



TERMS OF REFERENCE OF THE SUPERVISORY  
BOARD  
OF SANTANDER BANK POLSKA S.A.

## I General provisions

### § 1

The Supervisory Board (Board) operates pursuant to provisions of the Banking Law Act of 29 August 1997, Commercial Companies Code of 15 September 2000, other acts, the Bank's Statutes, and these Terms of Reference.

### § 2

1. The Supervisory Board exercises ongoing oversight of all areas of the Bank's operations.
2. The information received by Supervisory Board members while performing their duties in the Supervisory Board is subject to secrecy.

### § 3

1. The tasks of the Supervisory Board include:
  - 1) assessment of information presented by the Management Board, its members and other persons in a fair and constructive manner;
  - 2) verification of the Bank's management strategy and risk management strategy, also in terms of the Bank's long-term interests;
  - 3) monitoring of the effectiveness of actions taken by the Management Board and its individual members;
  - 4) expert assessment of internal regulations concerning the Management Board as well as the Supervisory Board (including its role in the Bank's internal structure and the rules of its operation within the Bank's internal governance framework), in terms of their adequacy compared to the actually performed tasks; the assessment should cover at least: Terms of Reference of the Management Board, Terms of Reference of the Supervisory Board, Policy on selection and suitability assessment of Management Board members and key function holders, Policy on suitability assessment of Supervisory Board members, Nomination and Succession planning policy for Management Board members and key function holders, Nomination and Succession planning policy for Supervisory Board members,
  - 5) oversight of the implementation and application by the Management Board of the remuneration rules in the Bank and assessment of their impact on the remuneration rules on the Bank's management at least once a year,
  - 6) oversight of the development of the Responsible Banking Agenda,
  - 7) oversight and monitoring the implementation of internal management and control framework to ensure compliance with AML/CFT requirements, including regular, at least once a year, reviews of the activity report submitted by an employee responsible for ensuring compliance with AML/CFT regulations and assesses the effectiveness of the unit responsible for ensuring compliance with AML/CFT regulations.
2. In order to perform the tasks defined in section 1, the Supervisory Board may mandate a relevant audit engagement to the Internal Audit Area or to external experts.

3. The Supervisory Board approves and issues internal regulations if required by law, recommendations of the supervision authorities or the Statutes.
4. The Supervisory Board exercises oversight of the execution of the policies and other important internal regulations adopted in the Bank.

#### § 4

1. As part of the management information system, the Management Board ensures that the Supervisory Board has access to up-to-date information within all areas of the Supervisory Board's remit, and, if required, presents this information in the form and on the dates determined by the Supervisory Board.
2. The Management Board member in charge of risk management ensures that information on risk submitted to the Supervisory Board is comprehensive and clear so that it enables the Supervisory Board to understand the Bank's risk profile.

## II. Composition of the Supervisory Board

#### § 5

1. Members of the Supervisory Board, including the Chairperson, are appointed and removed in line with the procedure laid down in the Bank's Statutes.
2. Should a Supervisory Board member lose their independence during the tenure, they submit a relevant statement to the Supervisory Board Chairperson and Management Board President, and the Supervisory Board Chairperson — to the Management Board President.

#### § 6

1. Within seven days from their appointment to the Supervisory Board, a Supervisory Board member submits to the Supervisory Board Chairperson and Management Board President (and the Supervisory Board Chairperson submits to the Management Board President) a written statement on any connections with the Bank's shareholders that own not less than 5% of the total number of votes at the Bank's general meeting. This requirement concerns economic, family or other connections that might have an influence on the decision of a Supervisory Board member in the matters decided by the Supervisory Board.
2. The statement referred to in section 1 is regularly updated during the tenure of a Supervisory Board member.
3. The Bank presents information on the connections referred to in section 1 on its website.

#### § 7

1. Supervisory Board members elect from amongst themselves the Vice Chairperson and may also appoint a Secretary.

2. The Vice Chairperson assumes the duties and powers of the Chairperson in their absence or in other circumstances when the Chairperson is not able to exercise their function, and when the Chairperson has delegated this function to the Vice Chairperson.
3. The Chairperson of the Supervisory Board cannot at the same time chair the Audit and Compliance Committee.

### III. Performance of duties

#### § 8

1. The Supervisory Board acts jointly subject to section 2.
2. The Supervisory Board may delegate its members to individually perform specific supervisory activities.
3. The delegated member of the Supervisory Board is entitled to take up supervisory activities defined in § 22(1) subject to section 4.
4. Detailed rules of individual performance of the supervisory activities referred to in section 2 are set out in the Supervisory Board resolution concerning delegation of powers to a Supervisory Board member(s).
5. The Supervisory Board member delegated to permanently exercise oversight should submit to the Supervisory Board at every meeting, yet not less frequently than once a quarter, detailed reports on the performance of their supervisory activities since the last meeting.

