

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

### **Justification for the resolutions to be considered by the Extraordinary General Meeting convened for 12 January 2023 together with information related to the items of the agenda under which resolutions will not be passed**

#### I. Justification for the agenda

The Management Board of the Bank proposed the following agenda of the General Meeting:

1. Opening of the General Meeting.
2. Electing the Chairman of the General Meeting.
3. Establishing whether the General Meeting has been duly convened and has the capacity to adopt resolutions.
4. Adopting the agenda for the General Meeting.
5. Creating a capital reserve for the buy-back (purchase) of own shares earmarked for the execution of the Incentive Plan VII and authorising the Management Board to purchase own shares to execute the Incentive Plan VII; amendments to the Annual General Meeting Resolution no. 30 of 27 April 2022 re Incentive Plan VII and conditions of its execution.
6. Assessment of the effectiveness of the Supervisory Board.
7. Presentation of the amendments introduced by the Supervisory Board to The Supervisory Board Members of Santander Bank Polska S.A. Suitability Assessment Policy introduced by the Supervisory Board.
8. Presentation of amendments introduced by the Supervisory Board to the Terms of Reference of the Supervisory Board of Santander Bank Polska S.A.
9. Closing the General Meeting.

Items 2, 4-6 require adoption of the resolutions passed by General Meeting. Items 7-8 of the agenda are presented for information only and don't require decision of General Meeting.

#### **II. Creating a capital reserve for the buy-back (purchase) of own shares earmarked for the execution of the Incentive Plan VII and authorising the Management Board to purchase own shares to execute the Incentive Plan VII; amendments to the Annual General Meeting Resolution no. 30 of 27 April 2022 re Incentive Plan VII and conditions of its execution (item 5 of the agenda)**

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

In this case, when acting upon the authorisation, the Management Board will adopt a resolution on the purchase of shares and will inform their owners about the shares purchase in line with the following regulations: (i) Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse; (ii) Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 in relation with (iii) Article 28 of Commission Delegated Regulation (EU) 241/2014 of 7 January 2014 (i.e. having received the relevant approval from the KNF).

Taking into account the number of shares planned to be purchased in 2023, the operation will not have any impact on the maintenance of a sound capital base.

The Management Board hereby notes that the share purchase process meets all conditions laid down in Article 362 § 2 of the Commercial Companies Code (CCC): (i) all the Bank's shares are to be fully covered, (ii) the total value of the purchased shares is not to exceed 20% of the company's share capital (maximum nominal value of the purchased shares represents ca. 0.2% of the share capital); and (iii) the total price of the purchased shares increased by their purchase costs is not to be higher than the capital reserve created for that purpose out of the amount that might be distributed pursuant to Article 348 § 1 of the CCC.

The Bank estimates that in 2023, the share purchase costs will be PLN 55.3m maximum, and thus the Management Board recommends to the EGM the creation of the capital reserve to be allocated to the purchase of own shares in this amount. The maximum price per share quoted in the draft resolution does not impact the ultimate amount allocated to the purchase of shares in 2023 given the manner of defining the amount of the award due to Participants in Incentive Plan VII. The number of shares granted to the Plan's Participants who are not MRTs will be defined based on the amount allocated to the award for individual Participants and the Bank's share price at the date of their purchase by the Bank.

The Bank intends to purchase the shares at the current market price as at the purchase time, however Article 362 § 1(8) of the CCC imposes a requirement to provide information on the minimum and maximum payment for purchased shares in the resolution authorising the Management Board to purchase the company's own shares. Thus the minimum and maximum price that the Management Board could pay for purchasing the shares has been defined broadly, i.e. from PLN 50 to PLN 500 per share – which in the Management Board's opinion will make it possible to purchase the shares needed to execute Incentive Plan VII.

Given the Extraordinary General Meeting has been convened for 12 January 2023, after the PFSA's approval for purchasing the Bank's own shares in relation with execution Incentive Plan VII, § 3(4) of The Resolution no. 30 needs to be amended as follows:

"4) The GM resolutions referred to in § 3 (2) and (3) will be submitted for voting at GMs in each year of the life of Incentive Plan VII and in the deferral period applicable to payment of variable remuneration to MRTs and will each time refer to purchasing Own Shares to be granted to Participants in the following year."

