

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

### **Justification for the resolutions to be considered by the Annual General Meeting convened for 22 March 2021 together with information related to the items of the agenda where resolutions will not be passed**

#### I. Justification for the agenda.

Pursuant to Article 395 § 2-2<sup>1</sup> and § 5 of the Commercial Companies Code, the Annual General Meeting (AGM) should:

- 1) review and approve the Management Board's report on the bank's performance and the financial statements for the previous financial year;
- 2) adopt a resolution on profit distribution or loss coverage;
- 3) give discharge to the members of the company's governing bodies;
- 4) take a resolution with an opinion on the Supervisory Board's report on remuneration;
- 5) review and approve the financial statements of the Group.

The Annual General Meeting agenda may also include other matters.

On 22 February 2021 Mr. Gerry Byrne – Chairman of the Supervisory Board resigned from his membership in the Supervisory Board of the Bank. The resignation is effective as of the moment when the Annual General Meeting adopts a resolution approving the Report of the Supervisory Board of Santander Bank Polska S.A. on its activities in 2020. Therefore the Management Board decided to include the following items in the AGM's agenda:

- Changing the composition of the Supervisory Board (item 13),
- Appointing the Chairman of the Supervisory Board (item 14),
- Determination of new Supervisory Board Member's remuneration and amendments to the Annual General Meeting Resolution no. 50 dated 22 June 2020 re. determining the remuneration of Supervisory Board Members (item 15).

The Supervisory Board has issued a positive opinion on the agenda of the Annual General Meeting convened for 22 March 2021.

#### II. Review and approval of the financial statements of Santander Bank Polska S.A. for 2020.

Review and approval of consolidated financial statements of Santander Bank Polska Group for 2020.

Review and approval of the Management Board Report on Santander Bank Polska Group Performance in 2020 (containing the Management Board report on Santander Bank Polska S.A. performance in 2020).  
(items 5-7 of the agenda)

The adoption of resolution on the above said matters by the AGM results from 395 § 2(1) and § 5 in relation to Article 393(1) of the Commercial Companies Code.

The said financial statements and reports were made public on 23 February 2021.

The Supervisory Board assessed the annual financial statements and the Management Board report for 2020 as well as the respective draft resolutions prepared by the Bank's Management Board.

### **III. Profit distribution (item 8 of the agenda)**

In accordance with 395 § 1(4) of the Commercial Companies Code, the adoption of a resolution on profit distribution falls within the powers of the Annual General Meeting.

The Management Board's justification for the profit distribution represents an appendix to the respective draft of the AGM resolution.

The Supervisory Board issued a positive opinion on the Management Board's recommendation on profit distribution.

### **IV. Granting discharge to Members of the Management Board of Santander Bank Polska S.A. (item 9 of the agenda)**

The adoption of resolution on granting discharge to the Management Board members by the AGM results from 395 § 2(3) in relation to Article 393(1) of the Commercial Companies Code.

The Supervisory Board issued a positive opinion on the draft resolution in this respect.

### **V. Review of the Supervisory Board's Report on remuneration of the members of the Management Board the Supervisory Board in 2019 and 2020 (item 10 of the agenda)**

The need to adopt a resolution on the Supervisory Board's report on remuneration of the members of the Management Board and the Supervisory Board in 2019 and 2020 arises from Article 395 § 2<sup>1</sup> of the Commercial Companies Code in relation to Article 90g(6) of the Act on public offering, conditions for introducing financial instruments to organised trading and on public companies.

The Supervisory Board adopted the Supervisory Board's Report on remuneration of the members of the Management Board and the Supervisory Board in 2019 and 2020 at its meeting on 23 February 2021 – the document was reviewed by the statutory auditor whose opinion is attached to papers submitted to the AGM published at the Bank's website.

**VI. Review of the Santander Bank Polska S.A. Supervisory Board's report on its performance in 2020; report from the review of Santander Bank Polska S.A. financial statements for 2020; consolidated financial statements of the Santander Bank Polska S.A. Group for 2020; report on the Santander Bank Polska SA. Group performance in 2020 including report on Santander Bank Polska S.A. performance in 2020; the Management Board's motion concerning distribution of profit; the Santander Bank Polska Supervisory Board's assessment of the Santander Bank Polska S.A. Group's performance in 2020; adoption of the Supervisory Board assessment of Santander Bank Polska S.A. manner of fulfilling disclosure requirements and outcome of the Supervisory Board's evaluation of the Corporate Governance Rules for Supervised Institutions and applicable remuneration policy assessment; and adoption of assessment of individual suitability of the Supervisory Board members, and assessment of the collective suitability of the the Supervisory Board (item 11 of the agenda).**

The need to adopt a resolution on the above said matters by the AGM results from Article 382 § 2 of the Commercial Companies Code. In line with the applicable legislation and regulatory requirements, the Supervisory Board adopted the above said documents at its meeting on 23 February 2021.