#### § 9

1. The Supervisory Board may appoint committees and persons responsible for chairing these committees. Committees are designed to improve the on-going work of the Supervisory Board by preparing draft Supervisory Board decisions in respect of the Supervisory Board's own motions or motions presented by the Management Board for consideration.
2. Committees are composed of nominated Supervisory Board members. The Supervisory Board may also invite other persons to participate in the work of a committee.
3. The chairperson of a committee manages its work and submits a report to the Supervisory Board on the committee's operations at the next Board meeting following the committee's meeting (at least once a quarter).
4. The committee is entitled to take up supervisory activities defined in § 22(1) subject to section 5.
5. Detailed principles of a committee operations, including the roles and powers of the committee chairperson and members are set out in the committee's terms of reference approved by the Supervisory Board.

#### § 10

The Supervisory Board may authorise the Chairperson to determine detailed conditions of remuneration for the Bank's Management Board members.

## § 11

1. The Supervisory Board takes decisions in the form of resolutions.
2. The Chairperson or the Vice Chairperson of the Supervisory Board, and in their absence another member of the Supervisory Board appointed by the Chairperson, ensures that the Supervisory Board's decisions are taken based on information that is adequate, precise, full and understandable for all Supervisory Board members in line with applicable regulations.
3. When taking decisions, the Supervisory Board considers assessments, information and analyses of the risk management unit related to risk exposure.
4. The procedure of passing resolutions is set out in § 14 and 15 of these Terms of Reference.

## § 12

1. Meetings of the Supervisory Board have the form of:
  - 1) a simultaneous gathering of Supervisory Board members at one venue, or
  - 2) communication between Supervisory Board members located at different venues at the same time and using remote communication means, among others: telephone, video, dedicated computer software as well as email, as specified in section 2.
2. The Supervisory Board meetings in the form specified in section 1(2) are held in line with the following principles:
  - 1) the Chairperson of the Supervisory Board, with the support of the Secretariat, selects a means of remote communication, ensuring the security of electronic communication, and provides access to all members of the Supervisory Board, enabling them to participate in a meeting using such means, in due time before the meeting;
  - 2) the Secretariat provides members of the Supervisory Board with the necessary support to efficiently participate in meetings using means of remote communication;
  - 3) the Chairperson of the Supervisory Board checks the attendance list and identity of Supervisory Board members participating in the meeting with the support of the minute-taker or other persons appointed by the Chairperson, in particular on the basis of: (i) video image of individual persons; (ii) telephone numbers used by individual persons participating in the meeting; (iii) email addresses used by members of the Supervisory Board; (iv) passwords provided to individual persons to the email address assigned to them in the Bank's domain; or (v) in another way, indicated separately by the Chairperson of the Supervisory Board, reflecting the specific nature of the employed means of remote communication.
3. Management Board members, other staff of the Bank as may be relevant given the matter under discussion as well as other people invited by the Supervisory Board may participate in the Supervisory Board meetings without voting right. The Supervisory Board Chairperson provides the Management Board President with information about the meeting and its agenda.

### § 13

1. The work of the Supervisory Board is managed by its Chairperson who is responsible for organising it properly, and in particular for convening meetings.
2. The Supervisory Board meetings are convened by way of invitations which stipulate the date, hour, venue of the meeting and the proposed agenda as well as the manner of using remote communication means during the meeting.
3. The Management Board or a member of the Supervisory Board may request that the Supervisory Board meeting be convened by providing a proposed agenda. The Supervisory Board Chairperson convenes the meeting with the requested agenda which is held not later than within two weeks from having received the request. If the Supervisory Board Chairperson does not convene the meeting, then the requesting part may convene it themselves.
4. The Supervisory Board may hold a meeting without it being formally convened if all the members agree to it and do not raise objections to individual items on the agenda.
5. Supervisory Board meetings are convened as the need arises, but at least four times in a financial year.
6. Notice of the planned meeting, the proposed agenda and papers should be delivered to each member of the Supervisory Board at least seven days in advance of the meeting date. The Chairperson can shorten this time limit in justified cases.

### § 14

1. Supervisory Board meetings are arranged by the Chairperson who is supported by the Supervisory Board Secretariat or other appointed employees.
2. Papers submitted to the Supervisory Board should be delivered to each Supervisory Board member not later than three days prior to the date of the meeting. The Chairperson can shorten this time limit in justified cases.
3. Upon the receipt of the proposed agenda, a Supervisory Board member notifies the Supervisory Board Chairperson of the conflict of interest or a potential conflict of interest, if any. The Chairperson may decide not to provide the Supervisory Board member with papers referring to matter in question.

