other committees or persons at the Bank.

The Management Board members run the Bank's affairs jointly, and in particular: define the Bank's mission, set long-term action plans and strategic objectives, prepare assumptions for the Bank's business and financial plans, approve proposed plans and monitor their performance, regularly report to the Supervisory Board on the Bank's position in the scope and at the dates agreed with the Supervisory Board, appoint permanent or ad hoc committees and designate individuals responsible for managing the work of such committees. The committees are composed of both Management Board members and persons from outside the Management Board.

Management Board members acting severally do not have any specific powers and cannot take decisions on issuing or redeeming shares.

Standing committees operating at the Bank include:

<ul style="list-style-type: none"> <li>• Assets and Liabilities Committee (ALCO)</li> <li>• Credit Policy Forum for Retail Credit Portfolios</li> <li>• Credit Policy Forum for SME Credit Portfolios</li> <li>• Credit Policy Forum for Business and Corporate Credit Portfolios</li> <li>• Provisions Committee</li> <li>• Operational Risk Management Committee (ORMCO)</li> <li>• Disclosure Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Information Management Committee</li> <li>• Risk Management Committee</li> <li>• Model Risk Management Committee</li> <li>• Marketing Forum</li> <li>• Urban Regeneration Fund Investment Committee</li> <li>• Regulatory and Reputational Risk Committee</li> <li>• AML Decision Committee</li> <li>• AML Operating Committee</li> <li>• Procurement Investment Committee</li> <li>• Credit Committee</li> <li>• Local Marketing and Monitoring Committee</li> <li>• Public Policy Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible Banking and Corporate Culture Committee</li> <li>• Capital Committee</li> <li>• Suppliers Panel</li> <li>• Capital Stress Test Forum</li> <li>• Investment Advisory Committee</li> <li>• Risk Control Committee</li> <li>• Special Situations Management Committees (Gold, Silver, Bronze Group)</li> <li>• General Compliance Committee</li> <li>• Market and Investment Risk Committee</li> </ul>
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## Rules of procedure of the Management Board

The Management Board operations are primarily governed by Banking Law Act, the Commercial Companies Code, the Bank's Statutes and the Terms of Reference of the Management Board, available on the Bank's Investor Relations website, section: Corporate documents".

According to the Bank's Statutes, the following individuals are authorised to represent and bind the Bank: a) the Management Board President acting individually, and b) two members of the Management Board acting jointly, or a member of the Management Board acting jointly with a commercial representative (prokurent), or two commercial representatives acting jointly. Attorneys may be appointed and authorised to act individually or jointly with any of the persons indicated in b) or with another appointed and authorised attorney.

The Management Board deals with all issues which have not been restricted to the remit of the General Meeting or the Supervisory Board. The Management Board takes decisions in the form of resolutions which are adopted by absolute majority in open voting.

The Management Board adopts resolutions in a secret ballot in cases stipulated by law. Management Board meetings are held as required. The Management Board members convene in a single location, or in different locations using remote communication channels.



## Adequacy assessment for regulations concerning the Management Board

On 20 February 2023, the Management Board self-assessed the effectiveness of its activities in line with KNF's Recommendation Z no. 8.9 – these activities were considered adequate and effective. Next, i.e. on 23 February 2023, the Supervisory Board analysed these regulations, approved the self-assessment results and determined that the regulations duly reflected the specific nature of the Bank's operations, its size and organisational structure. Moreover, they meet all the regulatory requirements, both in terms of the provisions of law, KNF recommendations and EBA/GL/2021/14 guidelines on internal governance.



## Assessment of the efficiency and effectiveness of the Management Board

On 5 July 2023, the Supervisory Board self-assessed the effectiveness of its activities in line with KNF's Recommendation Z no. 8.9. The Management Board stated it had duly and effectively managed the Bank and discharged its responsibilities arising from applicable laws, including the Commercial Companies Code, the Banking Law Act, the Bank's Statutes and the KNF recommendations, as well as from corporate governance rules. On 16 July 2023, the Supervisory Board assessed the Management Board and concluded that it operated in an effective and efficient manner. This assessment recognised the better-than-planned financial results achieved by the Bank, excellent delivery of the strategy and compliance with capital ratio requirements. Key internal and external factors affecting the Bank were also taken into account, such as: high and persistent inflation, interest rate monetary policy, the war in Ukraine, very high volatility of the PLN exchange rate over the last 12 months, implementation of the so-called payment holidays, changes in taxation introduced by the state under the so-called "New Polish Deal", challenges in the labour market (talent acquisition and retention).



## Composition of the Management Board

[ESRS 2 - Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies]

The table below presents the composition of the Management Board of Santander Bank Polska S.A. as at 31 December 2022 and 31 December 2023 and the roles and responsibilities of its members. The Bank's organisational structure is presented in Part 1 of Chapter X "Organisational and infrastructure development".

Role in the Management Board	No.	Composition as at 31 December 2023	Reporting area as at 31 December 2023	No.	Composition as at 31 December 2022	Reporting area as at 31 December 2022
President of the Management Board:	1.	Michał Gajewski	1) Internal Audit 2) Legal Area 3) Other units outside of the divisional structure: Corporate Communication and Marketing Area, Customer Excellence Centre, Corporate Governance Department, Corporate Governance Department, Classified Data Protection Unit	1.	Michał Gajewski	Units reporting directly to the President: 1) Legal and Compliance Division 2) Units outside the divisional structure: Internal Audit Area, Corporate Communication and Marketing Area, Corporate Governance Department, Classified Data Protection Unit
	2.	Andrzej Burtiga	1) Risk Management Division 2) Business Intelligence Area (unit outside the divisional structure)	2.	Andrzej Burtiga	1) Risk Management Division 2) Business Intelligence Area (unit outside the divisional structure)
Vice Presidents of the Management Board:	3.	Juan de Porras Aguirre	Corporate and Investment Banking Division	3.	Juan de Porras Aguirre	Corporate and Investment Banking Division
	4.	Arkadiusz Przybył <sup>1)</sup>	Wealth Management and Insurance Division	4.	Arkadiusz Przybył	1) Retail Banking Division 2) Branch Network
Members of the Management Board:	5.	Lech Gałkowski	Business and Corporate Banking Division	5.	Lech Gałkowski	Business and Corporate Banking Division
	6.	Patryk Nowakowski	Digital Transformation Division	6.	Patryk Nowakowski	Digital Transformation Division
	7.	Maciej Reluga	Financial Management Division	7.	Maciej Reluga	Financial Management Division
	8.	Maria Elena Lanciego Pérez <sup>2)</sup>	Financial Accounting and Control Division	8.	Carlos Polaino Izquierdo	Financial Accounting and Control Division
	9.	Dorota Strojewska	Business Partnership Division	9.	Dorota Strojewska	Business Partnership Division
	10.	Artur Głęboki <sup>3)</sup>	Compliance and FCC Division	n/a	n/a	
	11.	Magdalena Proga-Stępień <sup>4)</sup>	1) Retail Banking Division 2) Branch Network	n/a	n/a	

1) Until 4 April 2023, Arkadiusz Przybył served as the Vice President of the Management Board in charge of the Retail Banking Division. Since the establishment of a new Wealth Management and Insurance Division on 4 April 2023, he has had the role of Vice President of the Management Board in charge of that division.

2) From 1 January 2023 to 31 December 2023. Replaced by Wojciech Skalski on 1 January 2024.

3) Since 14 November 2023

4) Since 4 April 2023

The composition of the Management Board changed during the previous year.

Until 4 April 2023, Arkadiusz Przybył was the Vice President of the Management Board in charge of the Retail Banking Division. Since the establishment of a new Wealth Management and Insurance Division on 4 April 2023, he has had the role of Vice President of the Management Board in charge of that division. Magdalena Proga-Stepień, previously the Head of Distribution, was appointed as the Management Board member in charge of the Retail Banking Division as of 4 April 2023.

On 14 November 2023, Artur Głęboki, who up to that point was the Head of Risk Management and Deputy Chief Risk Officer, was appointed as the Management Board member in charge of the newly established Compliance and FCC Division.

On 1 January 2024, a new member of the Management Board in charge of the Financial Accounting and Control Division was appointed. On 26 October 2023, María Elena Lanciego Pérez resigned from this position, effective as of 1 January 2024. On 13 December 2023, the Supervisory Board appointed Wojciech Skalski, the Head of the Financial Accounting Area, in her place.



## Suitability assessment, knowledge and skills related to sustainable development

### [ESRS 2 - Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies]

The individual and collective suitability assessments confirmed that each member of the Management Board and the Management Board as a whole have appropriate knowledge and skills and meet all the suitability criteria to perform their functions. They are also an important and clear sign that the Bank has proper succession plans in place, and therefore ensures stable management and long-term development of talents within the organisation as well as recognises the professional experience and longtime engagement in the development of the Bank.

The professional activities of the Management Board members focused on the performance of obligations connected with their role in the Management Board and this was their main task. The Management Board members complied with the limitation of the positions held with other companies, as stipulated in Article 22aa of the Banking Law Act. The succession of the Management Board members and the continued delivery of the business processes at the senior management levels is ensured by the Nomination and Succession Planning Policy for Management Board Members and Key Function Holders at Santander Bank Polska S.A. and the succession plans in place.

