

Appendix 1 to Management Board Resolution no. 64/2023 dated 30 March 2023.

CONFLICTS OF INTEREST PREVENTION POLICY

IN SANTANDER BANK POLSKA S.A.

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1. INTRODUCTION

This policy aims to provide Santander Group employees, directors and companies with guidelines for preventing and managing conflicts of interest that may arise as a result of their activities. Specifically, this policy aims to set forth guidelines for:

- (i) identifying the relationships and events (services, operations, transactions and contracts) where conflicts of interest may arise;
- (ii) facilitating the adoption of measures and control mechanisms for preventing conflicts of interest to the extent possible;
- (iii) defining a process for identifying and assessing the importance of conflicts of interest (potential and real ones), determining the mitigation measures and control mechanisms, monitoring and reporting any significant conflicts);
- (iv) managing conflicts, including ways to handle unavoidable conflicts and proper information on such conflicts to the affected individuals or entities;
- (v) documenting properly the process of implementing measures introduced for the foregoing purposes so as to ensure internal control over conflict of interest and a possibility to regulators;
- (vi) making a list of potential conflict of interest categories, including examples.

This policy has been drawn up considering the structure of Santander Bank Polska S.A. Its aim is to identify (i) the circumstances under which conflicts of interest may occur; and (ii) the internal regulations that must be used for reference as regards the mechanisms for preventing and managing conflicts of interest.

The main regulations applying to conflict of interest include:

- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MIFID II);
- Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (MAR);
- Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest;
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- Act on Trading in Financial Instruments of 29 July 2005;
- Regulation of the Minister of Finance of 30 May 2018 on the procedure and operating conditions for investment firms and banks referred to in Article 70(2) of the Act on Trading in Financial Instruments and custodian banks;
- Recommendation Z on internal governance in banks issued by the Polish Financial Supervision Authority (KNF).

The Bank's internal regulations applying to conflict of interest:

- General Code of Conduct (“Code”)
- Guidelines on binding interpretation of the General Code of Conduct in the part concerning non-competition and membership in supervisory and management boards of commercial companies outside Santander Bank Polska Group;
- Code of Conduct in the Securities Markets;
- Code of Conduct for Research Activity;
- Procurement Policy;
- Remuneration Policy of Santander Bank Polska Group.

2. DEFINITIONS

The following definitions must be taken into account when applying this policy:

- **Santander Bank Polska Group/ Group:** a group of companies directly or indirectly controlled by Santander Bank Polska S.A. acting as the dominant entity.
- **Banco Santander:** – Banco Santander SA.; the parent company of the Banco Santander Group.
- **Banco Santander Group:** capital group where Banco Santander SA is the parent company, and Santander Bank Polska SA – one of the subsidiary.
- **Bank:** Santander Bank Polska S.A.
- **Subsidiary:** a subsidiary directly or indirectly controlled by Santander Bank Polska S.A.
- **Management authority or management authorities:** the Supervisory Board or Management Board responsible for top-level management and supervision over the company’s business activity.
- **Managers:** persons holding managerial positions in an entity, responsible for regular management of the organisational unit’s activity and reporting to the Management Board.
- **Employees:** individuals employed based on an employment contract with the Bank;
- **Conflicts of interest:** circumstances known to the Bank which may lead to a conflict between the interest of the Bank or a party related to the Bank and the obligation to act in a reliable manner, taking into account the best interests of the customer, as well as any circumstances known to Bank which can give rise to a conflict between the interests of a number of customers of the Bank or entities related otherwise with the Bank.

In order to determine the types of conflicts of interest (with the focus on those arising during the provision of investment services and additional services or both types of services combined) whose existence may harm the interests of the customer, the Bank takes into account, on the basis of minimum criteria, whether the party involved or the party directly or indirectly related to the Bank through the link of control, is affected by one of the following situations (irrespective of whether it is the result of the provision of investment or additional services or performance of investment activities or results from other reasons):

- a) the Bank or the party can make a financial gain or avoid a financial loss at the expense of the customer;
- b) the Bank or the party have an interest in a specific result of the service provided to the customer or transaction carried out on behalf of the customer, which is divergent from the interest of the customer;
- c) the Bank or the party have financial or other reasons to put the interest of another customer or group of customers above the interest of a particular customer;
- d) the Bank or the party conduct the same business activity as the customer;

e) the Bank or the party receive or will receive from an individual other than the customer in question, in connection with the service provided to that customer, an inducement in the form of cash or non-cash benefits or services.