Proposed version:

"4) The GM resolutions referred to in § 3(2) and (3) will be submitted for voting at GMs in each year of the life of Incentive Plan VII and in the deferral period applicable to the payment of variable remuneration to MRTs".

Additionally, the proposed resolution envisages the approval of the Supervisory Board's resolutions concerning Incentive Plan VII adopted after the time limits envisaged in Resolution no. 30.

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

### **III. Assessment of the effectiveness of the Supervisory Board (item 6 of the agenda)**

In line with Recommendation Z no. 8.9 on internal governance in banks, on 28 September 2022 the Supervisory Board self-assessed its effectiveness (Supervisory Board's resolution no. 111/2022).

The self-assessment was carried out based on:

- results of the collective suitability assessment of the Supervisory Board (adopted by force of resolution no. 18 of General Meeting of Shareholders of 27 April 2022), and
- report from the independent assessment of the effectiveness of the Supervisory Board of Santander Bank Polska S.A issued by a third party (KPMG Advisory spółka z ograniczoną odpowiedzialnością sp.k.).

In line with the said regulation the General Meeting assesses the effectiveness of the Supervisory Board on regular basis. The assessment can be made with the support of a third party.

In resolution no. 111/2022, the Supervisory Board decided to present the results of the self-assessment to the General Meeting for approval.

### **IV. Presentation of the amendments introduced by the Supervisory Board to The Supervisory Board Members of Santander Bank Polska S.A. Suitability Assessment Policy introduced by the Supervisory Board (item 7 of the agenda)**

On 25 May 2022, the Supervisory Board adopted a resolution amending the Policy on the suitability assessment of Supervisory Board members in Santander Bank Polska S.A. (resolution of the Supervisory Board no. 63/2022).

The Policy was amended to comply with the Polish Financial Supervision Authority (KNF) recommendation to state explicitly that the suitability of the Supervisory Board members sitting on the Audit and Compliance Committee is also assessed for the needs of working in this committee. Moreover, the Policy was extended by the obligation of Supervisory Board members to inform the Nominations Committee about new circumstances that might impact their suitability assessment.

In line with resolution no. 32(2) of the Annual General Meeting of 16 May 2019, the Supervisory Board informs shareholders about changes made to the Policy at the first general meeting thereafter.

## V. Presentation of the amendments introduced by the Supervisory Board to the Terms of Reference the Supervisory Board of Santander Bank Polska S.A. (item 8 of the agenda)

On 25 May 2022 and on 28 September 2022, the Supervisory Board introduced amendments to its Terms of Reference given the need for more precise wording of the document in view of the KNF's Recommendation Z and for adjusting it to the updated Commercial Companies Code of 15 September 2000 (CCC).

The amendments resulting from Recommendation Z required, among other things, adjusting the statements on minuting meetings to the practice in place, i.e. indicating that minutes reflect the course of the discussion held during the meeting. Moreover, provisions were added to indicate that the tasks and powers of chairpersons and members of Supervisory Board committees result from the terms of reference of individual committees.

Amendments resulting from the updated CCC that came into force on 13 October 2022 referred to: (i) harmonizing the statements on the Supervisory Board's rights to receive information and documents related to the Bank to the amended regulation; (ii) indicating the requirement to invite the statutory auditor to the meeting at which the report on the Supervisory Board activity is approved; (iii) adjusting provisions on hiring third party consultants by the Supervisory Board; (iv) technical issues related to convening meetings; and (v) indicating that Supervisory Board committees might perform supervisory tasks.

Pursuant to § 28(2) of the Bank's Statutes, the Supervisory Board informs the General Meeting about changes made to its Terms of Reference.

The current text of the Terms of Reference of the Supervisory Board is available at the Bank's website at:  
<https://www.santander.pl/en/investor-relations/corporate-documents#dokument=5>

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