As in the case of the Supervisory Board, the individual suitability assessment of Management Board members (or candidates) and collective suitability assessment of the Management Board (as a whole) focuses on the expert knowledge and skills in the area of sustainable development – the Bank verifies whether or not the assessed persons have knowledge, skills as well as theoretical and practical experience relating to risk management (identifying, assessing, monitoring, controlling and mitigating the main types of risk, including environmental, governance and social risks and risk factors) and collects relevant statements from these persons. In line with the new version of the KNF's Suitability assessment methodology (issued in August 2023), the Bank recognises the level of ESG knowledge when performing the suitability assessment. Management Board members have demonstrated their competencies in this area. Moreover, they still develop their expertise in this area through training organised by the Bank: in 2023, members of the Management Board and Supervisory Board participated in training sessions on sustainable development delivered by in-house and external experts. The topics covered legal requirements and EU regulatory frameworks, greenwashing, decarbonisation, climate change-related risks and their impact on the Bank's operations (including the impact on the loan portfolio, risk management methodologies, and the ensuing opportunities and threats). On top of that, members of the Management Board attended conferences and events devoted to broadly-defined sustainable development and ESG, including: "CEOs' debate in the shadow of the CJEU" concerning the key challenges and trends in the banking sector (including ESG-related matters), Puls Biznesu, (CEO Michał Gajewski); "Does career have a gender? Women and men talk about work", a discussion panel during Impact 2023 (Magdalena Proga-Stepień); "Global ESG standards: are we there yet?", a discussion panel during Impact 2023 (Lech Gałkowski); "Financing of energy transition projects" III Energy Law Conference (Juan de Porras Aguirre).

The active participation of the Bank's top executives in events themed around sustainable development and the presentation of the Bank's and the Group's approach to a wide audience makes it possible to share experiences with leaders and ESG experts, and therefore to build knowledge and experience of top executives and employees across the organisation.

The information about the academic background and professional experience of the bank's Management Board members is presented below. It is also published on the Bank's website at: <https://www.santander.pl/relacje-inwestorskie/informacje-o-spolce/wladze-banku>.

## Members of the Management Board of Santander Bank Polska S.A.



### Michał Gajewski

President of the Management Board

#### Academic background:

- ▶ Legal counsel
- ▶ Graduate of the Adam Mickiewicz University in Poznań, Northwestern University in Chicago and London Business School

#### Professional background:

- ▶ 1992–2008: WBK Group and BZ WBK Group (including the role of BZ WBK Management Board Member in charge of Retail Banking)
- ▶ 2008–2011: Vice President of the Management Board of BGŻ S.A. in charge of Retail, SME and Corporate Banking
- ▶ 2012–2015: Macroeconomic Director in the Retail Banking Division, Bank Millennium S.A.
- ▶ 2015: Member of the Management Board of Bank Millennium S.A. in charge of the Retail Banking Division
- ▶ since 2016: President of the Management Board of Santander Bank Polska S.A.



### Andrzej Burliga

Vice President of the Management Board  
Risk Management Division



#### Academic background:

- ▶ Graduate of the Faculty of Theoretical Mathematics at Wrocław University
- ▶ Completed programmes in management and risk management (e.g. INSEAD International Executives Development Programme, BZ WBK Development Programme for Executives, LMC Consulting – Lilley Moncrieff Taylor)
- ▶ Member of Professional Risk Managers' International Association (PRMIA)

#### Professional background:

- ▶ 1995–2001: Treasury Department of Bank Zachodni S.A. (including the role of the Head of the Department)
- ▶ 2001–2006: Head of the Risk Management Department at Bank Zachodni WBK S.A.
- ▶ 2007–2017: Member of the Management Board of Bank Zachodni WBK S.A.
- ▶ since 2017: Vice President of the Management Board of Santander Bank Polska S.A. in charge of the Risk Management Division

	<p><b>Juan de Porras Aguirre</b> <b>Vice President of the Management Board</b> <b>Corporate and Investment Banking Division</b></p> <p><b>Academic background:</b></p> <ul style="list-style-type: none"> <li>▶ Graduate of Universidad de Granada (Law)</li> <li>▶ MBA degree from Escuela Superior de Administración y Dirección de Empresas in Barcelona</li> <li>▶ Completed the Investment Banking Executive Programme at Northwestern University in Chicago</li> </ul> <p><b>Professional background:</b></p> <ul style="list-style-type: none"> <li>▶ 1989–1998: Commerzbank and Lloyds Bank (credit risk)</li> <li>▶ 1997–2004: Société Générale (manager of relationships with telecommunication and energy companies, Deputy Head of the Madrid-based Corporate &amp; Investment Banking)</li> <li>▶ 2004–2005: Rabobank in Madrid (responsible for building the Spanish energy and telecom sector portfolio)</li> <li>▶ 2005–2007: Senior Director at Royal Bank of Scotland in Madrid, responsible for the energy, oil and gas sectors</li> <li>▶ since 2007: Managing Director of Global Banking &amp; Markets at Banco Santander S.A.</li> <li>▶ 2011–2017: Member of the Management Board of Bank Zachodni WBK S.A.</li> <li>▶ since 2017: Vice President of the Management Board of Santander Bank Polska S.A. in charge of the Corporate and Investment Banking Division</li> </ul>
	<p><b>Arkadiusz Przybył</b> <b>Vice President of the Management Board</b> <b>Wealth Management &amp; Insurance Division</b></p> <p><b>Academic background:</b></p> <ul style="list-style-type: none"> <li>▶ Graduate of the University of Łódź (Management, Finance and Banking)</li> <li>▶ MBA degree from INSEAD, France</li> </ul> <p><b>Professional background:</b></p> <ul style="list-style-type: none"> <li>▶ 1997–2005: Engagement Manager at McKinsey &amp; Company in Warsaw</li> <li>▶ 2005–2008: Head of Retail Banking at GE Money for Central and Eastern Europe, Zurich/Paris Headquarters</li> <li>▶ 2009–2010: Executive Director at GE Money Bank (Latvia) and GE Money (Latvia)</li> <li>▶ 2011–2012: Business Director in the Headquarters of Santander Consumer Finance in Madrid, responsible for strategy development, market integration and company acquisition projects</li> <li>▶ 2012–2017: President of the Management Board of Santander Consumer Bank S.A. in Wrocław</li> <li>▶ 2017: Member of the Management Board of Santander Bank Polska S.A.</li> <li>▶ 2018–2023: Vice President of the Management Board of Santander Bank Polska S.A. in charge of the Retail Banking Division and the branch network</li> <li>▶ since 2023: Vice President of the Management Board of Santander Bank Polska S.A. in charge of the Wealth Management and Insurance Division</li> </ul>

	<p><b>Lech Gatkowski</b></p> <p><b>Member of the Management Board Business and Corporate Banking Division</b></p> <p><b>Academic background:</b></p> <ul style="list-style-type: none"> <li>▶ Graduate of the SGH Warsaw School of Economics (Finance and Banking)</li> <li>▶ Holder of scholarship at Staffordshire University Business School</li> </ul> <p><b>Professional background:</b></p> <ul style="list-style-type: none"> <li>▶ 1996–1998: Senior Auditor responsible for the banking sector, Coopers &amp; Lybrand sp. z o.o.</li> <li>▶ 1998–2003: Senior Banker responsible for the automotive, consumer and healthcare sectors, ABN AMRO Bank (Polska) S.A.</li> <li>▶ 2003–2007: CFO and commercial representative, Volvo Auto Polska sp. z o.o.</li> <li>▶ 2008–2012: Member of the Management Board in charge of Corporate and Investment Banking, RBS Bank (Polska) S.A. (formerly ABN AMRO Bank (Polska) S.A.)</li> <li>▶ since 2010: Chairman of the Supervisory Board of Telestrada S.A.</li> <li>▶ 2012–2021: Head of the Corporate and Investment Banking Department (until 2018) and – following an organisational change – Head of the Investment Banking Department of Santander Bank Polska S.A. responsible for development and implementation of a customer relationship strategy</li> <li>▶ since 2021: Member of the Management Board of Santander Bank Polska S.A. in charge of the Business and Corporate Banking Division</li> </ul>
	<p><b>Patryk Nowakowski</b></p> <p><b>Member of the Management Board Digital Transformation Division</b></p> <p><b>Academic background:</b></p> <ul style="list-style-type: none"> <li>▶ MSc in Economics from the Poznań University of Economics (IT and Econometrics)</li> </ul> <p><b>Professional background:</b></p> <ul style="list-style-type: none"> <li>▶ 2004–2007: gained international experience as Business Intelligence Consultant at Business &amp; Decision AG Zurich, and then as Associate Director in UBS AG and Senior Principal Consultant in Oracle</li> <li>▶ since 2002 (except the period above): employed with Bank Zachodni WBK S.A., initially as IT Systems Development Specialist <ul style="list-style-type: none"> <li>▶ 2008–2016: in charge of the Management Information Team, Information Management Competence Centre, Systems Development Area and CRM and Business Development Area</li> <li>▶ 2016–2019: Chief Information Officer, including from 2017 to 2018 he managed acquisition of the demerged part of Deutsche Bank Polska S.A. and completed the legal and operational merger as well as migration of products held by retail and business customers of the acquired bank to the systems of Santander Bank Polska S.A.</li> </ul> </li> <li>▶ since 2019: Member of the Management Board of Santander Bank Polska S.A. in charge of the Digital Transformation Division</li> </ul>



**Wojciech Skalski**

**Member of the Management Board  
Financial Accounting and Control Division**

**Academic background:**

- ▶ Graduate of the Wrocław University of Economics (Banking and Finance)
- ▶ Holder of scholarship at the University of Limerick
- ▶ Completed the executive programme at the ICAN Institute, Harvard Business Review
- ▶ Certified chartered auditor and a member of the Association of Certified Chartered Accountants (ACCA)

**Professional background:**

- ▶ Prior to joining Santander Bank Polska S.A., he gained experience with audit firms and consultancies: Ernst & Young (2002-2003) and Arthur Andersen (1998-2002).
- ▶ He has worked for Santander Bank Polska S.A. since 2003, first as the accounting policy manager, to be then promoted, over the next couple of years, to the Head of the Tax and Methodological Support. At the same time, he was the deputy Head of the Financial Accounting Area. Since 2008, he was Head of the Financial Accounting Area.
- ▶ Since January 2024, he has been member of the Management Board of Santander Bank Polska S.A. in charge of the Financial Accounting and Control Division.



