RESOLUTION NO. 49
of the Annual General Meeting
of Santander Bank Polska S.A.
dated 22 June 2020

re: adoption of the "Remuneration policy for members of the Supervisory Board of Santander Bank Polska S.A." and "Remuneration policy for members of the Management Board of Santander Bank Polska S.A."

Acting pursuant to Article 395 § 5 of the Code of Commercial Companies as well as bearing in mind that:

- pursuant to Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, in particular its Articles 92 and 94, the Bank should establish and apply the total remuneration policies, inclusive of salaries and discretionary pension benefits, for categories of staff including senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the institution's risk profile,
- when defining the abovementioned staff categories, the Bank is obliged to apply adequate qualitative and quantitative criteria defined in Commission Delegated Regulation (EU) No of 4 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on the institution's risk profile,
- pursuant to the above said Commission Delegated Regulation, the remuneration policy should cover staff being members of the management body in its supervisory function, i.e. members of the Supervisory Board, which is also consistent with the Principles of Corporate Governance for Supervised Institutions adopted by the Polish Financial Supervision Authority (KNF),

as well as taking into account:

- provisions of Chapter 4a of the Act of 29 July 2005 on public offering, conditions governing the admission of financial instruments to organised trading and on public companies, and
- regulation of the Minister of Development and Finance of 6 March 2017 on the risk management system and the internal control system, remuneration policy and detailed method of internal capital estimation in banks,

the following resolution is adopted:

§ 1

The "Remuneration policy for members of the Supervisory Board of Santander Bank Polska S.A." attached to this resolution as an appendix no 1, is hereby introduced.

§ 2

The "Remuneration policy for members of the Management Board of Santander Bank Polska S.A." attached to this resolution as an appendix no. 2, is hereby introduced.

§ 3

The Annual General Meeting's resolution no. 44 of 23 April 2015 re adoption of the "Remuneration policy for the members of the Supervisory Board of Santander Bank Polska S.A." shall be repealed.

§ 4

The Remuneration policy for members of the Management Board of Santander Bank Polska (appendix no. 2 hereto) substitutes Supervisory Board Resolution no. 79/2019 dated 11 December 2019 re introduction the Remuneration Policy for the members of the Management Board.

§ 5

This resolution becomes effective as of the day of its adoption.

Appendix no 1:

REMUNERATION POLICY
FOR MEMBERS OF THE SUPERVISORY BOARD OF SANTANDER BANK POLSKA S.A.

1. GENERAL PRINCIPLES

This Policy defining the remuneration rules for members of the Supervisory Board of Santander Bank Polska S.A. (**Bank**) is introduced in order to:

1) comply with the principle of responsible banking by providing support in sound and effective risk management and discouraging excessive risk taking above the tolerated risk level or exposing or limiting the capacity to maintain a strong capital base,
2) support the Bank's business strategy, objectives, and long-term interests of its shareholders and to ensure the Bank's stability by ensuring that the Bank's operations are professionally surprised on an on-going basis by individuals with due knowledge, skills and experience,
3) ensure remuneration adequate to the level of knowledge, skills an experience as well as responsibilities of the Supervisory Board members,
4) ensure compliance with the Bank's corporate values,
5) prevent conflicts of interest.

2. REMUNERATION RULES FOR THE BANK'S SUPERVISORY BOARD MEMBERS

§ 1

This Policy sets out remuneration rules for the Bank's Supervisory Board members.

§ 2

Subject to § 10(2), the level of remuneration of the Supervisory Board members is transparently defined by the Bank's General Meeting, taking into account the nature, scale and complexity of the Bank's activities.

§ 3

When taking decisions on the remuneration of the Supervisory Board members, the General Meeting makes its level dependent on the function performed on the Supervisory Board, and memberships in the Supervisory Board committees, adequately to additional tasks performed within a given committee.

§ 4

1. Members of the Bank's Supervisory Board receive fixed remuneration.
2. Members of the Supervisory Board can be given remuneration in cash:
   1) monthly remuneration – on account of the function performed on the Supervisory Board,
   2) additional remuneration – on account of participation in the Supervisory Board committees, either as committee members, chairs or experts providing advisory,
   3) remuneration on account of being seconded to exercise on-going individual oversight.
3. Remuneration on account of participation in the Supervisory Board committees is calculated based on confirmation from the committee's secretary of holding a meeting and the list of the Supervisory Board members present.
4. The payment of remuneration to the Supervisory Board members in the form of financial instruments is not possible .
5. No additional discretionary pension benefits or early retirement programmes for the Supervisory Board members are envisaged.