- **Conflict of interest regarding relations with third parties, key business partners and suppliers** – circumstances known to the supplier which may lead to a conflict between the interest of the Bank or a party related to the Bank and the obligation to act in a reliable manner, taking into account the best interests of the Bank, as well as any circumstances known to supplier which can give rise to a conflict between the interests of a number of the Bank's suppliers.

All kinds of interactions which may affect impartiality or objectivity in the process of purchasing goods and services or in determining economic conditions, should be avoided.

Whenever possible, exclusive relationships with suppliers of products and services should be avoided.

No special approach or terms of cooperation based on personal or family connections are allowed.

- **Qualified shareholder:** another shareholder than the Bank holding a significant capital stake or voting rights in one of Santander Bank Polska Group entities in accordance with the locally applicable regulations. This is also a shareholder entitled to nominate the majority of the Management Board members or having access to other measures that enable them to exert a significant influence on managing an entity of Santander Bank Polska Group.
- **Related party:** natural person or legal entity with whom the employees, members of management authorities or managers of Santander Bank Polska Group hold economic or family interest due to which that party can significantly impact the operations or decisions taken in the Group.
- **Economic links:** an economic link with a legal entity is considered to exist when more than 5% of the shares are acquired or when a managerial or supervisory role is assumed in the legal entity.
- **Family relationship:** a family member is understood to be the spouse or person with whom you have a similar relationship, as well as parents, children, siblings, aunts, uncles, cousins, brothers-in-law and sister-in-law of an employee or member of the Group's management. Family is also understood as the spouses of these persons or persons with whom they remain in a similar relationship.
- **Direct Line of Reporting:** The direct line of reporting is the relationship between an employee and their immediate supervisor.
- **Indirect hierarchical reporting line:** Indirect hierarchical reporting line means the relationship between the employee and the person responsible for the unit to which the employee belongs and who is the superior of his direct superior

This Policy applies to the following types of conflict of interest between:

- A. the Bank and its employees,
- B. Customers,
- C. the Bank and its customers (as a result of the commercial model or different services offered by the Bank and its activities),
- D. the Bank and its subsidiaries or related parties,
- E. the Bank and members of its management authorities (i.e. members of the Management Board and the Supervisory Board),
- F. the Bank and its shareholders,
- G. the Bank and third parties, in particular business partners and suppliers, with the focus on outsourcing arrangements,
- H. the Bank's business lines or units,

- I. Subsidiaries,
- J. Members of the Supervisory Board and the Management Board or between members of these authorities and other employees (arising e.g. as a result of non-professional relations such as affinity or family ties),
- K. the Bank and related parties other than those listed above.

Appendix I includes a list of main categories of potential conflicts of interest as well as actions, services or transactions which generate or may generate a specific conflict of interest and which require management, mitigation or prevention appropriately to the conflict's nature.

3. SCOPE OF APPLICATION AND TRANSPOSITION AT SUBSIDIARIES

This Policy is directly applicable to Santander Bank Polska S.A. It will be approved in accordance with the local Compliance & Conduct Regulation Model.

The Policy should be adopted in the following subsidiaries of the Bank:

- 1) Santander Factoring sp. z o.o.,
- 2) Santander Leasing S.A,
- 3) Santander Towarzystwo Funduszy Inwestycyjnych S.A

Subsidiaries are expected to use this document as a basis for adopting their own procedures in this area. The solutions contained in this document should be reflected in the internal regulations of subsidiaries, while the detailed solutions may differ from the Bank's solutions.

4. PRINCIPLES FOR PREVENTING AND MANAGING CONFLICTS OF INTEREST

GENERAL PRINCIPLES

Managers (including Management Board and Supervisory Board members) and the Bank's other employees must comply with the principles arising from this Policy when performing their duties and tasks related to identification, escalation and management of conflicts of interest:

- **Accountability:** management authorities, key positions and all other employees are obliged to act in good faith, in accordance with the applicable internal regulations and their assigned roles.
- **Transparency:** honest and transparent attitude in compliance with the corporate values; Simple, Personal and Fair actions; proactive stance with the aim of avoiding conflicts of interest and, if these occur, designing the best mitigating measures for minimising the conflicts' negative consequences.
- **Independence:** acting at all times with independence of mind, loyalty to the Group, shareholders and customers, and independently of one's own interests or those of related parties.
- **Abstention:** abstaining from participation in making or influencing decisions regarding employees or entities whenever it may trigger a conflict of interest or whenever that would be in conflict with the scope of duties and responsibilities assigned within Santander Bank Polska Group. Abstention

should also include refraining from accessing important information that may trigger the conflict of interests. This obligation includes also participation in any transactions carried out by the Group's entity when this transaction involves their own interests, the Group's/Bank's interests or the interests of a related party.