**Maciej Reluga**

**Member of the Management Board  
Financial Management Division**

**Academic background:**

- ▶ Graduate of the faculty of Economic Science at Warsaw University; completed the Finance Management Programme at the University of Namur (Belgium)
- ▶ Studied at ICAN Institute's Strategic Leadership Academy and completed Senior Management Programme in Banking at Swiss Finance Institute
- ▶ Attended a number of programmes and training courses (including at the University of Cambridge)

**Professional background:**

- ▶ 1996–1998: Analyst at NBP
- ▶ 1998–2002: Economist at ING Bank Śląski and ING Barings
- ▶ since 2002: BZ WBK S.A. (Chief Economist)
- ▶ since 2017: Member of the Management Board of Santander Bank Polska S.A. in charge of the Financial Management Division



**Dorota Strojewska**

**Member of the Management Board  
Business Partnership Division**

**Academic background:**

- ▶ Graduate of Polish and Classical Philology at the Adam Mickiewicz University in Poznań
- ▶ Postgraduate of the Poznań University of Economics and Business and Kozminski University
- ▶ Completed a number of training courses on HR management, coaching, strategic planning, financial management and business psychology, including Development of Managerial Skills at Nottingham Trent University and Advanced Leadership Programme at ICAN Institute, Harvard Business Review

**Professional background:**

- ▶ 2005–2012: Team Manager in the CRM and Sales Support Department of Bank Zachodni WBK S.A.
- ▶ 2012–2013: Retail Banking Business Model Coherency Director at Bank Zachodni WBK S.A.
- ▶ 2013–2016: Head of the Organisational Effectiveness Area at Bank Zachodni WBK S.A.
- ▶ from April to December 2016: Head of the HR Division at PKO BP
- ▶ since 2017: Member of the Management Board of Santander Bank Polska S.A. in charge of the Business Partnership Division



**Magdalena Proga-Ściepiń**

**Member of the Management Board  
Retail Banking Division**

**Academic background:**

- ▶ Graduate of the SGH Warsaw School of Economics (faculties: Finance & Banking and International Economic & Political Relations)
- ▶ MBA degree from the Northwestern University in Illinois, Kellogg School of Management

**Professional background:**

- ▶ 1999: Analyst at Bank Austria Creditanstalt, Austria
- ▶ 2000: Financial Institutions Auditor at KPMG Sp. z o.o.
- ▶ 2001: Business Analyst at Monitor Deloitte, Germany
- ▶ 2001–2011: Partner at McKinsey & Company Sp. z o.o.
- ▶ 2011–2015: Chief Sales & Distribution Officer at Citi Handlowy
- ▶ 2015–2017: CEO of T-Mobile Bank for Poland and Romania (2015–2017)
- ▶ 2017–2020: Chief Strategy & Transformation Officer at Alior Bank
- ▶ 2020–2021: Top Management Advisor at Egon Zehnder Sp. z o.o.
- ▶ 2021–2023: Head of Distribution, Santander Bank Polska S.A.
- ▶ Since 2023: Vice President of the Management Board of Santander Bank Polska S.A. in charge of the Retail Banking Division

	<b>Artur Glembocki</b>	<b>Academic background:</b>
	<b>Member of the Management Board Compliance and FCC Division</b>	<ul style="list-style-type: none"><li>▶ Graduate of the Wrocław University of Science and Technology (Management).</li><li>▶ Completed a number of courses in leadership, risk management, money laundering prevention, and financial crime compliance.</li></ul>
	<b>Professional background:</b>	<ul style="list-style-type: none"><li>▶ Since 2008 at Santander Bank Polska S.A. (formerly Bank Zachodni WBK S.A.):</li><li>▶ 2013-2016: Head of the Corporate Portfolio Risk Management Department</li><li>▶ 2016-2022: Head of the Risk Management Area</li><li>▶ 2022-2023: Deputy CRO, Head of the Risk Management Area</li><li>▶ Since 2023: Member of the Management Board of Santander Bank Polska S.A. in charge of the Compliance and FCC Division</li></ul>

## 5. Management of ESG issues (including ESG risk)

[ESRS 2:

– Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies;

– Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies]

Issues related to responsible banking (dubbed “ESG” – Environment, Social, Governance) are discussed by the Management Board, the Supervisory Board and relevant committees.

The Management Board and the Supervisory Board approved the Bank's new strategy for 2024–2026, which sets out the directions for the Bank's ESG development, i.e. environmental and social initiatives and management actions, by identifying goals related to significant effects, threats and opportunities. An ESG Strategy will be prepared in 2024 and submitted for the approval of the Management Board and Supervisory Board. The above-mentioned documents are drawn up by the Bank's relevant organisational units and committees, in line with their scope of responsibilities. The Management Board and Supervisory Board receive regular reports on the progress in implementing the strategy, including the ESG strategy.

In addition to the allocation of powers within the Management Board (described in Section IV Governing bodies), the following division of responsible banking (ESG) tasks and responsibilities has been introduced:

- ESG risk management – Vice President of the Management Board in charge of the Risk Management Division;
- Green finance – Member of the Management Board in charge of the Business and Corporate Banking Division;
- Coordination of the Group's responsible banking activities, including ESG qualitative reporting – Head of the Corporate Communication and Marketing Area outside the divisional structure;
- Quantitative reporting on ESG – member of the Management Board in charge of the Financial Accounting and Control Division.

The ESG governance structure includes the following committees:

- The Responsible Banking and Corporate Culture Committee – a management committee holding powers to set the strategy, standards and manage responsible banking and corporate culture in Santander Bank Polska S.A. The Committee is the main forum to discuss issues concerning responsible banking, sustainable development, ESG and corporate culture. It sets the direction of strategic activities and monitors the related objectives across all areas of the Bank.
- ESG Forum – coordinates the development and implementation of solutions related to responsible banking, ESG, corporate culture, sustainable finance, ESG risks and climate strategy.

When taking decisions, the Management Board considers assessments, information and analyses of the ESG risk management unit. Based on that, it adopts the Risk Appetite Statement, which is then approved by the Supervisory Board. Specific limits are used to set watch limits and define risk management policies. The Management Board member in charge of risk management provides the Supervisory Board members with relevant information about risk to ensure they have a full picture of the Bank's risk profile and can make informed decisions in this respect.



In line with its terms of reference, the Supervisory Board oversees the development, implementation and execution of the responsible banking programme and compliance with regulatory requirements on ESG. In 2023, the Supervisory Board passed resolutions to expand the remit of its committees, i.e. the Risk Committee and Audit and Compliance Committee. It was agreed that ESG risks would also be addressed when reviewing the Group's risk profile, as with the review and recommendation to the Supervisory Board of risk policies comprising the general risk management framework of the organisation. The Audit and Compliance Committee will review the ESG Report and ESG ratings of the Bank and the Group.

The Bank also has the Responsible Banking and Corporate Culture Committee, which provides support to the Bank's Management Board in the oversight of the responsible banking and sustainability strategy both locally and at the level of Santander Bank Polska Group. The Committee, which is chaired by the President of the Management Board, defines the strategy and annual goals related to ESG and ensures compliance with environmental and social policies of Santander Bank Polska S.A. The Committee is supported by the ESG Forum composed of senior managers representing all Divisions. The Forum analyses challenges, opportunities and risks related to the EU Sustainable Finance agenda (including ESG risks), plans activities and coordinates their implementation at the Bank, and submits regular reports to the Responsible Banking and Corporate Culture Committee and the Bank's Management Board.

**[ESRS 2 - Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies]**

ESG competencies are defined in the terms of reference of the Supervisory Board, organisational units and committees as well as in the Responsible Banking Model that describes key accountabilities, processes, roles and key responsibilities, and the approach to responsible banking.

**[ESRS 2:**

**–Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies;**

**– Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies]**

According to the internal allocation of powers referred to above, responsibility for the management of risk related to responsible banking rests with the Risk Management Division. In 2023, the ESG risk management model was reinforced. ESG risks were integrated with the divisional strategy (by defining risk transmission channels to traditional banking risks) and reflected in the terms of reference of the Division (roles and responsibilities). In order to ensure an adequate organisation of the ESG management function, the ESG Risk Management Office was set up in the Risk Management Division. The Office is responsible for integrating ESG risks with internal risk management framework, including risk reporting, credit risk assessment and monitoring, reflecting climate risk in collateral valuation, and setting internal exposure and concentration limits.

Oversight of risk management is exercised through reports submitted by relevant persons and units at meetings of the Management Board committees (Responsible Banking and Sustainable and Culture Board Committee, Risk Control Committee), the Management Board, the Risk Committee of the Supervisory Board, and the Supervisory Board.

Day-to-day work of individual employees and teams is supervised through reporting lines – by line managers and Management Board members in charge of specific issues.

In 2023, the Management Board, Supervisory Board and relevant committees took into consideration significant effects, threats and opportunities arising from climate, physical and transition risks ESG-wise.