§ 5

The General Meeting may identify the Supervisory Board members who will not be remunerated.

§ 6

Remuneration is paid at dates set out in the AGM's resolution.

§ 7

The Bank makes necessary deductions from the paid remuneration as defined by relevant legislation.

§ 8

1. When defining this Policy, the employment and pay conditions offered to the Bank's employees other than members of the Supervisory Board and Management Board were taken into account, specifically by aligning the remuneration of the Supervisory Board members with their knowledge, skills and experience, while observing basic rules referring to employment conditions. The Policy aims also at ensuring that the terms of remunerating the Supervisory Board members result from the scope of responsibilities arising from the performed functions, their importance for the Bank and that they are aligned with market standards.
2. This Policy contributes to delivering the Bank's business strategy, long-term interests and stability by building engagement of the Supervisory Board members and strengthening their relationship with the Bank, ensuring the adequacy of their remuneration and grounds for avoiding excessive risk taking when performing their functions.

§ 9

1. The relationship between Supervisory Board members and the Bank arises from the resolution of the Annual General Meting on their appointment and lasts throughout the time they perform a function in this governing body. The Supervisory Board members are appointed for a joint three-year term of office.
2. The relationship referred to in § 9(1) expires (whichever of the following takes place earlier): (i) expiry of the term of office (if the individual is not re-appointed for another term) or (ii) on the day when resignation or removal of the individual comes into effect.

§ 10

1. In order to avoid conflicts of interest, both this Policy, all amendments to it as well as remuneration of the Supervisory Board members will be agreed by the General Meeting.
2. The General Meeting may empower the Supervisory Board to define specific remuneration for the Supervisory Board members seconded to exercise on-going individual oversight. In such a case, the Supervisory Board member seconded to exercise on-going individual oversight who is to receive such remuneration does not participate in the vote.

3. FINAL PROVISIONS

1. This Policy has been developed by the Management Board, presented for review to the Supervisory Board and then submitted to the Bank's General Meeting for approval.
2. The Supervisory Board will review this Policy every year and, if amendments are required, the procedure outlined in item 2 will apply.
3. When updating this Policy, the Bank's Management Board and Supervisory Board take into account the recommendations and decisions of the General Meeting.
4. The Supervisory Board will produce an annual remuneration report presenting a comprehensive review of remuneration, including all benefits (irrespective of their form) received or due to the Supervisory Board members in the last accounting year in line with this Policy. Members of the Bank's Supervisory Board are responsible for information included in the remuneration report.
5. This Policy supersedes the existing "Remuneration policy for members of the Supervisory Board of Santander Bank Polska S.A." introduced by force of resolution no. 44 of the Annual General Meeting of 23 April 2015; the key amendments to the applicable policy include matters required under the provisions of Chapter 4a of the Act of 29 July 2005 on public offering, conditions governing the admission of financial instruments to organised trading and on public companies.

Appendix no 2:

REMUNERATION POLICY
FOR MEMBERS OF THE MANAGEMENT BOARD OF SANTANDER BANK POLSKA S.A.

Definitions/abbreviations:

Bank – Santander Bank Polska S.A. with its registered office in Warsaw;
Management Board member – a member of the Management Board of the Bank;
Santander Bank Polska Group/Bank Group – the Bank and its subsidiaries as per Article 4(1)(9) of the Banking Law;
Policy – this Remuneration Policy for members of the Management Board of Santander Bank Polska S.A.;
Supervisory Board – Supervisory Board of Santander Bank Polska S.A.;
Fixed remuneration – remuneration defined in the employment contract or any other document of a similar legal effect whose level is not dependent on the employee's business unit performance or the Bank's overall performance;
Variable remuneration – remuneration dependent (directly or indirectly) on the employee's performance, business and quality-based performance of their business unit or of the entire Bank;
Conflict of interest – a situation where the Bank's organisational and administrative solutions or actions taken by the Bank, management staff or employees, negatively affect customer interests or cause
a conflict between different interests of two or more customers in respect of whom the Bank has specific obligations, including conflicts of interests caused by inducements received from third parties or remuneration from external companies or other types of inducements;
Committee – Remuneration Committee of the Bank's Supervisory Board;
Heads of control units – persons supervising the work of the following units: internal audit, compliance, legal, units in charge of risk management, accounting, financial control and HR issues.