- **Communication:** internal reporting of any issue that may derive or has derived as a result of a direct or indirect conflict of interest.
- **Escalation:** any actual or potential conflict of interest must be reported to their immediate superior and to the Compliance function for assessment and management

5. GUIDELINES FOR PREVENTING AND MANAGING CONFLICTS OF INTEREST

In addition to the general principles described above, the following guidelines must be taken into account when managing any conflict of interest in specific areas of activity:

A. Conflicts of interest between employees

The Bank's employees are always required to act in such a way that their personal interests and those of their families or other related parties do not take precedence over the interests of the Bank, its customers and other stakeholders.

5.1.1. General guidelines

In this context, the General Code of Conduct sets forth the guidelines for conflicts of interest, namely:

- Employees are prohibited from buying or renting (directly or through persons with whom you are related) assets or goods from the Santander Group (the Group is also prohibited from buying or renting assets or goods from employees or persons associated with them). The exceptions are goods and assets purchased or rented through a public offering (addressed to a wide range of employees) or when such a transaction is approved by the Compliance Area and the human resources unit.
- employees may not approve, participate in or exert any type of influence over bank transactions or any other transactions in which they as employees, or a person with whom they have financial or family ties, are named as beneficiaries or guarantors;
- employees may not request or accept payments, commissions, gifts, invitations or remuneration from customers, suppliers, intermediaries, counterparties or any other third party in transactions carried out by the Group, nor may they receive any type of advantage resulting from their position within the Group to favour their own interests, except as expressly provided for in the General Code of Conduct;
- employees should treat their professional duties performed for the Bank as a priority, and cannot provide professional services, paid or not, to other competing entities or companies unless expressly authorised by the Human Resources and Compliance Area as well as the head of the relevant area;
- Special treatment or special conditions of employment based on friendship, family or economic relationships are prohibited.

- Employees should refrain from exerting influence in any process of selecting, hiring or promoting a person with whom they have a friendly or family relationship, or in the process of determining and approving terms and conditions of employment, including remuneration and annual bonus for such person.
- If a family relationship is identified between two employees who report directly to each other hierarchically or functionally within the same unit, one of them must be transferred to another unit within a year. If the hierarchical employment relationship is not direct, the Compliance Area and Human Resources Unit will review the case and inform the unit manager of whether or not there is a conflict of interest in this situation.
- the recruitment of persons who hold or have held public office is subject to strict compliance with local regulations for these cases and any additional restrictions established, in order to prevent any conflict with persons who have been involved in matters that directly affect the Group's interests.
- Involvement in the activities of a company in which the Group holds shares (directly or indirectly) or companies from which the Group has withdrawn its shares requires prior approval.

5.1.2. Disclosure of circumstances that could lead to a conflict of interest

In order to assess potential conflict of interest with employees, the Compliance Area may ask employees to provide data or information (and employees will be required to provide such data and information) on the recent personal or professional circumstances that may affect their professional duties and decisions. Examples of this type of circumstance are:

- economic interests of employees that may give rise to a conflict of interest with the Bank;
- personal or professional relations with major shareholders of the Bank;
- personal or professional relations with members of the Bank's management;
- sole proprietorship services or professional activity in entities not owned by the Bank;
- personal or professional relations with the Bank's main business partners, third parties or suppliers;
- public offices or positions of authority held in the public administration sector;
- holding positions in the governing bodies of non-profit associations or foundations associated with the Santander Group..

In each case, employees are obligated to immediately report to their line managers, the HR and the Compliance Area on all situations that may have a potential impact on their personal or professional circumstances leading to a potential conflict of interest with the Bank.

Therefore, employees should inform the Compliance Area and the human resources unit and their superiors about family relationships known to them with other employees from any Group unit and, in particular, during the selection, hiring or promotion process, and also in the processes of determining and approving terms of employment, including remuneration and annual bonuses. However, it is the good will of the employee.

