

**Nominations Committee of the Supervisory Board
Santander Bank Polska S.A.**

Warsaw, 13 September 2019

**RECOMMENDATION OF THE NOMINATIONS COMMITTEE OF THE SUPERVISORY BOARD
FOR THE EXTRAORDINARY GENERAL MEETING
WITH REGARD TO CANDIDATE TO THE SUPERVISORY BOARD OF SANTANDER BANK
POLSKA S.A. PROPOSED BY A SHAREHOLDER**

On 12 September 2019, a shareholder of Santander Bank Polska S.A. (the “**Bank**”), i.e. Banco Santander S.A., reported a proposed resolution to be taken by the Extraordinary General Meeting convened for 23 September 2019 with regard to appointment of Isabel Guerreiro member of the Supervisory Board.

Therefore, the Nominations Committee of the Supervisory Board of the Bank (the “**Committee**”) assessed the individual suitability of the prospective Supervisory Board member, **Isabel Guerreiro**, as well as collective suitability of the Supervisory Board of the Bank in line with the following regulations:

- 1) the Banking Law of 29 August 1997 (the “**Banking Law**”),
- 2) Joint Guidelines of the European Securities and Markets Authority and the European Banking Authority No. EBA/GL/2017/12 (the “**Guidelines**”),
- 3) Policy on the suitability assessment of the Supervisory Board members in Santander Bank Polska S.A. (the “**Policy**”).

Based on the assessments made (the results of which are presented below), the Committee recommends to the Extraordinary General Meeting the appointment of Isabel Guerreiro to the Bank’s Supervisory Board.

I. Results of the assessment of the individual suitability of a candidate to the Supervisory Board of the Bank

The suitability was assessed based on criteria indicated in Individual Competence Profile of Supervisory Board members with regard to:

- knowledge, skills and experience,
- reputation, honesty, and integrity,
- independence,
- independence of mind,
- ability to commit sufficient time to perform the duties.

Taking into account the above criteria referring to the tasks and responsibilities of the Supervisory Board member, the Committee stated that Isabel Guerreiro:

- met the suitability criteria set out in Article 22(aa) of the Banking Law, i.e. with regard to knowledge, skills and experience required in the prospective function, and warranted proper discharge of her prospective duties and responsibilities,
- met the criteria with regard to reputation, honesty and integrity and that the Committee was not aware of any circumstances or factors that could raise concerns about her good repute,
- met the independence of mind criteria,

- had ability to commit sufficient time to perform her duties and responsibilities also in the periods of particularly increased activity of the Bank; in particular, she met the requirements set out in Article 22(aa)(3) of the Banking Law.

Isabel Guerreiro has worked for Santander Group since 2005 performing a number of managerial roles; at present, she is an Executive Board Member in Banco Santander Totta S.A. in Portugal.

In the Committee's view Isabel Guerreiro will contribute to the Supervisory Board her vast experience and knowledge in the area of computer science, digital technologies, innovations and retail banking. She also has adequate experience in strategic planning and creating a global corporate vision, business and management as well as knowledge on market trends, digital transformation, innovations and customer experience that are particularly valuable given the strategic transformation progressed in the Bank.

Thus the Committee did not identify any shortcomings in knowledge, skills or experience of the candidate to the Supervisory Board and thus deemed that there was no need to design any Individual Development Plan referred to in §10 of the Policy.

The Committee established that the candidate did not meet the independence criteria referred to in the Bank's Statutes, Terms of Reference of the Audit and Compliance Committee and the applicable regulations. However, the Committee stated that after the appointment of Isabel Guerreiro to the Supervisory Board, the independence criteria would continue to be met by a sufficient number of its members (i.e. 5 out of the planned 10-member composition of the Supervisory Board).

The Committee did not identify any need to formulate any recommendations as a result of the individual suitability assessment of Isabel Guerreiro as a candidate to the Bank's Supervisory Board.

In the Committee's opinion, the knowledge, skills and to-date experience of the candidate arising from the functions performed as well as her good reputation, honesty and integrity justify the assessment that she warrants proper performance of her prospective duties on the Bank's Supervisory Board. The Committee took also into account a positive result of the candidate's reputation assessment by the European Central Bank in January 2019 in relation to her appointment as executive director of Banco Santander Totta S.A.

The candidate does not perform any functions outside the Santander Group and is able to commit sufficient time for the performance of her prospective duties.

In the Committee's view, the candidate is able to demonstrate independence of mind to effectively assess and challenge decisions related to the Bank's business. The Committee did not identify any conflicts of interests that would impede the candidate's ability to perform her duties on the Supervisory Board independently and objectively.

II. Results of the assessment of the collective suitability of the Supervisory Board of the Bank

On 13 September 2019, the Committee assessed the collective suitability of the Bank's Supervisory Board taking into account the proposal to appoint Isabel Guerreiro as the Supervisory Board member. The Committee established that the individual suitability assessments of the Supervisory Board members made at the meeting on 9 April 2019 remained valid (information on these assessments was presented to the AGM held on 16 May 2019). Thus, when considering the collective suitability of the Supervisory Board as the sum of skills represented by all members of the Supervisory Board in the proposed composition, the Committee took into account these assessments as well as the individual suitability assessment of the candidate.