### § 15

1. Supervisory Board meetings are chaired by the Chairperson or the Vice Chairperson of the Supervisory Board, and in their absence by another member of the Supervisory Board appointed by the Chairperson.
2. The agenda must not be altered and new items must not be added during the meeting, subject to section 3.
3. The agenda may be altered or supplemented if:
  - 1) the meeting is attended by all Supervisory Board members who consent to alter or supplement the agenda, or
  - 2) actions have to be taken by the Supervisory Board to safeguard the Bank against a damage/loss, or

- 3) a resolution is to be passed to decide whether there is a conflict of interest between a Supervisory Board member and the Bank.
4. During the meeting the Supervisory Board may also adopt resolutions on items not included in the proposed agenda if none of the Supervisory Board members objects to that.

#### § 16

1. Supervisory Board resolutions are adopted in an open vote, subject to section 2.
2. The Supervisory Board adopts resolutions in a secret ballot in cases stipulated by law.
3. The Supervisory Board adopts resolutions by an absolute majority of votes. In the event of a tie, the Supervisory Board Chairperson has the casting vote.
4. A Supervisory Board member voting against a resolution may request that their dissenting opinion be minuted.
5. Supervisory Board resolutions are signed by the Chairperson or the person chairing a meeting during which the resolution was adopted.
6. A Supervisory Board member notifies other members of the conflict of interest, does not participate in discussions and abstains from voting on the resolution concerning the issue where there is a conflict of interest.

#### § 17

1. Resolutions are adopted by the Supervisory Board:
  - 1) by direct vote at the meeting,
  - 2) by voting through another Supervisory Board member present at the meeting,
  - 3) by circulation, or
  - 4) by using remote communication means.
2. In order for the resolution to be adopted at the meeting, at least half of the Supervisory Board members should be present at the meeting and all the Supervisory Board members should have been invited.
3. A vote in line with the procedure set out in section 1(2) is cast in the written form. It needs to be signed and dated, and the content of the document must explicitly specify the matter voted upon as well as whether it is "for", "against" or if it is an "abstaining" vote.
4. Resolutions adopted in line with the procedure set out in section 1(3) are circulated to all Supervisory Board members and become valid when signed by at least half of the Supervisory Board members, including the Chairperson, subject to section 6. The signature of each Supervisory Board member needs to be dated.
5. Resolutions adopted in line with the procedure set out in section 1(3) are valid when all Supervisory Board members have been informed about the contents of the draft resolution.
6. Resolutions adopted in line with the procedure set out in section 1(4) are 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.

#### § 18

1. Meetings of the Supervisory Board are minuted.
2. The minutes should specify the meeting date and agenda, names and surnames of Supervisory Board members in attendance, the course of the discussion, arrangements, agreed actions and decisions taken, number of votes cast for individual resolutions and dissenting opinions together with their justification.
3. The minutes include also information on the conflicts of interests referred to in § 16(6).
4. If a Supervisory Board member deems that the Supervisory Board decision is against the Bank's interests they should demand that their dissenting opinion is minuted.
5. Minutes are signed by the attending Supervisory Board members.
6. Minutes of the Supervisory Board meetings are kept in the book of minutes stored at the Bank's registered office. The book of minutes may be also kept in an electronic form.

## VI. Final provisions

### § 19

1. Supervisory Board members should not conduct any transactions on their own account or for the account of a third party, directly or indirectly, relating to the shares or debt instruments of the Bank or to derivatives or other financial instruments linked to them during the "close period", i.e. 30 calendar days before the publication of an interim financial report or a year-end report, subject to section 2.
2. The Bank may allow a Supervisory Board member to trade during the close period based on an individual assessment of a request in writing, justified and submitted (e-form is permitted) by that Supervisory Board member to the Bank Director in charge of the Legal and Compliance Division. The Bank may consent to trading if the circumstances of such a transaction can be viewed as exceptional (financial distress forcing a Supervisory Board member to sell the shares immediately) or due to the characteristics of the transaction made under, or related to, an employee share or saving scheme, qualification or entitlement of shares, or transactions where the beneficial interest in the relevant security does not change.
3. Appendix 1 to these Terms indicates the formal scope of the request referred to in section 2 and examples of circumstances when Supervisory Board members may obtain consent to execute a transaction during the close period.
4. In the case of transactions:
  - 1) effected outside the close period referred to in section 1,
  - 2) in financial instruments other than the instruments issued by the Bank
    - Supervisory Board members should comply with Santander Group Code of Conduct in Securities Markets.

