

Information for Santander Bank Polska S.A. Shareholders

Rationale for draft resolutions

re. item 12 of the Agenda

1) § 1 item 1 letter a of the draft of the resolution:

The amendments to the Santander Bank Polska's (the „Bank”) Statutes, specified in § 1 item 1 letter a of the draft of the resolution, involve mainly the adaptation the provision of art. 3 clause 1 of the Act on Payment Services of 19 August 2011 (Journal of Laws from 2011 No. 199 item 1175), amended by the Act of 10 May 2018 amending the Act on payment services and certain other acts (Journal of Laws from 2018, item 1075) (hereinafter as „the amended Act on payment services”). The main purpose of the amendment is to adapt national regulations on the manner of providing payment services to the provisions of the Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC, 2013/36/EU and Regulation (EU) No 1093/2010 and repealing Directive 2007/64/EC (OJ L337 of 23/12/2015) (hereinafter: "PSD 2" or " PSD 2 Directive"). The PSD 2 Directive fully replaced the existing provisions of Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (OJ L319, 05/12/2007) (hereinafter: "PSD directive" or "PSD"). The amendment ensures full transposition of PSD 2 into the Polish legal system.

The content of the amendment to the Act on payment services shows that the scope of payment services indicated in art. 3 par. 1 point 5 of the act on payment services was redefined and the previous legal provision on acquiring was replaced. In addition, the payment services catalogue was extended to provide the service of initiating a payment transaction (art. 3 clause 1 item 6 of the amended Act on payment services) and providing access to account information (art. 3 clause 1 item 8 of the amended Act on payment services).

Addition of item 18 in § 7 clause 1 of the Statute consisting in the extension of the Bank's activity to include intermediation in providing acquiring services for payment transactions is related to the fact that the Bank assumes cooperation with payment service providers (acquirers) on the basis of the rules of transmitting orders. These activities are consisting in presenting the acquirer's offer to the Bank's customers and exchanging documentation necessary to conclude agreements and, consequently, transferring the agreed contact details of the customer to the acquirer.

The addition of items 19 and 20 in § 7 clause 1 assumes the extension of the scope of the Bank's business to include providing the service of initiating a payment transaction and providing the service to access account information. This possibility is provided for art. 3 clause 5 of the amended Act on payment services - the service of initiating a payment transaction (the „PIS service”) consisting in the initiation of a payment order by the provider of the payment transaction initiation service at the user's request from the user's payment account maintained by another provider. The Bank intends to enable the customer to use this service, pursuant to the aforementioned provision, within the framework of electronic banking provided by the Bank. Providing the service of initiating a payment transaction shall be based on the consent granted to the Bank by the customer. According to art. 3 clause 5 of the amended Act on payment services, the service to access account information (the „AIS service”) is an online service consisting in the delivery of consolidated information on a user's payment account with another provider or on a user's payment accounts with another provider or with more than one provider. The Bank intends to enable the customer to use this service, pursuant to the aforementioned provision, within the framework of electronic banking provided by the Bank. This will allow the customer to see consolidated information on payment accounts held on his behalf by other providers through e-banking. Providing the service to access account information shall be based on the consent granted to the Bank by the customer.

2) § 1 item 1 letter b of the draft of the resolution:

The proposed amendment to the Bank's Statutes referred to in § 1 item 1 letter b of the draft resolution is justified by the need to specify the wording of the Statutes in connection with the submission of an application for the Bank's registration in the register of investment company's agents. The current wording of § 7 clause 2 item 7 letter a constitutes the legal basis for the Bank to perform the function of an investment company agent. However, in accordance with the opinion of the Polish Financial Supervision Authority, in order to unambiguously reflect the scope of activities and services to which the Bank is entitled, it is justified to introduce a new wording of this provision.

3) § 1 item 2 of the draft of the resolution:

The amendments to the Bank's Statutes, specified in § 1 item 2 of the draft of the resolution, provides for a modification of the current provision relating to the delegation of supervision of the compliance function to a member of the management board. The intention of the proposed amendment is to make it possible to entrust the supervision of the compliance function also to the chairman of the management board. The proposed wording of § 37 clause 3 item 3 Statutes is compliant with the point 12.2 of the Recommendation H of the Polish Financial Supervision Authority regarding the internal control system in banks, introduced by the Resolution of the Polish Financial Supervision Authority No. 141/2017 of 25 April 2017, issued on the basis of art. 137 clause 1 point 5 of the Banking Law and art. 11 clause 1 and art. 67 clause 2 of the Act of 21 July 2006 on supervision of the financial market (Journal of Laws of 2017, item 196, as amended).

4) § 1 item 3 of the draft of the resolution:

The change specified in item 3 of the draft resolution consists in restoring the provision enabling the issuance of Orders to the Bank's Director. On 16 May 2018 the Bank's Supervisory Board appointed the Management Board of the Bank for a new term of office. As a consequence, the Bank's structure was changed, which consisted in the fact that a new function of the Bank Director was appointed. In order to enable the person acting as the Bank Director to effectively perform his or her tasks, it is necessary to grant the right to issue internal regulations.

re. item 13 of the Agenda

Amendments to the Annual General Meeting resolution no. 41 dated 17th May 2017 re. determining the remuneration of the Supervisory Board members results from the need to adjust the remuneration of the members of the Nomination Committee, the Remuneration Committee and the Risk Committee who have their domicile outside Poland to the amount of remuneration of members of these committees residing in Poland.

Amendment to the Annual General Meeting resolution no. 34 dated 16th May 2018 re. determining additional remuneration for the Supervisory Board Member results from the need to adjust its wording to the fact that the expert function was exercised during meetings of the Audit and Compliance Committee and to the actual period of independent supervisory functions over the process of integration of the demerged part of Deutsche Bank Polska S.A. from Santander Bank Polska S.A.