Appropriate identification of risks and opportunities related to climate transition allows Santander Bank Polska Group to take measures to increase resilience to negative climate factors and to leverage positive factors to accelerate growth, improve financial results and build reputation of the Bank and the Group.

The sources of physical risks are among other things extreme weather conditions such as severe storms or floods which may cause infrastructure disruption or damage in many sectors. Due to the nature of its activities, the agri sector is particularly exposed to physical risks, with an increased risk of soil erosion affecting crop quality and yields.

In a medium and long term, there is a physical risk related to deteriorating hydrological conditions in Poland and the risk of drought. Water scarcity and the lack of relevant retention systems may adversely affect the economy, including the energy sector. For example, the CHP plants that use river water for cooling purposes may be forced to limit energy production during drought. Fire risk is also identified in the soft commodities sector, e.g. risk of potential losses caused by fire in wood production.

The most sensitive sectors in the context of transition to a low-carbon economy are the sectors based on coal and other fossil fuels that dominate the Polish energy mix. There are regulatory and legal risks connected with higher costs of CO<sub>2</sub> emissions, more stringent data reporting and gathering requirements as well as regulatory changes that may limit the operations of some high-carbon businesses.

The Bank includes ESG issues in some of its lending processes. Work is under way to collect data to adequately reflect climate risks in the value of collateral, in line with the KNF's guidelines issued in March 2023. There is a project in place to collect data about climate risks and, more broadly, ESG data in a systemic way.



The Bank is aware that climate changes and transformation of the economy bring both risks and new business opportunities. The transition to a green economy allows Santander Bank Polska Group to help existing and future customers as well as to support economic transformation by providing relevant financing solutions.

## 6. Remuneration policy

### Remuneration of Management and Supervisory Board members

#### Remuneration of Supervisory Board members



##### Internal regulations concerning remuneration for supervisory function holders

As at 31 December 2023, the remuneration for Supervisory Board members was set in accordance with the Remuneration Policy for Members of the Supervisory Board of Santander Bank Polska S.A., which was adopted by virtue of Resolution no. 31 of the Annual General Meeting of 27 April 2022. The foregoing policy complies with EU regulations, Polish laws and corporate governance principles for supervised entities.



##### Remuneration principles

The remuneration of members of the Supervisory Board of Santander Bank Polska S.A. is set by the Bank's General Meeting, depending on their function performed on the Supervisory Board, membership of the Supervisory Board Committees and the related additional tasks performed. The General Meeting may authorise the Supervisory Board to determine additional remuneration for the Supervisory Board members entrusted with ongoing individual oversight. The remuneration for Supervisory Board members is paid in cash only.

No additional discretionary pension benefits or early retirement programmes are envisaged for Supervisory Board members.



##### Amount of remuneration

The amount of remuneration of the Supervisory Board members is specified in Resolution no. 5 of the Annual General Meeting of 20 July 2023, which repealed Resolution no. 50 of the Annual General Meeting of 22 June 2020 (amended by Resolution no. 30 of the Annual General Meeting of 22 March 2021). Members of the Supervisory Board are paid monthly remuneration for performing their role on the Supervisory Board and additional remuneration for participating in each of the meetings of the Supervisory Board Committees on which they sit. Three members of the Supervisory Board related to Santander Group did not receive remuneration, namely: José García Cantera, Isabel Guerreiro and José Luis de Mora.

The table below presents the remuneration paid to members of the Supervisory Board of Santander Bank Polska S.A. in 2022 and 2023.

Name and surname	Role in the Supervisory Board	2023		2022	
		Period	Amount (PLN k)	Period	Amount (PLN k)
Antonio Escámez Torres	Chairman	01.01.2023-31.12.2023	328	01.01.2022-31.12.2022	338
José Luis de Mora <sup>1)</sup>	Deputy Chairman	01.01.2023-31.12.2023	-	01.01.2022-31.12.2022	-
Dominika Bettman	Member	01.01.2023-31.12.2023	334	01.01.2022-31.12.2022	296
José García Cantera <sup>1)</sup>	Member	01.01.2023-31.12.2023	-	01.01.2022-31.12.2022	-
Danuta Dąbrowska	Member	01.01.2023-31.12.2023	288	01.01.2022-31.12.2022	258
Isabel Guerreiro <sup>1)</sup>	Member	01.01.2023-31.12.2023	-	01.01.2022-31.12.2022	-
David Hexter	Member	01.01.2023-31.12.2023	270	01.01.2022-31.12.2022	358
John Power <sup>2)</sup>	Member	01.01.2023-01.08.2023	217	01.01.2022-31.12.2022	288
Jerzy Surma	Member	01.01.2023-31.12.2023	342	01.01.2022-31.12.2022	298
Marynika Woroszyńska-Sapieha	Member	01.01.2023-31.12.2023	307	01.01.2022-31.12.2022	253
Adam Celiński <sup>3)</sup>	Member	01.08.2023-31.12.2023	102	n/a	n/a

- 1) José García Cantera, José Luis de Mora and Isabel Guerreiro did not receive remuneration for their membership of the Supervisory Board.  
2) Member of the Supervisory Board until 1 August 2023  
3) Member of the Supervisory Board since 1 August 2023

John Power additionally received PLN 32k in 2023 (PLN 98k in 2022) for his membership of the Supervisory Boards of the Bank's subsidiaries and Adam Celiński received PLN 28k for 2023.

## Remuneration of Management Board members



### Internal regulations concerning remuneration for executives

The rules regarding fixed and variable components of remuneration for Management Board members are set out in the Remuneration Policy for Members of the Management Board of Santander Bank Polska S.A. introduced by virtue of Supervisory Board Resolution no. 31 of 27 April 2022 and in the Remuneration Policy of Santander Bank Polska Group updated on 23 September 2023.

Remuneration principles that apply to Management Board members are determined by the Supervisory Board on the basis of recommendations from the Remuneration Committee, except for remuneration paid under Incentive Plan VII, whose terms were determined by the General Meeting of Shareholders (Resolution no. 30 of the Annual General Meeting of 27 April 2022 on Incentive Plan VII and conditions of its execution, as amended).



### Agreements between Santander Bank Polska S.A. and its executives

The Management Board members signed employment contracts with Santander Bank Polska S.A. for the current term of office. The contractual terms and conditions comply with general laws and internal regulations, in particular with the Remuneration Policy for Members of the Management Board of Santander Bank Polska S.A. The Management Board members also signed agreements prohibiting competitive activity after termination of their employment with Santander Bank Polska S.A.

A Management Board member who is not appointed for a new term of office or is removed from the Board is entitled to one-off severance pay. It does not apply to Management Board members who accept a new role in the bank, are removed due to gross violation of their obligations or standards of integrity, culture and professional conduct, resign or are not granted discharge.

Santander Bank Polska S.A. does not have an obligation to pay pension or other similar benefits to former members of the Management Board or the Supervisory Board.



## Fixed remuneration

Pursuant to the Statutes of Santander Bank Polska S.A. and the aforementioned regulations, the remuneration of the President and members of the Management Board is set by the Supervisory Board, taking into account recommendations of the Remuneration Committee. The Committee defines the remuneration policy for Management Board members and individual terms and conditions as part of remuneration packages for each Management Board member.

Fixed remuneration includes base salary, additional benefits specified in the internal awarding regulations (e.g. health insurance) as well as severance pay and compensation arising from external regulations.

When determining the amount of the base salary of a Management Board member, the following criteria are specifically taken into account: function performed, scope of responsibilities as well as the need to ensure the adequacy of remuneration received by individual members of the Management Board given their duties and responsibilities, qualifications and professional experience and market competitiveness of the remuneration offered. No additional discretionary pension benefits or early retirement programmes are envisaged for Management Board members.

The table below presents the total remuneration and additional benefits received by members of the Management Board of Santander Bank Polska S.A. in 2023 and 2022 for their membership of the Management Board.

Name and surname	Role in the Management Board	2023			2022		
		Period	Remuneration (PLN k)	Additional benefits <sup>2)</sup> (PLN k)	Period	Remuneration (PLN k)	Additional benefits <sup>2)</sup> (PLN k)
Michał Gajewski	President	01.01.2023-31.12.2023	3 150	325	01.01.2022-31.12.2022	3 150	214
Andrzej Burliga	Vice President	01.01.2023-31.12.2023	1 368	272	01.01.2022-31.12.2022	1 344	160
Juan de Porras Aguirre	Vice President	01.01.2023-31.12.2023	1 612	756	01.01.2022-31.12.2022	1 582	570
Arkadiusz Przybył	Vice President	01.01.2023-31.12.2023	1 536	256	01.01.2022-31.12.2022	1 536	125
Lech Gałkowski	Member	01.01.2023-31.12.2023	1 398	218	01.01.2022-31.12.2022	1 320	145
Patryk Nowakowski	Member	01.01.2023-31.12.2023	1 416	179	01.01.2022-31.12.2022	1 392	115
Maria Elena Lanciego Pérez <sup>1)</sup>	Member	01.01.2023-31.12.2023	1 139	381	n/a	n/a	n/a
Maciej Reluga	Member	01.01.2023-31.12.2023	1 248	214	01.01.2022-31.12.2022	1 176	149
Dorota Strojowska	Member	01.01.2023-31.12.2023	1 326	234	01.01.2022-31.12.2022	1 260	125
Magdalena Proga-Ściepien <sup>1)</sup>	Member	04.04.2023-31.12.2023	854	114	n/a	n/a	n/a
Artur Gtembocki <sup>1)</sup>	Member	14.11.2023-31.12.2023	171	6	n/a	n/a	n/a

1) Changes to the composition of the Management Board in 2023 are presented above in Section "Management Board".