### § 20

1. Supervisory Board members as well as persons closely associated with them should notify:
  - the Polish Financial Supervision Authority (KNF)and



- the Supervisory Board Secretariat of every transaction conducted on their own account relating to the Bank's shares, debt instruments, derivatives or other financial instruments linked thereto within:
  - three business days after the date of the transaction — for a single transaction equal to or exceeding EUR 5,000,
  - three business days after the date when total value of all transactions reaches or exceeds EUR 5,000 — for individual transactions of lower value made during one financial year.
 The list of transactions subject to the notification obligation is provided in Appendix 2 to these Terms of Reference.
- 2. A Supervisory Board member and person closely associated with them disclose information using the template attached as Appendix 3 to these Terms of Reference.
- 3. Supervisory Board members notify the persons closely associated with them of their obligations regarding transactions and keep a copy of such a notification.
- 4. A person closely associated with a Supervisory Board member referred to in section 1 means:
  - a) a spouse, or a partner considered to be equivalent to a spouse in accordance with the national law;
  - b) a dependent child, in accordance with the national law;
  - c) a relative who has shared the same household for at least one year on the date of the transaction concerned;
  - d) a legal person, trust or partnership, the managerial responsibilities of which are discharged by the Supervisory Board member or by a person referred to in point (a), (b) or (c), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

## § 21

Supervisory Board members should act in accordance with the Rules of Procedure of the Board of Directors applicable to non-executive directors in Santander Group.

## § 22

1. In order to perform its duties the Supervisory Board may examine all documents of the company, audit the company's assets and request that the Management Board, proxies as well as individuals working for the company under employment contracts or performing specific activities for the benefit of the company on a regular basis under a specific task contract, mandate contract or another contract prepare or submit any information, documents, reports or explanations related to the company, in particular to its operations or assets. The Supervisory Board may also request the relevant governing body or an obligor to provide information, reports or explanations pertaining to subsidiaries or affiliates.
2. The Bank ensures that the Supervisory Board has the possibility of effective discharge of its tasks, by e.g. ensuring adequate administrative and financial resources required for efficient Supervisory Board operations.

3. The Supervisory Board may consult external experts or consultants (e.g. seek external expert advice when making a valuation and analysing economic effects of a transaction with a related entity that requires the Supervisory Board's approval; if such a transaction requires the approval of the general meeting, the Supervisory Board each time assesses the need for seeking such expertise in order to prepare a specific analysis or opinion). The Supervisory Board may order the opinion or analysis of external experts or consultants.
4. If the Supervisory Board exercises its right indicated in section 3, it adopts a resolution on having a specific issue related to the company's operations or assets examined by a selected external expert or consultant at the company's cost. The Bank is represented by the Supervisory Board in the agreement with an expert or consultant.
5. The Supervisory Board takes the decision on the selection of a provider of such service, the rules of providing the service and its scope. The Corporate Governance Department with the support of the Procurement Office executes the Supervisory Board's decisions in this respect, complying with the Bank's internal regulations.
6. The Management Board ensures an external expert or consultant has access to documents and provides them with the required information.
7. The Supervisory Board may decide to provide shareholders with access to the results of work of the external expert or consultant, unless this might be to the detriment of the Bank, its subsidiary or affiliate, in particular if technical, trade or organisational secrets of the company were to be disclosed. If it is decided to make the results of the expert's or consultant's work available to shareholders, the Management Board makes them available in the same mode as the general meeting is convened within two weeks of adopting the resolution by the Supervisory Board.

## § 23

1. The following persons should attend Supervisory Board meetings:
  - 1) the Management Board member in charge of material risk in the Bank's business,
  - 2) the Head of Internal Audit Area,
  - 3) the Bank's Director in charge of the Legal and Compliance Divisionwith regard to the matters falling within their responsibility; these people may also attend Supervisory Board meetings in relation to other matters.
2. Persons listed in section 1 at least once a year hold a meeting with the Supervisory Board or its relevant Committee in the absence of other Management Board members. Irrespective of the above, they have a direct access to the Supervisory Board, without the need to engage the Management Board in the case of matters important for the Bank's business if they deem that such matters relate to the Management Board (or its members) or if their earlier notifications to the Management Board turned out ineffective.
3. With at least one week's notice, the Supervisory Board notifies the key statutory auditor who examined the Bank's financial statements about the date of the meeting with the agenda where:
  - 1) the Management Board report and financial statements for the previous accounting year are to be assessed for compliance with the books, documents and the facts,
  - 2) the Management Board's requests for profit distribution or loss cover are to be assessed,

- 3) the annual written report on Supervisory Board activity for the previous accounting year and its submission to the general meeting are to be considered.
4. The Bank ensures that the key statutory auditor or another representatives of the audit firm attend the Supervisory Board meeting when matters defined in section 3(1)-(3) are to be discussed. During the meeting, the key statutory auditor or another representative of the audit firm presents to the Supervisory Board a report from the their review, including the grounds for their statement on the Bank's ability to continue as a going concern as well as responds to questions asked by Supervisory Board members.

#### § 24

The Terms of Reference become effective as of the date of their adoption.