1. INTRODUCTION

The Bank is obliged to apply remuneration practices consistent with legal regulations, taking into account the remuneration policy adopted by the Bank and the Bank Group's parent entity. Moreover, it is obliged to establish and apply a remuneration policy for each category of employees whose professional activities have a material impact on the Bank's risk profile. To be a responsible bank, the Bank needs to have a corporate culture that would enable effective management, control and supervision over a series of risks (including those related to remuneration) to which the Bank Group, its shareholders, employees and customers are exposed.

2. GENERAL PROVISIONS

1. This Policy defining the remuneration principles for members of the Bank's Management Board is introduced in order to:

    1) implement the responsible banking agenda by ensuring proper and effective risk management and discouraging the Management Board members from excessive risk taking beyond the risk appetite approved by the Supervisory Board given that within their powers they may take decisions having a significant impact on the Bank's risk profile and compromise or limit the ability to maintain a solid capital base,
    2) provide support in delivering the Bank's strategic objectives by motivating employees and promoting outstanding performance culture,
    3) ensure remuneration adequate to the employees' skills, knowledge and experience, responsibilities and performance of the Management Board members,
    4) ensure compliance with the Bank's corporate values and long-term interests,
    5) prevent conflicts of interest.

2. The criteria that affect the fixed and variable remuneration granted to the Management Board members were defined to support the execution of the Bank's business strategy, long-term interests and stability, more specifically by:

1) setting annual objectives in sync with the Bank's financial and strategic plans, and assessing the performance of individual Management Board members,
2) applying flexible remuneration policy by maintaining a proper balance between fixed and variable components and awarding part of remuneration in the form of financial instruments thereby ensuring the influence of the Bank's financial performance on the deferred remuneration in the long-term perspective,
3) applying deferred payment of variable remuneration and malus clauses ensuring thus proper and effective risk management and discouraging excessive taking of risk which might materialise in the deferral period,
4) awarding the variable components of remuneration only when it does not represent any threat to the solid capital base of the Bank or the Bank Group in the long-term horizon.

3. GOVERNANCE AND APPROVAL

1. The Bank's Management Board is responsible for the development and implementation of this Policy, subject to item 3.

2. In the case of a justified legal interest, the Bank's remuneration unit performs non-binding consultations with the Bank's parent entity to ensure implementation of consistent principles of remuneration.

3. This Policy is subject to approval by the Bank's Supervisory Board at the request of the Committee. The General Meeting of Shareholders adopts the Policy by way of a resolution. Resolutions on the remuneration policy are adopted at least every four years.

4. SCOPE OF THE POLICY

1. This Policy applies to members of the Bank's Management Board.

2. This Policy sets out the criteria for determining fixed and variable components of remuneration set forth in the *Remuneration Policy of Santander Bank Polska Group,* which presents detailed definitions and conditions justifying their award, while ensuring that they are specifically dependent on objective criteria and quality of the Bank's management and take into account the long-term aspects of the operations and manner of delivering the strategic objectives.

3. In order to avoid conflict of interests, decisions related to the fixed and variable components of remuneration of Management Board members are reviewed by the Committee and approved by the Supervisory Board.

4. The Bank's remuneration unit presents the Committee with information about the fixed and variable components of remuneration of the Management Board members.

5. CRITERIA FOR DEFINING COMPONENTS OF REMUNERATION OF MANAGEMENT BOARD MEMBERS

1. The total remuneration of a Management Board member comprises:

   a) fixed remuneration, in particular:
      - base salary,
      - additional benefits resulting from the internal principles of awarding such benefits and from contractual clauses regulating the remuneration of Management Board members (e.g. employment contracts), such as health insurance, life insurance, etc.,
      - severance pay and compensation resulting from external regulations,

   b) variable remuneration, in particular:
      - annual bonus,
      - awards envisaged in long-term incentive programmes,
      - individual pension plans,

- guaranteed variable remuneration,
- compensation for variable remuneration (buy-out),
- severance pay and compensation resulting from internal regulations.

2. The base salary of Management Board members for the performance of duties specified in relevant contracts and internal regulations as well as additional remuneration components are set by the Supervisory Board based on relevant recommendations from the Remuneration Committee.

3. When determining the amount of the base salary of a Management Board member, the following criteria will be specifically taken into account:
   a) the function performed by the Management Board member,
   b) the scope of the member's organisational responsibility in the Bank,
   c) the member's skills and professional experience,
   d) market competitiveness of the offered remuneration.

4. Generally, the value of additional benefits arising from the relevant internal regulations should not exceed 20% of the annual base salary.

5. No additional discretionary pension benefits or early retirement programmes for the Management Board members are envisaged.