2) Additional benefits received by Management Board members include, among other things, life insurance cover without pension option and, in the case of Juan de Porras Aguirre and Elena Lanciego Pérez also medical cover, accommodation and travel expenses.

No Management Board member received remuneration for their membership in the governing bodies of the subsidiaries or associates in any of the analysed periods.



### Variable remuneration

The general rules for determining variable remuneration for Management Board members of Santander Bank Polska S.A. are laid down in the Remuneration Policy of Santander Bank Polska Group, and defined in more detail in the Remuneration Policy for Members of the Management Board of Santander Bank Polska Group.

The annual bonus of a Management Board member depends on the annual base bonus, the availability of the bonus pool and the overall evaluation of the Management Board member's performance.

Variable remuneration is awarded to Management Board members based on the evaluation of their performance. The selection of metrics (as well as their granularity) for individual Management Board members takes into account their individual duties and responsibilities in the process of managing the Bank.

Based on the metrics and evaluation of performance against the objectives under WHAT, HOW and RISK categories as well as relevant weights assigned to them, the rating is established and adjusted by a multiplier, which arises, among other things, from the assessment of performance against a three-year horizon, as proposed by the Supervisory Board Remuneration Committee and approved by the Supervisory Board.

The base bonus is set on the basis of an individual scope of responsibility, taking into account market conditions and other criteria. Each year, the Remuneration Committee reviews the performance of each Management Board member in line with a separate policy and a detailed procedure for evaluating the performance of Management Board members. The final decision on the amount of the annual bonus for Management Board members is taken by the based on the Remuneration Committee's recommendation.

The level of the annual bonus is determined on the basis of global quantitative, qualitative and risk indicators as well as potential adjustments in respect of unexpected events. The indicators are set in accordance with the Bank's financial plan and strategic goals and take into account risk management requirements. The Bank's performance used to define variable components of remuneration considers the cost of credit, the cost of capital, and liquidity risk in a long-term perspective.

The total variable remuneration paid to Management Board members and material risk takers for a given calendar year cannot exceed 100% of the total fixed remuneration paid for that year. However, in exceptional cases, this limit may be increased up to 200% of fixed remuneration subject to the approval of the Bank's General Meeting.

Variable remuneration is awarded in accordance with bonus regulations and paid in cash or financial instruments (shares or related instruments such as phantom stock). The remuneration paid in financial instruments may not be lower than 50% of the total amount of variable remuneration. Payment of min. 40% of variable remuneration (min. 60% in the case of variable remuneration exceeding an equivalent of EUR 1m) is conditional and deferred for the period of at least four years (five years in the case of Management Board members and senior executives). It is paid in equal annual instalments in arrears during the deferral period, unless there are reasons for reduction or non-payment.

The Management Board members may also receive variable remuneration provided for in the long-term incentive plans designed to reinforce the connection between the long-term financial effectiveness of the Bank, expectations of shareholders and awards for executives while adhering to market standards. Subject to certain criteria, the plans enable their participants to take up a certain number of the Bank's shares.

The table below presents variable remuneration paid to Management Board members in 2023 and 2022.

Name and surname	Role in the Management Board	2023		2022	
		Period	Variable remuneration paid <sup>2)</sup> (PLN k)	Period	Variable remuneration paid <sup>3)</sup> (PLN k)
Michał Gajewski	President	01.01.2023-31.12.2023	2 749	01.01.2022-31.12.2022	2 721
Andrzej Burliga	Vice President	01.01.2023-31.12.2023	971	01.01.2022-31.12.2022	924
Juan de Porras Aguirre	Vice President	01.01.2023-31.12.2023	1 604	01.01.2022-31.12.2022	1 745
Arkadiusz Przybył	Vice President	01.01.2023-31.12.2023	1 239	01.01.2022-31.12.2022	1 241
Lech Gałkowski	Member	01.01.2023-31.12.2023	810	01.01.2022-31.12.2022	344
Patryk Nowakowski <sup>1)</sup>	Member	01.01.2023-31.12.2023	893	01.01.2022-31.12.2022	709
Maria Elena Lanciego Pérez <sup>1)</sup>	Member	01.01.2023-31.12.2023	-	n/a	n/a
Maciej Reluga	Member	01.01.2023-31.12.2023	936	01.01.2022-31.12.2022	896
Dorota Strojłowska	Member	01.01.2023-31.12.2023	968	01.01.2022-31.12.2022	926
Magdalena Proga-Ściepien <sup>1)</sup>	Member	04.04.2023-31.12.2023	-	n/a	n/a
Artur Głęboczek <sup>1)</sup>	Member	14.11.2023-31.12.2023	-	n/a	n/a

1) Changes to the composition of the Management Board in 2023 are presented above in Section "Management Board".

2) Variable remuneration paid in 2023 includes part of the award for 2018–2021 which was conditional and deferred in time, and non-deferred part of the award paid in 2022.

3) Variable remuneration paid in 2022 includes part of the award for 2017–2020 which was conditional and deferred in time, and non-deferred part of the award paid in 2021.

Pursuant to the remuneration system applicable at the Bank, Management Board members may be conditionally entitled to a bonus for 2022 which would be paid in part in 2023 and thereafter, if specific criteria are met. As at the date of these financial statements, the Supervisory Board did not take a decision in this respect.

## Incentive Plan VII

In 2022, Santander Bank Polska S.A. introduced Incentive Plan VII under Resolution no. 30 of the Annual General Meeting ("Plan"). The Plan is addressed to the employees of the Bank and its subsidiaries who significantly contribute to growth in the value of the organisation. The purpose of the Plan is to motivate the participants to achieve business and qualitative goals in line with the Group's long-term strategy and to provide an instrument that strengthens the employees' relationship with the organisation and encourages them to act in its long-term interest.

The plan obligatorily covers all persons with an identified employee status in Santander Bank Polska Group (key function holders at the Bank appointed in accordance with Article 22aa(10) of the Polish Banking Act). The list of other key participants is determined by the Management Board and approved by the Bank's Supervisory Board. Those employees can participate in the Plan on a voluntary basis.

The participants who satisfy the conditions stipulated in the Participation Agreement and the Resolution will be entitled to an award which is variable remuneration in the form of the Bank's shares classified as an equity-settled share-based payment under IFRS 2. To that end, the Bank will buy back up to 2,331,000 shares from 1 January 2023 until 31 December 2033.

The Bank's Management Board will buy back the shares to execute Incentive Plan VII based on the authorisation granted by the General Meeting in a separate resolution. If it is not possible to buy back the shares (e.g. due to illiquidity of the shares on the Warsaw Stock Exchange, share prices going beyond the thresholds defined by the General Meeting, lack of the General Meeting's authorisation for the Management Board to buy back shares in a given year of Incentive Plan VII or lack of the General Meeting's decision to create a capital reserve for share buyback in a given year) in the number corresponding to the value of the awards granted, the Bank will reduce pro-rata the number of shares granted to the participant. The difference between

the value of the awards granted and the value of the shares transferred by the Bank to the participants as part of the award will be paid out as a cash equivalent.

Below are the vesting conditions that must be met jointly in a given year:

- 1) Delivery of at least 50% of the profit after tax (PAT) target of SAN PL for a given year.
- 2) Delivery of at least 80% of the team business targets for a given year at the level of SAN PL, Division or unit; the performance against the target is calculated as the weighted average of performance against at least three business targets defined as part of the financial plan approved by the Supervisory Board for a given year for SAN PL, Division or unit where the participant works, in particular:
  - a. PAT (profit after tax) of SAN PL Group (excluding Santander Consumer Bank);
  - b. ROTE (return on tangible equity expressed as a percentage calculated in line with SAN PL reporting methodology);
  - c. NPS (Net Promoter Score calculated in line with SAN PL reporting methodology);
  - d. RORWA (return on risk weighted assets calculated in line with SAN PL reporting methodology);
  - e. number of customers;
  - f. number of digital customers.
- 3) The participant's performance rating for a given year at the level not lower than 1.5 on the 1–4 rating scale.

In addition, at the request of the Bank's Management Board, the Supervisory Board can decide to grant a retention award to a participant, if the following criteria are met:

- 1) the participant's average annual individual performance rating is at least 2.0 on the 1–4 rating scale during the period of their participation in Incentive Plan VII;
- 2) the average annual weighted performance against the Bank's targets in the years 2022–2026 is at least 80%, taking into account the following weights:
  - a. 40% for the average annual performance against the PAT target;
  - b. 40% for the average annual performance against the RORWA target;
  - c. 20% for the average annual performance against the ESG target.

The maximum number of own shares to be transferred to participants as the retention awards is 451,000.

For the purpose of the Plan, in 2023 Santander Bank Polska S.A. bought back 165,406 shares (of 207,000 shares eligible for buyback) with the value of PLN 48,884,192 (from PLN 55,300,000 worth of capital reserve allocated to the delivery of the Plan for 2022).

The average buyback price per share in 2023 was PLN 294.48.

The Plan covers the period of five years (2022–2026). However, as the payment of variable remuneration is deferred, the share buyback and allocation will be completed by 2033.

All the above shares were transferred to individual brokerage accounts of the participants. As the number of shares bought back by the Bank was sufficient to pay an award to the participants of Incentive Plan VII for 2022, on 16 March 2023 the Bank's Management Board adopted a resolution to end the buyback in 2023.

