

Santander Bank Polska

Terms of Reference for the Nominations Committee of the Supervisory Board of Santander Bank Polska

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1. Role

- 1) The basic role of the Nominations Committee (“the Committee”) is to support the Supervisory Board (“the Supervisory Board”) of Santander Bank Polska (“the Bank”) in performance of its tasks arising from the provisions of law, corporate governance and market standards concerning the functioning of the Bank's Management Board and Key Function Holders in the Bank¹.
- 2) The key task of the Committee is to issue recommendations to the Supervisory Board as regards appointing and removing members of the Supervisory Board and the Management Board by the Bank’s relevant governing body as well as issuing opinions on appointing and removing some Key Function Holders at the President's request.
- 3) The Committee plays an active part in fulfilment of the Bank's obligations concerning adoption of a suitable internal policy of assessing the qualifications of the members of the Supervisory Board, Management Board and Key Function Holders.
- 4) In order to deliver the Committee’s tasks, including its specific tasks resulting from its Terms of Reference as well as to fulfill the role specified in the resolution of the Supervisory Board on the appointment of the Committee, its Chairperson is entitled to communicate directly with the Bank’s shareholders. To that end, the Committee’s Chairperson can hold meetings with the shareholders and use available means of communication (for instance telephone, electronic).
- 5) When performing its tasks, the Committee, whenever possible, ensures that the decision-making process in the Management Board is not dominated by one person which could negatively affect the Bank’s interest.

2. Appointment and composition

- 1) The Committee is composed of three to seven members, including the Committee’s Chairperson (“the Chairperson”), appointed by the Supervisory Board from among its members.
- 2) Members of the Committee are appointed for the term of office of a member of the Supervisory Board, and can be reappointed for another term or removed during their term of office as a result of the annual review of the Committee works.
- 3) The majority of the Committee members, including the Chairperson, are independent in line with the definition of the Supervisory Board's member independence specified in the Bank's Statutes. At least one member of the Committee should have the knowledge and experience in human resources and performance management.

¹Key Function Holders – the Bank’s employees performing identified employees’ roles according to the “Remuneration Policy in Santander Bank Polska Group”, who are neither members of the Management Board nor Supervisory Board, in particular heads of risk management, compliance and audit functions as well as head of financial management, financial planning and financial reporting functions (key function holders at the Bank appointed in accordance with Article 22aa(10) of the Banking Law Act).

- 4) The Committee may avail of any resources it finds appropriate, including external consultancy, and receives required funding for that purpose.

3. Specific tasks

Fulfilling the role defined in the resolution of the Supervisory Board re appointment of the Committee and in these Terms of Reference, the Committee in particular:

- 1) evaluates and recommends candidates for the Management Board taking into account the balance of knowledge, skills, diversity and experience required to manage the Bank;
- 2) evaluates and recommends candidates for the Supervisory Board presented to the General Meeting, taking into account the balance of knowledge, skills, diversity and experience of the Supervisory Board required to perform the duties arising from the applicable law, as well as proposes the composition of the Supervisory Board's committees;
- 3) defines the scope of duties of a candidate for the Management Board member and Supervisory Board member as well as requirements with regard to the knowledge and skills as well as time commitment required to perform the function;
- 4) defines a target for the representation of the underrepresented gender in the Management Board and prepares the Management Board Diversity Policy aimed at e.g. achieving the target representation taking into account a wide range of characteristics and skills required for the Management Board members;
- 5) regularly, at least once a year, assesses the structure, size, composition and effectiveness of the Management Board and Supervisory Board and presents the Supervisory Board with recommendations concerning changes;
- 6) regularly, at least once a year, assesses, in line with the criteria set by the Supervisory Board based on the Committee's recommendations – the knowledge, skills and experience of individual members of the Management Board and Supervisory Board and of the bodies as a whole and presents to the Supervisory Board an assessment report and informs the Management Board about the results of the assessment;
- 7) periodically reviews the policy of the Management Board for selection and suitability assessment of senior executives in the Bank (Key Function Holders) and makes recommendations to the Management Board in this respect;
- 8) approves the list of successors of members of the Bank's Supervisory Board;
- 9) recommends the list of successors of members of the Bank's Management Board to the Supervisory Board;
- 10) controls whether the Management Board's and Supervisory Board's members commit sufficient time to perform their duties as required within their functions;
- 11) reviews any other issues reported by the Supervisory Board.

4. Committee's procedures

1) Operation

The Committee shall be chaired by a Committee member appointed by the Board as the Committee Chairperson for each term of office.

In the absence of the Committee Chairperson, an alternate Committee member shall be appointed in advance by the Committee Chairperson to chair the meeting; failing such nomination, the Chairperson shall be elected by a vote among the members present.

The Chairperson in order to perform tasks of the Committee, including its specific tasks resulting from its Terms of Reference, have the right to communicate directly with the Bank's shareholders. To that end, the Chairperson can hold meetings with the shareholders and use available means of communications (for instance telephone, electronic).

2) **Induction and Training**

On appointment, Committee members will be provided with, inter alia, a copy of the Committee's Terms of Reference, and its annual Work Programme and Schedule of Meetings. In addition, the induction process will include arrangements for meetings, on a direct and confidential basis, as deemed necessary or desirable by the appointee, with individual Management Board members, Bank Group's Internal Auditor and the External Auditors.

3) **Frequency of Meetings and Papers**

The Committee shall hold at least four regular meetings each year as scheduled at the beginning of the year and additional meetings as the Chairperson or the Committee members deem necessary.

Meetings are convened by the Committee Chairperson.

The meeting agenda and documents to be discussed shall be submitted to the Committee members in advance.

4) **Attendance**

Apart from the Committee members and the Secretary, other employees whose attendance for all or part of the meeting would be appropriate as determined by the Chairperson of the Committee take part on the meetings.

The quorum for the Committee meetings shall be at least two members of the Committee present, including the Committee's Chairperson or any other person who chairs the meeting in line with point 1.

5) **Minutes and support of the Committee's operations**

Minutes of each meeting shall be prepared for circulation to all Committee members by the Secretary. The minutes shall be approved at the beginning of the next Committee meeting and signed off by the Committee Chairperson and the Secretary. The minutes present decisions made by the Committee and agreed action plans. The Secretary should monitor the agreed action plans.

The Corporate Governance Office provides operational services and supports the Committee's works.

6) **Reporting to the Supervisory Board**

Once a year a written report shall be made to the Supervisory Board indicating, inter alia, the number of meetings held by the Committee and describing the issues considered by the Committee in that year.

7) **Mediation**

In the event that agreement cannot be reached on a matter requiring the approval of the Committee, such matter shall be minuted and referred to the Board for determination.

8) **General Meeting**

The Committee Chairperson shall attend the Bank's General Meeting and shall respond, if invited to do so by the Supervisory Board Chairperson, to shareholders' questions concerning the Committee's activities.