6. The purpose of variable components of remuneration is to motivate employees in a responsible manner to achieve short, medium and long-term objectives, to outperform the Bank and Group plans and to encourage progress in the performance of individual Management Board members. The Bank's performance adopted for the purpose of defining variable components of remuneration should take into account the Bank's risk costs, the capital and liquidity risks in a long-term perspective.

7. The variable components are additional elements of the remuneration, they are volatile and do not represent fixed pay. In line with the internal regulations, it is possible that in a given year or consecutive years the variable components are not awarded and not paid out.

8. The principles of presetting the level of annual bonuses for the Management Board members are set forth in the bonus regulations applicable to Management Board members in a given year. All bonus regulations are approved by the Supervisory Board based on the Committee's recommendations.

9. An annual base bonus is allocated to each Management Board member. The annual base bonus amounts are denominated in PLN based on individual level of responsibility, taking into account the market pay and other criteria applied to attract and retain a given Management Board member.

10. Each year, the Committee reviews the performance of each Management Board member in line with a separate policy and procedure for evaluating the performance of the Management Board members. The outcome of such a review is taken into account when determining the individual annual bonuses for Management Board members.

11. The final annual bonus of a Management Board member depends on the annual base bonus, the availability of the bonus pool and the overall evaluation of the Management Board member's performance. The Committee's recommendation is presented to the Supervisory Board which decides on the level of annual bonuses awarded to individual members of the Management Board.

12. The level of the annual bonus is defined based on the following:
    - the Group quantitative indicators (e.g. customer satisfaction, cost of credit risk, NPLs as a percentage of the total portfolio, profit less intangibles and depreciation, PAT, and return on equity and long-term liabilities),

- qualitative metrics resulting from the quality-oriented analysis of financial performance and risk (e.g. responsible banking agenda, including goals related to local communities, environmental protection), and
- potential adjustments resulting from unexpected developments.

The indicators taken into account when setting the annual bonus (including the rules for setting the bonus pool and criteria for evaluating the performance of individual Management Board members) for a given year are aligned with the Bank's financial plan and strategic targets while complying with proper and effective risk management principle.

13. The terms and conditions for paying variable remuneration include specifically the following:
    a) At least 40% of variable components of remuneration is paid after completing evaluation of the period for which the remuneration is payable, yet the payment is made not earlier than within 3 years in equal instalments payable in arrears and the remuneration depends on the performance rating of a given Management Board member during the evaluation period of minimum 3 years and takes into account the Bank's risk. The Supervisory Board may take a decision on extending the deferral period or on increasing the percentage of the deferred portion of the awarded variable remuneration.
    b) If the total amount of variable remuneration components exceeds the equivalent of EUR 1,000,000 p.a. (based on the average NBP fx rate as at the day of granting the right to a given variable component of remuneration), at least 60% of the awarded total amount is deferred.
    c) At least 50% of deferred amount and 50% of variable remuneration granted and paid out directly after the end of the reference period will be paid out in financial instruments – preferably in the form of Santander Bank Polska S.A. shares or related financial instruments or equivalent non-cash instruments.
    d) The instruments paid to the Management Board members, either in the form of variable remuneration paid upfront or deferred remuneration, are subject to a 1-year ban on disposal which means that a Management Board member must not sell those instruments within 12 months of receiving such instruments.
    e) Additionally, Management Board members must not hedge (the value of) such instruments by applying hedging strategies prior to having such instruments vested or in the period when their sale is banned.

14. The Management Board members may receive awards envisaged in the Long-term Incentive Programmes ("the Programmes") aimed at reinforcing the connection between the long-term financial effectiveness of the Bank, expectations of shareholders and awards for executives while respecting market standards. Under certain criteria, the Programmes enable their participants to take up a certain number of the Bank's shares. The details of the Programmes are provided in relevant resolutions adopted by the Bank's General Meeting of Shareholders.

15. In particular, such Long-term Incentive Programmes define:
    a) the economic triggers for granting the award to the Programme participants and the method of calculating such an award,
    b) the Supervisory Board's right to change the Programme conditions if the Board considers it necessary and consistent with the Programme objectives, including the right to decrease the award, e.g. if any of the following extraordinary circumstances occur:
        - radical deterioration in the economic performance of the Bank Group;
        - material restatement of the Bank Group's financial statements by a statutory auditor (excluding restatement caused by changes in accounting standards);
        - radical deterioration of the risk profile describing the Bank Group.