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## Bank's shares held by Supervisory and Management Board members

As at the release dates of the financial reports for the periods ended 31 December 2023, 30 September 2023 and 31 December 2022, no member of the Supervisory Board held any shares of Santander Bank Polska S.A.

The table below shows shares of Santander Bank Polska S.A. held by Management Board members as at the release dates of the above-mentioned reports.

Management Board members as at the end of the reporting period and the release date of the annual report	16.02.2024		25.10.2023		22.02.2023
	Shares held	Shares awarded as part of the Incentive Plan <sup>1)</sup>	Shares held	Shares awarded as part of the Incentive Plan <sup>1)</sup>	Shares held
Michał Gajewski	4 795	9 519	4 795	9 519	4 795
Andrzej Burliga <sup>2)</sup>	884	2 539	1 884	2 539	1 884
Lech Gałkowski <sup>2)</sup>	-	2 956	-	2 956	951
Artur Głębowski <sup>4)</sup>	-	-	-	-	-
Patryk Nowakowski <sup>2)</sup>	-	2 484	-	2 484	-
Juan de Porras Aguirre <sup>2)</sup>	1 279	3 627	3 379	3 627	3 379
Magdalena Proga-Ściepień <sup>3)</sup>	-	-	n/a	n/a	n/a
Arkadiusz Przybył	-	2 956	-	2 956	2 999
Maciej Reluga	2 301	2 484	2 301	2 484	2 301
Wojciech Skalski <sup>4)</sup>	3 124	-	n/a	n/a	n/a
Dorota Strojewska	2 732	2 484	2 732	2 484	2 732
<b>Total</b>	<b>15 115</b>	<b>29 049</b>	<b>15 091</b>	<b>29 049</b>	<b>19 041</b>

- 1) Shares awarded to members of the Management Board of Santander Bank Polska S.A. as part of Incentive Plan VII, which are deferred and will be transferred to individual brokerage accounts in 2024-2029.  
2) Lech Gałkowski, Arkadiusz Przybył, Juan de Porras Aguirre and Andrzej Burliga sold shares of Santander Bank Polska S.A. on 26 October 2023, 6 March 2023, 9 March 2023 and 1 December 2023, respectively.  
3) Magdalena Proga-Ściepień took up her role as a member of the Management Board of Santander Bank Polska S.A. as of 4 April 2023.  
4) Artur Głębowski took up his role as a Management Board member on 14 November 2023 and Wojciech Skalski on 1 January 2024.



## Relationship between the remuneration paid to Management Board members and key managers and long-term business and financial objectives of the company

### [ESRS 2, Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes 27-29]

The remuneration policy of Santander Bank Polska S.A., which regulates variable components of remuneration paid to material risk takers (identified employees), has an overall objective to incentivise employees to meet short-, medium- and long-term objectives of the Group, exceed plans, and achieve progress in individual performance.

The criteria that affect the type and amount of fixed and variable remuneration paid to Management Board members were defined so as to support the delivery of the Bank's business strategy, long-term interests and stability, in particular by:

- setting annual objectives in accordance with the Bank's financial and strategic plans, and assessing the performance of individual Management Board members;
- applying a flexible remuneration policy by maintaining a proper balance between fixed and variable components;
- awarding part of remuneration in the form of financial instruments and deferring payment of variable remuneration for a minimum of five years ensuring that the Bank's financial performance has influence on remuneration in the long-term perspective;
- applying malus clauses, which ensures proper and effective risk management and discourages excessive taking of risk which might materialise in the deferral period;
- awarding the variable components of remuneration only if it does not represent any threat to the solid capital base of the Bank or the Group in the long-term horizon;
- a possibility to set up incentive plans to support delivery of the Bank's strategy in the long-term perspective.

Variable remuneration of identified persons (including Management Board members) depends on the assessment of their individual performance and on the results of their organisational unit, area under management and the Bank. The individual performance is assessed in accordance with the standard procedure, based on financial and non-financial criteria.

The performance review covers the period of minimum three years and takes into account the Bank's economic cycle and business risk. At least 50% of variable remuneration is paid in the form of phantom stock based on the Bank's shares. In addition, payment of min. 40% of variable remuneration is deferred for the period of at least four years (five years in the case of Management Board members and senior executives). It is paid in equal annual instalments in arrears during the deferral period, unless there are reasons for reduction or non-payment.

Santander Bank Polska Group has a formal process in place for identification, assessment and ex-post review of performance resulting in the adjustment of the variable remuneration for identified employees (material risk takers) and other employees subject to those regulations.

The variable components of remuneration for the identified employees responsible for risk management, compliance with the law, internal regulations, and market and internal audit standards are reviewed and monitored by the Remuneration Committee of the Supervisory Board. Variable remuneration of the heads of the compliance and internal audit areas is approved by the Supervisory Board.

The Management Board members and key employees may receive awards under long-term incentive plans established to retain the above-mentioned staff and improve the efficiency and value of the organisation. The plans set out in detail the criteria that must be met by Management Board members and other participants for an award to be granted, and the right of the Bank's Supervisory Board to change the terms and conditions of the incentive plan, e.g. in the event of any substantial deterioration of the financial standing or risk profile.

The Bank ensures also consistency of the Remuneration Policy with the Bank's strategy for integrating risks related to sustainable development by linking it to variable remuneration of the employees responsible for developing investment recommendations as part of investment advisory services. In addition, fixed and variable remuneration should be aligned with the Group's ESG objectives/ limits by linking variable remuneration of the Group's key function holders to the achievement of such objectives, preventing excessive risk-taking in this area and misinformation about the Group's ESG-related measures ("green-washing" practices).

Moreover, ESG (environment, social responsibility and governance) is one of the factors included in qualitative factors applied to calculate the bonus pool for top executives and key employees and its weight ranges from -5% to +5%.

## 7. Other transactions with executives

### Loans and advances



Loans and advances granted by Santander Bank Polska S.A. to the Bank's executives and their relatives totalled PLN 3,667k as at 31 December 2023 vs PLN 4,799k as at 31 December 2022. These facilities were sanctioned on regular terms.

Deposits placed with Santander Bank Polska S.A. by the Bank's executives and their relatives totalled PLN 7,701k as at 31 December 2023 (PLN 10,197k as at 31 December 2022).

## 8. Diversity Policy

### Foundations of the diversity management approach

Santander Bank Polska S.A. complies with the laws on diversity, inclusion and equal opportunities. It is committed to promoting diversity in accordance with best practice and ensuring equal treatment of employees and other stakeholders regardless of their gender, age, education, health conditions, race, religion, national or ethnic origin, political beliefs, trade union membership, family status or sexual orientation.

Aspects such as respect for individuality, promotion of equal treatment and prevention of discrimination are addressed by a number of policies and procedures applicable at the Bank, including the Responsible Banking and Sustainability Policy, the Santander Bank Polska Management Board Diversity Policy, the Respect and Dignity Policy and the Corporate Culture Policy of Santander Bank Polska Group.

Furthermore, as a signatory to the Diversity Charter (the international initiative supported by the European Commission), Santander Bank Polska S.A. committed itself to respecting and supporting diversity. The Bank is also a member of the Responsible Business Forum and the Polish ESG Association. Respect for individualism, equal treatment and prevention of discrimination are the cornerstones of the Bank's corporate culture.

The diversity and inclusion culture is supported at the Bank by such initiatives as: Diversity Ambassadors (role performed by senior executives), employee networks (bottom-up initiatives focused on promotion of diversity), educational campaigns, training, webinars (e.g. the Diversity Month). The Bank's activities in this area are supported by strategic partnerships with expert organisations: Share the Care, UN Global Compact Network Poland, Vital Voices, Responsible Business Forum.

In addition, the Bank was included in the list of the most advanced employers in Poland in terms of diversity and inclusion. The list was based on the Diversity IN Check survey, which checks the maturity of organisations in managing diversity and building an inclusive work environment. The survey is conducted by the Responsible Business Forum, which coordinates the Diversity Charter in Poland. The Bank's activities were also recognised with many

awards, such as the "Top Employer 2023" title, the "Great Place to Work!" certificate, Polityka's "CSR Golden Leaf" for 2023, the "Ethical Company" title awarded by Puls Biznesu and the "Equal Company" title from the Forbes Woman magazine.

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## Diversity policy regarding the governing bodies

### [ESRS 2 – Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies]

The Bank pursues its diversity strategy as part of selection, assessment of suitability and succession of members of supervisory and management bodies.

The above processes are delivered in a way that prevents discrimination on any grounds, particularly based on gender, race, colour, ethnic or social origin, genetic features, religion or beliefs, membership of a national minority, property, birth, disability, age or sexual orientation.

The Bank's internal regulations in this respect are based on the Joint ESMA and EBA Guidelines EBA/GL/2021/06 and comply with the applicable laws, including the Banking Law Act and the Commercial Companies Code.

The Bank strives to ensure that members of the Management and Supervisory Boards have a wide range of competencies, professional skills, adequate professional experience, capabilities and impeccable reputation, while ensuring diversity in terms of age, academic and professional background and geographical origin. The Bank's ambition is also to have an adequate representation of women and men on these boards.

The Management Board Diversity Policy of Santander Bank Polska S.A. promotes diversity among Management Board members in terms of their qualities and skills to ensure different perspectives and extensive experience, prevents exclusion (promotes inclusion) and supports independent judgment and informed decision making based on a wide range of criteria.

Pursuant to the above policy, the Supervisory Board strives to achieve minimum 30% representation of women on the Management Board by 2025 and increase diversity in terms of age and geographical provenance.