As far as activities and interests not related to the Group are concerned, employees must declare them when they start working for the Group, as well as when they start such activities. Such notification should be made well in advance so that the Compliance Area can conduct the necessary analysis of the potential

conflict of interest and, decide whether the employee is allowed to conduct additional activities. It is not necessary to inform about one-time cooperation (e.g. participation in a conference).

5.1.3. Guidance on what to do in specific situations

In addition to the provisions in the General Code of Conduct, the specific guidelines in the Code's internal implementing regulations for the following areas of activity will also apply:

- Banking transactions¹ - Approving and determining the terms of transactions: employees authorized to approve transactions or conclude contracts should not participate in approving, determining their terms, preparing offers, preparing reports, or intervene or otherwise influence the procedures related to a specific transaction, for which they are beneficiaries or guarantors.

The obligation set out in the above paragraph applies to transactions carried out by clients who have connections or common business interests with employees and to transactions to which legal entities are parties with which these employees may be related through their significant share in the share capital of these entities, performance of a given type services (financial, tax, etc.), acting as a member of the management board or an authorized representative of such an entity.

In the event of the occurrence of the circumstances mentioned in the above points, the employee is obliged to immediately inform his immediate supervisor about this fact. In each case of the occurrence of the above-mentioned circumstances, the employee should refrain from participating in the transaction in question or influencing its course, and the responsibility for preparing the offer, drawing up the report or making the right decision regarding the proposed transaction should be taken over by the employee's immediate superior or another person designated by this superior. This fact should be noted in the relevant documents.

- Participation in external trainings and lectures:

In order to conduct activities parallel to work at the Bank and to participate as an instructor/trainer in external seminars and courses, an employee must obtain prior approval from the Compliance Area and the Human Resources Unit, as well as from his or her superior. If such training is to be disseminated in the media, the approval of the function responsible for external communication is also required.

If an employee will act as a speaker representing the Group or if his speech as a private person will be disseminated in the media (press, social media, etc.), it is necessary to obtain prior approval from the function responsible for external communication, which will analyze the content of the employee's speech.

Employees should refrain from providing opinions or interviews after participating in forums and events. Where applicable, they need approval from the external communications function

- Contributing to blogs, forums, newspapers, articles or other publications:

¹ In this context, we are talking about all transactions, operations, banking services (e.g. signing a loan agreement), the beneficiary of which is the employee himself.

When undertaking such activities, you should not use devices or media made available to employees by the Group for the purpose of performing professional duties.

- Remuneration systems: the Bank has developed the Remuneration Policy that includes rules and other main aspects of the remuneration system applicable in the Bank that should be taken into account in this context.

According to this policy, variable remuneration depends on the risk profile and encourages proper conduct. Additionally, it promotes the Bank's culture and compliance with internal regulations to avoid conflicts of interest.

- Activity in the securities markets: the Code of Conduct in Securities Markets contains specific provisions on selected aspects of conflict of interest and related issues concerning particularly sensitive areas in relation to their links with financial markets, such as mechanisms for detecting and controlling personal conflicts of interest (e.g. a statement on the personal situation), management of sensitive information (insider information and confidential inside information), designation of separate areas and information barriers, as well as, the principles of making own trades in financial instruments, the purpose of which is to avoid actions to the detriment of customers.
- Management of acquired assets: employees who, due to their position, perform tasks, manage information or have a power of attorney granted by a Group entity to perform activities related to the management and marketing of real estate belonging to the Group, acquired by the Group or any other real estate entrusted to them for management, should comply with the rules set out in the relevant internal regulations. Employees are prohibited from undertaking any activities related to the construction, demolition, renovation or revitalization of real estate on behalf of the Group without obtaining the appropriate prior consent for such activities, in accordance with the applicable internal regulations of the Bank.

B. Conflicts of interest between customers

It is forbidden to encourage a customer to make a transaction beneficial for another customer, unless both customers are aware of their mutual positions and expressly agree to undertake the transaction in question.

Customers must be informed of financial connections or other types of relations that imply a conflict of interest with them.

C. Conflicts of interest between the Bank and its customers (arising from the business model, services offered by the Bank and its activities)

Employees are expected to follow the guidelines of the General Code of Conduct for the prevention of potential conflicts of interest in all sales processes and in relations with customers. These guidelines concern in particular the following areas of activity and issues.

Without the prior written consent of the Human Resources Unit, the Compliance Area and the supervisor, an employee may not assume fiduciary obligations or powers of attorney from clients to enter into transactions with the entity from the Group on their behalf.