**VII. Granting discharge to members of the Supervisory Board of Santander Bank Polska S.A. (item 12 of the agenda)**

The adoption of resolution on granting discharge to the Supervisory Board members by the AGM results from Article 395 § 2(3) in relation to Article 393(1) of the Commercial Companies Code.

**VIII. Information on Polish Financial Supervision Authority Chairman's proposal related to F/X mortgage portfolio (CHF) (item 16 of the agenda)**

Information related to the item no. 16 of the Agenda is attached as a separate file and it is available on the Bank's website at [www.santander.pl/wza](http://www.santander.pl/wza).

**IX. Changes to the Bank's Statutes (item 17 of the agenda)**

Pursuant to Article 430 § 1 of the Commercial Companies Code, any changes to the Bank's Statutes need to be approved by force of the General Meetings resolution and recorded in the register of entrepreneurs.

The proposed changes are aimed at adjusting the wording of the Bank's Statutes to the Polish Financial Supervision Authority's Recommendation Z (**Recommendation**).

Change of § 28 of the Statutes is to align it with the reading of Recommendation 9. In line with the solution in place, the Supervisory Board adopts its terms of reference and informs the General Meeting about the fact. The General Meeting will also be informed about any changes to the document.

The change of § 32(9) consists in indicating the Supervisory Board's powers to approve all the internal regulations which require such approval under the Polish Financial Supervision Authority's recommendations, including Recommendation Z. This pertains to the Supervisory Board's approval of such documents as:

- Conflict of Interest Management Policy (requirement arising from Recommendation 13),
- Rules of ethics (requirement arising from Recommendation 12),
- Dividend policy (requirement arising from Recommendation 16),
- Product approval policy (requirement arising from Recommendation 29),
- Disclosure policy (requirement arising from Recommendation 30),
- rules for appointing and removing members of the Management Board and Supervisory Board (requirement arising from Recommendation 5).

The proposed more general wording of § 32(9) will eliminate any potential doubts as to the Supervisory Board's powers indicated in the Polish Financial Supervision Authority's regulations. The Supervisory Board will be able to take supervisory measures without the need to wait until relevant amendments are made to the Statutes, which is a lengthy process, requiring actions both on the part of the Management Board and AGM. The new wording will contribute to ensuring adequate and effective supervision over the Bank's activity by the Supervisory Board.

Letter “d” in 32(12) is added to comply with requirement under Recommendation 5.6.

Change of § 32(15) aligns it to Recommendation 1.3 which stipulates the option to combine the annual assessment of the corporate governance system made by the Supervisory Board with the assessment of the internal control system, risk management system and other standards applied in the Bank.

Change of § 32(16) consists in extending the catalogue of documents approved by the Supervisory Board by:

- risk management strategy – adjustment of the Statute’s reading to Recommendation 17.2 by indicating the role of the Supervisory Board in developing the strategy, and
- the risk culture framework – adjustment of the Statute’s reading to Recommendation 28.

Change of § 32(16) consists in extending the scope of the remuneration policy approved by the Supervisory Board. In line with Recommendation 15, the remuneration policy should apply to all employees of the Bank and not only to those whose professional activity has a significant impact on the Bank’s risk profile.

The change of § 32 consists in adding point 21 that lays down the Supervisory Board’s powers to approve the corporate governance policy developed by the Management Board in line with Recommendation 1(1.11) which states that the Supervisory Board approves the policies indicated in the regulations or the Statutes.

Point 22 is added to § 32 of the Statutes to comply with requirement under Recommendation 6 which lays down the Supervisory Board’s powers to approve the key functions identification policy as well as the policy for key function holders’ appointment and removal.

§ 40a is added in chapter VIII – Organisation of the Bank in order to align the Statutes to Recommendation 1 that refers to the corporate governance in the Bank and its key elements.

The Supervisory Board issued a positive opinion on the draft resolution in this respect.

#### **X. Presentation of the amendments to Policy on the suitability assessment of the Supervisory Board members in Santander Bank Polska S.A. introduced by the Supervisory Board (item 18 of the agenda)**

On 9 December 2020, the Supervisory Board adopted resolution no. 93/2020 re amendments to the Policy on the suitability assessment of the Supervisory Board members in Santander Bank Polska S.A., that represents appendix no. 1 to the Annual General Meeting resolution no. 32 of 16 May 2019 (Policy). The changes consist in introducing references to the Methodology for assessing the suitability of members of the governing bodies of the entities supervised by the Polish Financial Supervision Authority; the remaining ones are house-keeping in nature, without any substantial impact on the document’s content.

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