Furthermore, the Nomination and Succession Policy for Management Board Members and Key Function Holders of Santander Bank Polska S.A. is to ensure the continuity of business processes delivered by senior managers, while maintaining the best possible balance of the management team in terms of gender, knowledge, skills and experience.

The diversity of the Supervisory Board is governed by the Policy on the Suitability Assessment of Supervisory Board Members in Santander Bank Polska S.A. and the Nomination and Succession Planning Policy for Supervisory Board Members in Santander Bank Polska S.A., which require that – apart from having adequate education, professional experience and good repute – the candidates for the Supervisory Board and the Management Board positions should possess a wide spectrum of qualities and skills and independence of mind. Moreover, the former policy sets out an objective of 40%–60% female representation on the Supervisory Board by 2025.

To ensure the above representation of women and men on the Management and Supervisory Boards, the Nominations Committee of the Supervisory Board takes into account all personnel of Santander Group and business objectives related to cross-border activities. Further to this, it takes measures to ensure that the succession plans include an appropriate percentage of women to achieve the set objective and that the women considered in such plans are ready to take up their role within the prescribed time frame.

As at 31 December 2023, there were four women on the Bank's Supervisory Board: Danuta Dąbrowska, Dominika Bettman, Isabel Guerreiro and Marynika Woroszyńska-Sapieha (40% representation). On the Management Board, women were represented by Dorota Strojewska in charge of the Business Partnership Division, Magdalena Proga-Ściepiń in charge of the Retail Banking Division, and María Elena Lanciego Pérez in charge of the Financial Accounting and Control Division (27% representation vs a 11% representation as at 31 December 2022). In total, women accounted for 33% of the supervisory and management bodies.

The Supervisory and Management Boards ensures diversity in terms of gender, age, experience and academic background. The tables and graphs below show diversity of the above-mentioned bodies:

Independent members	Number (percentage)
Supervisory Board	5 (50%)

Executive and non-executive members	Number
Management Board members (executives)	11
Supervisory Board members (non-executives)	10

	Women <sup>1)</sup>	Men
Gender		
Supervisory Board	4	6
Management Board	3	8

\* as a result of the resignation of Maria Elena Lanciego Pérez and appointment of Wojciech Skalski as her replacement effective as of 1 January 2024, there are two women and 9 men on the Management Board

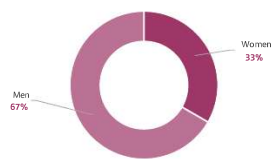
Age	31-40	41-50	51-60	above 60
Supervisory Board	-	-	6	4
Management Board	1	5	5	-

Years of service with Santander Bank Polska S.A. <sup>1)</sup>	up to 5	6-10	11-15	16-20	21-25
Supervisory Board	4	4	2	-	-
Management Board	5	4	1	1	-

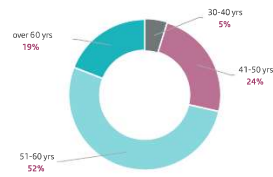
2) Counted from their first appointment to the Supervisory Board or Management Board.

International experience	Number
Supervisory Board	7
Management Board	5

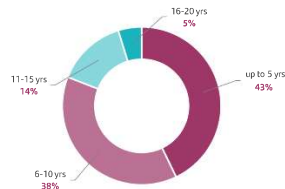
Gender of supervising and executive staff  
of Santander Bank Polska S.A.



Age of supervising and executive staff  
of Santander Bank Polska S.A.



Work experience of supervising and executive staff with  
Santander Bank Polska S.A.



## 9. Internal control and risk management systems for financial reporting



### Objective of the internal control system

Santander Bank Polska Group has an internal control system in place, which – together with the risk management system – is a fundamental element of the Group's management system.

The internal control system supports decision-making processes, contributes to an increase in operational efficiency of the organisation, and ensures adherence to risk management principles, laws, internal regulations and standards, regulatory requirements and best market practice. The effective system allows the Bank to ensure the reliability of financial reporting and its compliance with laws, international standards, internal regulations and supervisory recommendations.



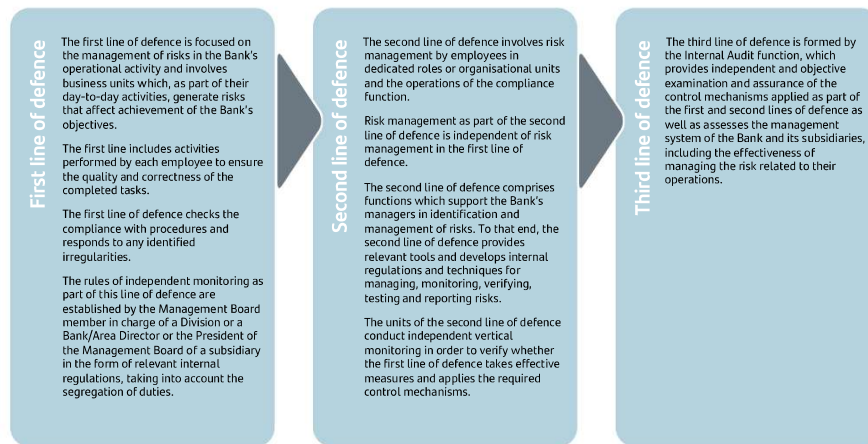
### Organisation and operation of the internal control system

The Bank's Management Board is responsible for developing and implementing an effective internal control system in all organisational units, and for updating internal regulations and establishing adequacy and effectiveness criteria for evaluating that system. Its role is also to ensure the continuity of the system and to verify control mechanisms and procedures as well as to define and take relevant measures to remove any deficiencies after they are identified.

The Supervisory Board monitors the effectiveness of the internal control system and carries out an annual assessment of the adequacy and effectiveness of the control function based on the information obtained from the compliance unit, internal audit unit, the Bank's Management Board and the Audit and Compliance Committee.

The internal control and risk management systems of Santander Bank Polska Group are based on three lines of defence.

#### Three lines of defence in the internal control and risk management systems



In line with the Bank's Internal Control System Policy of Santander Bank Polska S.A., at all three lines of defence, the Bank's employees apply controls or independently monitor compliance with controls while performing their professional duties.

The assessment of the design and effectiveness of the internal control system covers all available information and related audit and regulatory recommendations. Results of assessments and tests form the basis for the Bank's management to make representations on the effectiveness of the control environment.

The internal control system of Santander Bank Polska Group was developed on the basis of the requirements defined in the Regulation of the Minister of Finance, Funds and Regional Policy on the risk management system, internal control system and remuneration policy in banks, and the KNF's Recommendation H on the internal control system in banks.

Furthermore, the internal control system meets specific requirements arising from such regulations as:

- the Sarbanes-Oxley Act (SOX);
- the Volcker Rule (section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act);
- RDA/RRF (Basel Committee on Banking Supervision 239: Principles for effective risk data aggregation and risk reporting);
- FATCA (Foreign Account Tax Compliance Act);
- GDPR;
- EMIR;
- MiFID 2.

Although these financial statements focus on control mechanisms used in financial reporting processes, the internal control system covers all significant areas of the Bank's operations.

In the light of the Sarbanes-Oxley Act, Santander Bank Polska Group operates as a material and independent organisation within the structure of Santander Group and as such is required to implement, maintain and assess the effectiveness of the internal control environment pursuant to the above-mentioned act. Accordingly, the Bank's management carries out an annual certification process to confirm that the control mechanisms in place effectively mitigate the risk of any failure to identify any material error in the financial statements.

The certification process for compliance with the Sarbanes-Oxley Act in 2023 covered all key business areas of Santander Bank Polska S.A. and was carried out using the solutions and methodology based on Santander Group's approach. As part of the SOX certification process for 2023, the Bank's

**management** confirmed that no incidents had been identified in Santander Bank Polska Group which could significantly affect the relevant processes or threaten the effectiveness of the internal control over financial reporting.



### Control mechanisms related to financial reporting

One of the key objectives of the internal control system is to ensure full accuracy and reliability of financial reporting.

To manage the risk associated with the preparation of financial statements, the Bank monitors legal and regulatory changes to the reporting obligations of banks. It updates its accounting policies and the scope and form of disclosures in financial statements on an ongoing basis. The Bank also controls its consolidated entities through its representatives sitting on the supervisory boards of individual subsidiaries.

Data inputs in the source systems are subject to formal operational and approval procedures, which state the responsibilities of individual staff members. Data processing for the purpose of financial reporting is subject to relevant control mechanisms, such as procedures for securing data or specialist internal controls whose objective is to monitor and test the correctness and accuracy of data. All manual adjustments, including management overrides, are under strict control, which covers all IT systems used to prepare financial reports. The systems meet the integrity and cybersecurity requirements for IT architecture. Their business continuity plans are updated on an ongoing basis.

The quality of financial input data is ensured by the Information Control Department. The Financial Control Department controls the consistency and completeness of the Bank's books, while the Reporting Department prepares the Bank's and Group's financial statements and monitors the financial statements of the Bank's subsidiaries in terms of their correctness, consistency and completeness. The above-mentioned departments operate within the Financial Accounting and Control Division. Their scopes of responsibilities ensure the division of tasks between support and executive units. The process of preparing the Bank's and Group's financial statements is based on accounting data from the reporting application and is to a large extent automated, including the consolidation module. Additional reference information (both qualitative and quantitative) is obtained from the Group's organisational units in line with their scope of responsibilities.

Moreover, the adequacy and effectiveness of control mechanisms related to financial reporting is assessed by an independent external auditor as part of the annual certification process for compliance with the Sarbanes-Oxley Act.