Employees cannot independently make changes to the data provided by customers; these data should be changed in accordance with the instructions of the customers, while maintaining compliance with the procedure specified in this respect.

These guidelines apply in particular to the following areas of activity and issues:

Conflicts of interest at the stage of design and implementation of new products and services:

All products and services must be duly approved in accordance with applicable rules and procedures. When assessing proposed products and services, the aspects related to their sale and marketing should be analysed to determine whether they may lead to a conflict of interest as defined in this Policy.

If a conflict of interest is identified, appropriate preventive measures will be implemented to minimise its effects if the product is approved. There will also be warnings presented in the product marketing process or – if applicable – included in the statements that customers will be required to submit.

- Conflicts of interest related to research activity and presentation of research publication of analytical materials to customers:

The research activity is subject to the provisions of the Code of Conduct in Securities Markets, Code of Conduct for Research Activity, which regulate the creation and approval of analytical materials, their content and the method of dissemination. These documents also contain detailed rules that should be followed in specific cases (participation in IPO/ SPO, change of recommendation's direction) and in relation to own trades concluded by analysts.

The applicable regulations also set out rules preventing the occurrence of a conflict of interest in connection with conducting other types of activity by different units of the Bank.

In accordance with the MiFID II analytical activities consist in the preparation of analytical materials or the provision of analytical services that (i) relate to one or more financial instruments or other assets, or (ii) relate to issuers or potential issuers of financial instruments, or (iii) are closely related to a specific industry or market in such a way as to form the basis of an opinion on financial instruments, assets or issuers in that sector.

Such analytics materials or services include direct or indirect recommendations or suggestions regarding a particular investment strategy and provide a reasoned opinion about the current or future value or price of the financial instruments or assets concerned. Alternatively, it may also contain pure analysis and original insights and conclusions based on new or existing information that could be used to formulate a specific investment strategy

The Group's entities must have mechanisms to counteract potential conflicts of interest that may arise in relationships with or between customers for whom research reports are developed.

Moreover, they must specify the rules for transferring analytical material with particular emphasis on services where it is impossible to receive and transfer such materials free of charge due to the prohibition of accepting and providing incentives. Such a prohibition, as is the case, for example, in the case of entities providing discretionary investment portfolio management services or independent investment advisory services.

- Inducements paid to or received from third parties²

Such payments or benefits provided/received by entities must: (i) be deemed necessary for the provision of the service or the distribution of the product; (ii) be related to the provision of an additional service; and (iii) to improve the quality of the service.

Santander Group entities are not allowed to pay or collect fees or commissions, or offer or collect any other pecuniary or non-monetary benefits in connection with the provision of a service or the distribution of a product (hereinafter referred to as "incentives") to or from a third party that is not a customer or a person acting on behalf of a client where such incentives could jeopardize the entities' obligation to act in the best interests of their clients in a fair, impartial and professional manner.

Small, justified non-monetary incentives (e.g. participation in seminars or conferences) of appropriate value are allowed, the granting of which should not affect the behavior of employees of the Group or Santander Group entities in a way that could jeopardize the interests of their clients.

Group entities must confirm that any incentives paid or received have been clearly communicated by them to customers (including their existence, nature or amount) before selling a product or commencing the provision of a service. If the exact amount of the incentives cannot be determined, indicate the method by which it was estimated.

• Remuneration system for teams involved in the commercialization process:

Remuneration systems for teams involved in the commercialization process should be designed in such a way as to counteract potential conflicts of interest, encourage decision-making with increased risk, and take into account aspects related to the quality of sales and customer service. In particular, they should not promote the sale of one selected product or one selected category of products in a way that could result in concluding contracts with customers for products that are redundant, unsuitable or not suited to customers' needs.

- Other guidelines concerning the conflict of interest:

No customer must be given special treatment or conditions. It is also forbidden to influence others in order to ensure special treatment or conditions based on personal, family or any other connections.

² Incentive issues at Santander Bank Polska S.A. are regulated by the Policy and the Executive Procedure of accepting and passing on incentives at Santander Bank Polska S.A.

Exclusive relationships with customers should be avoided, as they may lead to the creation of overly close personal connections or limit the customer's access to other employees or communication channels of the Bank.

If it is not possible to avoid a conflict of interest within the meaning of the above criteria, an agreement on the provision of a particular service can be signed with the customer only when the customer confirms the receipt of information on the conflict of interest and explicitly confirms the will to sign the agreement on the provision of that particular service with the Bank.