16. Benefits related to termination of employment contract or any other agreement under which a given Management Board member performs his or her function should reflect the person's commitment, effectiveness and quality of work over the last three years of performing the function and if a given person has been performing the function for a period shorter than three years – over that period. The principles of awarding such benefits should be developed in a manner preventing staff being rewarded for poor performance. In such a situation, the Bank has the right to withhold, limit or refuse to pay such benefits as provided for in the employment contract. Severance pay and compensation resulting from internal regulations are classified as variable remuneration.

The detailed information on the payment of severance and compensation (including the rules for their deferral or recognition of their value in the calculation of the variable to fixed remuneration ratio), processes followed when taking decisions on their payment as well as the related tasks and responsibilities may be defined in separate internal regulations.

17. The overall variable remuneration cannot exceed the limit of 100% of fixed remuneration even in the case of an exceptionally outstanding performance. However, in exceptional circumstances, this limit might be increased to maximum 200% of fixed remuneration subject to the approval by the General Meeting of the Bank or the subsidiaries.

18. For the Management Board members who are heads of control units, the overall variable to fixed remuneration ratio should be lower than in business units, however it cannot exceed 100%. The Management Board members who are heads of control units are awarded variable remuneration for the delivery of objectives arising from their roles and responsibilities and their remuneration cannot depend on business results generated by the Bank's business areas they control.

19. The malus clause defined as ability to prevent vesting of all or part of granted deferred remuneration may be applied to variable remuneration for the Management Board members (also in the case of the Management Board members engaged in the process of taking investment decisions where the breach of the Bank's investment strategy was established). Detailed conditions of applying malus clauses are defined in the Remuneration Policy of Santander Bank Polska Group and internal procedures.

6. OTHER BENEFITS

1. In exceptionally justified individual cases, as an exception, guaranteed variable remuneration may be granted, including inter alia a sign-on bonus and compensation for variable remuneration, in line with the principles defined in items 2-7 below.

2. Generally, the final amounts of sign-on bonus cannot be guaranteed, however, solely in the first year of effective employment within the Bank, it is possible to guarantee that a minimum amount of variable remuneration will be paid out if:
   - the capital base is sufficient for such a payment,
   - the Supervisory Board approves payment of guaranteed variable remuneration for due registration and reporting purposes.

3. Where employees are recruited externally, their variable remuneration may be compensated (buy out) solely for the lowered or lost variable remuneration from the previous employer provided there is adequate evidence of such a loss and the benefit does not erode the solid capital base.

4. Detailed principles of compensating the variable remuneration are defined in a separate regulation.

5. Guaranteed variable remuneration may be paid in cash without deferral.

6. The guaranteed variable remuneration may be awarded to an employee only once, upon signing a contract with the Bank on employment as a member of the Management Board. Such remuneration cannot be awarded if an employee changes their employment between the Bank Group's companies.

7. During the first year of employment, the guaranteed variable remuneration will not count for the purpose of the maximum amount of variable remuneration.

7. EMPLOYMENT CONDITIONS

1. Generally, the legal relationship between a Management Board member and the Bank is established in the employment contract. The Bank may also sign other agreements with the Management Board members.

2. Contracts of employment as a Management Board member are signed for a definite period. The Management Board term of office that lasts three years.

3. The contract referred to in item 2 may be terminated upon the expiry of a mandate of the Management Board member, due the member being removed from the Management Board, or upon their resignation from performing the function.

4. The notice period for terminating the employment contract depends on the length of service with the Bank and ranges from two weeks to three months.

5. In specific circumstances defined in employment contracts with members of the Management Board, severance may be paid by virtue of employment termination.

6. The Bank may sign non-competition agreements with the Management Board members, envisaging compensation for the period of refraining from competitive activities.

7. This Policy takes into account the employment and pay conditions offered to the Bank's employees other than members of the Management Board and the Supervisory Board, i.e. remunerating the employees adequately to their knowledge, skills and experience, while observing basic employment conditions.

8. In view of the need of the Bank's parent entity to comply with the consolidated supervision requirements, the Bank may carry out non-binding consultations with the Bank's parent entity with regard to the terms of employment defined in the contract referred to in item 1.

8. FINAL PROVISIONS

Remuneration Policy of Santander Bank Polska Group will apply to all matters not regulated herein.

Results of the voting:

Number of shares from which valid votes were cast: **Percentage share of shares in the share capital:**	**83 684 528** **81,97%**
Total number of the valid votes:	**83 684 528**
Votes „in favor":	**75 308 216**
Votes „against":	**8 309 286**
Votes „abstained":	**67 026**