Financial reporting is subject to multi-stage verification:

- Financial statements are subject to analytical verification carried out by specialists, by the management of units involved in their preparation, and by specialised controlling entities/ structures. For instance:
- ✓ Annual and semi-annual financial statements are subject to the mandatory review of a **statutory auditor**.
- ✓ Financial statements are formally approved by the **Disclosure Committee**, which is responsible for ensuring that the financial disclosures of Santander Bank Polska Group comply with all legal and regulatory requirements before they are released.
- Financial statements are submitted for the approval of the Bank's Management Board and approved by all Management Board members with qualified electronic signatures.
- Annual and interim financial statements are also reviewed by the Audit and Compliance Committee of the Supervisory Board and approved by the Supervisory Board.
- The **Audit and Compliance Committee** monitors the financial reporting process, taking into account information about changes in the accounting and reporting policies, analyses all recommendations issued for the Bank's **Management Board** by an external auditor (along with the Management Board's response), and supervises their implementation.

## 10. External auditor

### Entity authorised to audit financial statements

In accordance with the Bank's Statutes and applicable regulations and pursuant to the recommendation of the Audit and Compliance Committee issued in line with the applicable principles, on 13 December 2023 the Bank's Supervisory Board adopted Resolution no. 161/2023 reappointing PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. (PwC) to:

- review the Bank's semi-annual financial statements and the Group's semi-annual consolidated financial statements for H1 2024;
- audit the Bank's financial statements and the Group's consolidated financial statements for 2024.

PwC also conducted a review of the half-yearly financial statements of the Bank and the half-yearly consolidated financial statements of the Group for the first half of 2023 and an audit of the financial statements of the Bank and the consolidated financial statements of the Group for 2023 based on Resolution of the Supervisory Board of the Bank No. 103/2022 of September 28, 2022 and the agreement of June 28, 2023 concluded between the Bank and PwC to audit and review financial statements for the accounting period from January 1, 2023 to December 31, 2023.

The foregoing audit firm has been providing services to the Bank since 2016. The Bank also uses advice services provided by this firm and other entities from the PwC network. In the Bank's view, the above services do not affect the impartiality or independence of the auditor.

Santander Bank Polska S.A. and Banco Santander S.A. retain auditors from the same network, which ensures a consistent approach to the audit process across Santander Group.

Santander Bank Polska S.A. selects an entity authorised to audit financial statements pursuant to the Auditor Appointment Policy (adopted by the Supervisory Board on 4 October 2017 pursuant to the recommendation of the Audit and Compliance Committee, and amended on 25 April 2019). The Policy complies with Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and the Polish Act of 11 May 2017 on statutory auditors, audit firms and public oversight.

Detailed rules of cooperation with the audit firm and the audit team are specified in the Audit Services Policy of Santander Bank Polska S.A. of 6 May 2021.

## Selection of external auditor

A decision to appoint or reappoint an entity authorised to audit the Bank's and the Group's financial statements is made by the Bank's Supervisory Board based on the recommendation of the Audit and Compliance Committee.

Pursuant to the Auditor Appointment Policy of Santander Bank Polska S.A., the Bank selects an audit firm pursuant to the following rules:

- The Bank and the Committee may invite any audit firm to place bids for carrying out statutory audits on condition of a four-year cooling-off period after the end of the relationship following the expiry of the maximum duration of the engagement.
- An audit firm is selected taking into account findings and conclusions made in the annual report of the Polish Agency for Audit Oversight published on its website.
- The Audit and Compliance Committee's recommendation regarding the selection of an entity authorised to audit financial statements takes into consideration the following aspects where applicable:

### INITIAL ENGAGEMENT OF AN AUDITOR:

- ▶ at least two audit firms to choose from, along with the rationale and the Audit and Compliance Committee's justified preference for one of them;
- ▶ competencies of the audit firms and their ability to perform the required services;
- ▶ independence of the entity authorised to audit financial statements;
- ▶ legal requirements;
- ▶ consistency and effectiveness of the audit from the Group's perspective as well as from the higher-level consolidation perspective;
- ▶ comparison of individual proposals in accordance with the agreed criteria, having

### REAPPOINTMENT OF THE AUDITOR:

- ▶ assessment of the quality of services provided to date;
- ▶ independence of the entity authorised to audit financial statements;
- ▶ legal requirements;
- ▶ consistency and efficiency of the audit from local Group perspective as well as from the higher level consolidation perspective.

regard to the weights allocated on the basis of a relevant questionnaire.

- The Bank/ the Group complies with the applicable laws with respect to the minimum and maximum duration of an audit engagement and the minimum cooling-off period.

In the present legal landscape engagement of the same audit firm cannot exceed 10 years, which is compliant with stipulations of EU Regulation No 537/2014.

The recommendation issued by the Audit and Compliance Committee before the appointment of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. (formerly: PricewaterhouseCoopers sp. z o.o.) to review and audit the financial statements of Santander Bank Polska S.A. and Santander Bank Polska Group for 2022, 2023 and 2024 met all the required criteria and was presented to the Supervisory Board as part of the selection procedure carried out in accordance with the applicable principles (reappointment of the auditor). The process included, among other things, the assessment of PwC's independence and the quality of services provided to date.

### Permitted non-audit services

The rules for provision of permitted non-audit services to Santander Bank Polska S.A. by the audit firm performing the audit, entities connected with the audit firm or by members of the audit firm network are laid down in the Policy for audit-related and non-audit services rendered by the auditor, which was reviewed by the Audit and Compliance Committee and approved by the Supervisory Board on 29 September 2021. The Policy meets the requirements arising from Act on statutory auditors, audit firms and public oversight as well as EU regulations, including Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 on statutory audits of annual accounts and consolidated accounts.

Pursuant to the foregoing Policy:

- Appointment of an auditor to render audit-related or permitted non-audit services must be approved by the Audit and Compliance Committee based on the assessment of whether such services will not affect the independence of the auditor.
- Once a year, before the conclusion of the audit of the Group's annual financial statements, summary information on non-audit services is sent to the Committee for assessment of their potential impact on the auditor's independence and objectivity.
- When the statutory auditor or the audit firm provides permitted non-audit services to the audited entity, its parent undertaking or its controlled undertakings, for a period of three or more consecutive years, the total fees for such services must not exceed 70% of the average total fees paid in the last three consecutive years for statutory audits of separate and consolidated financial statements of the above-mentioned entities. The above limit does not apply if the auditor has not rendered non-audit services for at least one year.

The scope of permitted services (i.e. services which, under the existing regulations, the statutory auditor can provide when auditing the financial statements of the Bank/ Group) includes audit-related services (e.g. review of interim financial statements, assurance services) and non-audit services (e.g. general advisory services).

The Policy also lists prohibited services. Specifically, the auditor must not:

- audit and/or review its own work (self-review);

- perform a management role in the audited company or in relation to the services provided (management functions);
- represent the audited company or Group (advocacy).

In addition, it is not permitted to provide accounting, financial, actuarial, outsourcing (as part of internal audit) and mediation services as well as services related to valuation, design and implementation of financial information systems and specific tax services.

In 2023, PwC, the audit firm appointed to audit the financial statements of Santander Bank Polska S.A. and its Group for 2022 and 2023 (along with other entities from the PwC network) provided the following permitted non-audit services:

- review of interim financial statements of the Bank/ Group;
- verification of consolidation packages;
- verification of capital adequacy disclosures;
- verification of reports on remuneration of the Management and Supervisory Boards;
- services connected with an issue prospectus;
- assurance services related to safekeeping of customers' assets;
- assurance services related to corporate social responsibility for the period ended 31 December 2023
- assurance services related to risk management and prospectuses for Santander TFI S.A.

The Audit and Compliance Committee approved the appointment of PwC and other entities from its network to provide the foregoing permitted non-audit services. Before the relevant recommendations were presented to the Supervisory Board, the independence of the auditor had been verified with a positive outcome.

## Remuneration of external auditor

The table below shows the remuneration paid to PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. (PwC) in 2022 and 2023 for the audit of the financial statements of Santander Bank Polska S.A. and its subsidiaries, and for audit-related services and other permitted services rendered under the agreements in place.

Remuneration of external auditor (PLN k)	Financial year ended 31 December 2023	Financial year ended 31 December 2022
	2023	2022
Audit fees in respect of the parent entity <sup>1)</sup>	4,516	3,092
Audit fees in respect of the subsidiaries	2,786	2,419
Fees in respect of other assurance services, including the review of the accounts of the parent entity and subsidiaries <sup>2)</sup>	1,574	1,236
Fees in respect of non-assurance services <sup>3)</sup>	414	363

- 1) Fees in respect of audits performed by PricewaterhouseCoopers sp. z o.o. Audyt sp.k. in 2022 and 2023 under the agreements with Santander Bank Polska S.A. on audit and review of financial statements of 27 June 2022 and 28 June 2023, including assurance services with respect to the compliance of annual financial statements with the requirements of the European Single Electronic Format (ESEF). Pursuant to Annex 1 of 26 October 2023 to the Agreement of 28 June 2023, in 2023 PwC also audited the Interim Condensed Special Purpose Financial Statements of Santander Bank Polska S.A. for the 9-month period ended on 30 August 2023.
- 2) Fees in respect of the review of financial statements under the agreements referred to in point 1 and for assurance services related to capital adequacy disclosures, report on remuneration of Management and Supervisory Board members, CSR report for 2023, compliance with requirements regarding the custody of customers' assets, report on risk management system and prospectuses for Santander TFI S.A.
- 3) Fees in respect of non-assurance services refer to the issuance of attestation letters made in connection with the EMTN prospectus.