The proposed composition of the Supervisory Board, including the proposed candidate – Isabel Guerreiro is as follows:

1) Gerry Byrne	Chairman of the Supervisory Board
2) José Luis de Mora	Vice Chairman of the Supervisory Board,
3) José García Cantera	Member of the Supervisory Board
4) Danuta Dąbrowska	Member of the Supervisory Board
5) David Hexter	Member of the Supervisory Board
6) Witold Jurcewicz	Member of the Supervisory Board
7) John Power	Member of the Supervisory Board
8) Jerzy Surma	Member of the Supervisory Board
9) Marynika Woroszyńska-Sapieha	Member of the Supervisory Board
10) Isabel Guerreiro	Member of the Supervisory Board

As stipulated in the Policy, the collective suitability of the Supervisory Board in the proposed composition was made in line with the criteria set out in the Collective Competence Profile of the Supervisory Board with regard to:

- a) knowledge, skills and experience,
- b) reputation, honesty and integrity,
- c) independence,
- d) independence of mind,
- e) diversity,
- f) ability to commit sufficient time to perform the duties.

Taking into account the above criteria and the weights assigned to them in the Collective Competence Profile as well as the fact that the collective suitability of the Supervisory Board is considered as a sum of skills represented by the Supervisory Board in the proposed composition, the Committee deemed that collectively the Supervisory Board:

- met the requirements with regard to knowledge, skills and experience, warranting thus proper performance of duties and effective oversight of all areas of the Bank, including the requirements with regard to the ability to challenge and effectively monitor decisions taken by the Management Board,
- met the criteria with regard to good reputation, honesty and integrity, stating that the Committee was not aware of any circumstances or factors that could raise concerns about good reputation of individual Supervisory Board members,
- met the independence criteria as there are five independent members in the 10-member composition of the Supervisory Board and independent members are properly represented on the Supervisory Board committees,
- met the independence of mind criteria,
- sufficiently met the Policy's diversity requirements, including those related to educational and professional background, age, geographical provenance as well as pursued the targets for the female representation on the Supervisory Board set until 2025,
- met the criteria with regard to the ability to commit sufficient time to perform its duties, also in periods of particularly increased activity of the Bank.

In the Committee's opinion, the structure, size, composition and effectiveness of the Supervisory Board in the proposed composition are suitable and comply with the applicable regulations, in particular Article 22(aa) of the Banking Law.

When assessing the collective suitability of the Supervisory Board on 9 April 2019 due to the resignation of one of the Supervisory Board members, José Manuel Campa, from his function, the Committee analysed among other the collective suitability requirements in terms of the knowledge,

skills and experience held by the members. The Committee did not identify any shortcomings in this respect and concluded that relevant skills continued to be represented on the Supervisory Board thanks to the skills held by the remaining Supervisory Board members.

When assessing the collective suitability of the Supervisory Board in the proposed composition, including Isabel Guerreiro, the Committee deemed that her appointment would contribute to the strengthening of the Supervisory Board's collective skills and knowledge in the area of computer science, digital technologies and innovations as well as retail banking. Given the strategic transformation currently progressed in the Bank, the candidate's knowledge and experience in strategic planning, business and management, market trends, digital transformation, innovations and customer experience will be particularly valuable.

Both the Supervisory Board's organisation, the number of its members in the proposed composition as well as the knowledge and skills of individual members are commensurate with the knowledge, skills and experience required to effectively perform the Supervisory Board's collective duties, allowing for constructive discussion of issues considered by the Supervisory Board.

Thus, the Committee did not identify any need to formulate any recommendations following the assessment of the collective suitability of the Supervisory Board in the proposed composition.

In the Committee's opinion, the appointment of Isabel Guerreiro to the Supervisory Board will strengthen its collective suitability in terms of the related requirements.

Thus, the Committee found the Supervisory Board in the proposed composition to be collectively suitable given that collective suitability is determined by the sum of sufficient and adequate knowledge, skills and experience of individual Supervisory Board members, including those of the candidate.

The Committee hereby confirms that the assessment process was conducted in a comprehensive, integrate and impartial manner, taking into account all circumstances that could have an impact on the results of such an assessment. Individual members of the Committee were not involved in the individual assessment of their suitability.

The Committee presents Isabel Guerreiro's CV below.

Isabel Guerreiro

Isabel Guerreiro has proven track record in development and management of IT systems and strategic projects in the financial sector. She holds an MSC degree in Computer Science from Instituto Superior Técnico in Lisbon and an MBA degree from INSEAD. Graduate of Strategic Finance in Banking at Wharton Business School. She 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. Employed with Banco Santander Totta, S.A. in Portugal since 2005.

Professional background

- Board Member, Head of Digital and Transformation in Banco Santander Totta S.A. (since January 2019)
- Deputy Head of Digital Transformation in charge of operational management of traditional and digital channels in Banco Santander Totta S.A. (2014-2018)
- Wholesale Strategy Director in Banco Santander Totta S.A. (2013-2014)
- Branch Network Dynamics Director in Banco Santander Totta S.A. (2009-2013)
- Retail Banking Office Staff Member in Banco Santander Totta S.A. (2006-2008)
- Sub-Director, Retail Business in Banco Santander Totta S.A. (2005-2006)
- From 1995 to 2003, she worked for Novabase Sistemas de Informação S.A. where she gradually progressed her career from being a Programmer or a System Analyst to a Project Manager and Senior Manager
- Lecturer in Computer Science at Instituto Superior Técnico in Lisbon (1992-1994)