

Information for Santander Bank Polska S.A. Shareholders

Rationale for draft resolutions

re items 12 and 13 of the Agenda

As a result of an effected division, as of 8 November 2019 Santander Securities S.A. was deleted from the National Court Register and its brokerage activity was acquired by Santander Bank Polska S.A. Legal regulations in force do not refer at all to the matter of giving discharge to members of authorities, in case a company's activity is terminated before the end of a financial year. The purpose of giving discharge for Supervisory Board Members and for the Management Board Members is to establish that all matters of a company in a given financial year were managed in accordance with legal regulations in this respect.

Due to this purpose it is reasonable for the general meeting of the acquiring company to adopt a resolution giving discharge to the authorities of Santander Securities S.A. Giving discharge expresses acknowledgement that the activity of members of these authorities was correct and lack of resolutions of the general meeting would result in uncertainty in this respect. Similar solution was applied in the case of demerger of Dom Maklerski BZWBK S.A.

re item 16 of the Agenda

The necessity for the General Meeting to adopt the Remuneration Policy for Members of the Supervisory Board and the Remuneration Policy for Members of the Management Board results from art. 90d paragraph 1 of the Act of July 29, 2005 on public offerings and conditions governing the introduction of financial instruments to organized trading, and on public companies ("Public Offering Act"). The draft documents contain all elements indicated in chapter 4a of the Act on public offering.

re item 18 of the Agenda

Adoption of a resolution on increasing the Bank's share capital by issuing ordinary series O bearer shares is to enable the participants of the Incentive Program VI "Shares for results" (hereinafter referred to as "the Program") to exercise their rights and to fulfill the obligations arising from the resolution by the Bank No. 44 of the Annual General Meeting of the Bank of May 17, 2017, introducing this Program (hereinafter referred to as "Resolution 44") and contracts concluded by the Bank with Program participants in 2017.

Under the Program, employees of the Bank and the Bank's subsidiaries, which significantly contribute to the increase in the value of the Bank Group, are entitled to acquire newly issued Bank's shares – ordinary bearer shares, with a nominal value of PLN 10 each. The program was addressed to a group of no more than 250 people, and the maximum total number of shares to be taken up under the Program was set at 250,000. Program participants are all members of the Bank's Management Board and key employees of the Bank's Group designated by the Bank's Management Board and approved by the Bank's Supervisory Board.

The condition of the Program implementation is the occurrence of an economic premise, defined in Resolution No. 44, taking into account the changes resulting from the Resolution of the Supervisory Board No. 49/2019 of June 5, 2019, which, based on the authorization contained in Resolution No. 44, introduced changes to the terms of the Program, updating the premises for its implementation in relation to the current situation of the Bank.

In accordance with the adopted terms of the Program, the Supervisory Board established, at the request of the Bank's Management Board, a list of Program participants.

On February 20, 2020, the Bank's Supervisory Board, after conducting an appropriate analysis, adopted resolution No. 16/2020 indicating that there were premises for the Program implementation,

and in particular that circumstances justifying the granting of the Program participants: (i) the Annual Award 2017 – in full amount, (ii) the Annual Prize for 2018 – in full amount and (iii) the Annual Prize for 2019 in the amount corresponding to 65.34% of the Maximum Annual Prize (calculated as follows: $[\frac{1}{3} \text{ of the Total Prize}] \times [65.34\%]$ – rounded up to the nearest integer).

The Bank prepared a list of persons entitled to acquire the shares and determined the number of shares due to Program participants as at February 20, 2020 – the total, maximum number of shares is 105,000. However, pursuant to § 2 clause 3 and 4 of Resolution No. 44, the Program participant shall lose its rights if, before the date of the Annual General Meeting in 2020, the employment relationship with a company from the Bank's Group ceases or if, as a result of the division of the joint property of the Participant and his spouse, any claims arising from the contract of participation in The program would be awarded to the spouse of a Program participant. Because on the day of the resolution regarding the increase of the Bank's share capital by the General Meeting, the exact number of persons entitled to subscribe for series O Bank shares is not yet known, it is reasonable to indicate in the resolution of the Annual General Meeting the maximum amount up to which the Bank's share capital may be increased, and the maximum number of O series shares that can be issued.

The exact number of O series shares will be known after signing share subscription agreements. At that time, the Bank's Management Board, in accordance with art. 310 § 2 in connection from art. 431 § 7 of the CCC, will make a declaration in the form of a notarial deed regarding the number of series O shares taken up as part of the Program and specifying the amount of the share capital in the Bank's Statute.

New issue shares will be paid for only with cash contributions. The issue price of shares is PLN 10.00 per share. Accordingly, the Bank's share capital will be increased by a maximum of PLN 1,050,000 (one million and fifty thousand) to a maximum amount of PLN 1,021.933.050 (one billion, twenty-one million, nine hundred and thirty-three thousand, fifty zlotys).

Due to the nature of the issue of Series O Shares, subscription rights will be excluded.

re item 19 of the Agenda

Amendment to the Bank's Statute, consisting in deleting § 7 clause 2 point 7 lit. f – "performing fiduciary activities" is aimed at adapting the wording of the Bank's Statutes to the scope of actually performed operations and is justified by the Bank's decision to withdraw from conducting fiduciary activities. This decision was taken by the Bank's Management Board on September 4, 2019 and submitted to the Polish Financial Supervision Authority in accordance with the requirement of § 128 item 3 of the Regulation of the Minister of Finance of February 22, 2019 on the scope, mode and form as well as deadlines for providing information to the Financial Supervision Authority by investment companies, banks referred to in art. 70 item 2 of the Act on trading in financial instruments, and custodian banks.

Activities carried out so far as part of fiduciary activities (i.e. keeping securities accounts, derivative accounts and omnibus accounts) pursuant to art. 119 of the Act of July 29, 2005 on trading in financial instruments (hereinafter referred to as "tfi"), are currently carried out at the Bank only within a separate organizational unit providing brokerage services, i.e. Santander Biuro Maklerskie, pursuant to art. 69 clause 4 item 1 tfi and based on § 7 clause 2 point 7b of the Bank's Statutes ("conducting brokerage activities").

Amendments to § 19a clause 2 of the Bank's Statute result from the amendments of the art. 405⁶ of the Commercial Companies Code made on 31 March 2020, that assign the Supervisory Board with the competence to establish detailed rules of participating in the General Meeting via electronic means.

The amendment to § 29 clause 2 and § 38 clause 2 of the Bank's Statute consists in adapting their wording to the content of the amended provisions of the Commercial Companies Code (the change took place on March 31, 2020). CCC provisions – art. 371 § 3¹ (in relation to meetings of the Management Board) and art. 388 § 1¹ (in relation to meetings of the Supervisory Board), indicate as the normal mode of meetings use of means of direct remote communication. Hence, it is justified to remove the restriction of conducting meetings of the Management Board using means of direct remote communication to exceptional cases. In addition, the existing provisions of the Statute use the concept of "telecommunications means" – the change consists therefore in harmonizing the terms used in the Statute with those used by the provisions of the Commercial Companies Code. The proposed changes also take into account the amendment to the Commercial Companies Code indicating that in the event of conducting meetings of bodies using means of direct remote communication, the detailed rules for participating in such meetings are set by the Supervisory Board (Article 371 § 3¹ in connection with Article 406⁵ § 3 of the CCC – in in the case of meetings of the Management Board and Article 388 §1¹ in connection with Article 406⁵ § 3 of the CCC – in the case of meetings of the Supervisory Board).