The Bank must make sure that disclosure of information to customer is the last resort measure applicable only when organisational and administrative arrangements introduced to prevent or manage conflicts of interest have proved insufficient to ensure that there is no risk of harm to the customer's interests. When disclosing information, the Bank clearly indicates that the organisational and administrative arrangements established to prevent or manage this conflict of interest are not sufficient to ensure with due certainty that the risk of harming the customer's interests does not occur. The information disclosed on a durable medium contains a detailed description of the conflicts of interests arising in the provision of investment services or additional services, taking into account the nature of the customer to whom the information is disclosed. In this description, the Bank explains the general nature and sources of conflicts of interest, as well as, the risk to the customer due to conflicts of interest and steps taken to mitigate such risks, while maintaining a sufficient degree of detail allowing that customer to make an informed decision regarding the investment or additional service in the context of in which these conflicts of interest arise.

If a conflict of interest arises after the service provision agreement is signed with the customer:

- the Bank is obliged to inform the customer about the conflict of interest immediately after it is identified;
- the Bank should refrain from providing the service until receiving an express statement from the customer about the continuation or termination of the agreement.

D. Conflicts resulting from the relationship between subsidiaries or related parties and the Bank

Conflicts of interest may arise in a situation where a subsidiary prioritises its interests against the interests of the dominant entity or the interests of the entire Group, or as a result of specific subordination or flow of information between the dominant entity and its subsidiaries.

This provision applies to the both relation:

- between Banco Santander SA (and its Group) and Santander Bank Polska SA
- between Santander Bank Polska and its subsidiaries.

The Bank as a dominant entity should take into account and duly recognize the interests of all its subsidiaries, the way these interests contribute to common goals and interests of the entire Group in the long-term horizon. Similarly, all Group entities must take into account the interests of the entire Group and, therefore, analyse how decisions taken at the level of a given entity may affect the entire Group (also the Group of Banco Santander S.A.).

The Bank, as the Group's dominant entity, defines the Group's management model to ensure the appropriate corporate governance and the proper functioning of the control system. Specifically, the

Group relies on the Corporate Governance Framework of Santander Bank Polska Group, Internal Governance Framework in Santander Bank Polska S.A. and Santander Bank Polska's Strategy of investments in capital market instruments.

In line with the Corporate Governance Framework all interactions must be carried out Governance in a spirit of cooperation. This policy as well as the terms of reference of the Management Board and Supervisory Board establish the mechanisms for managing conflicts of interest involving the Bank's senior management, including managers, members of the Management Board or the Supervisory Board.

It is possible to enter into a transaction with a related party upon prior verification and identification of potential and actual conflicts of interest. It is possible to enter into the transaction only if adequate management of the conflict of interest is ensured (transparency/ arm's length terms of the transaction).

All doubts with regard to the management of identified conflicts of interest (potential or actual) between a related party and the Bank should be consulted with the Compliance Area.

E. Conflicts between the Bank and members of its management authorities (i.e. members of the Management Board and the Supervisory Board)

These are potential conflicts of interest between interests of the Bank and private interests of members of its management authorities that may adversely affect the performance of their duties and responsibilities as members of these authorities.

The conflicts of interest referred to in the item applying to the Bank's Management Board or the Supervisory Board will be solved in accordance with their respective terms of reference as well as with provisions of this Policy insofar as it is compatible with the former.

The members of Management Board, Supervisory Board and key function holders in the Bank should act in the interest of all of the Bank's shareholders. If they simultaneously (i) hold positions in the management authorities of a subsidiary; (ii) hold a managerial position or (iii) are members of the Management Board or the Supervisory Board of the Group's another entity, they should take into consideration the interests of both entities.

Members of the Management Board and key function holders cannot perform additional functions in a subsidiary within the Bank Group if this would have an adverse impact on the effective performance of their duties in the Bank, in particular if sufficient time commitment for performing their function in the Bank could not be guaranteed or if this would lead to conflicts of interest impairing their independence of mind with regard to the function performed in the Bank.

Members of the Management Board and the Supervisory Board must comply with all applicable local regulations and rules established by local authorities as well as best practice. The Supervisory Board and the Management Board disclose information on this policy. Such disclosures are made at the Bank's website and indicate how the Bank manages significant conflicts of interest that could arise from its membership in the Group or transactions made by the Bank with subsidiaries within the

Group. Information protected by law must not be disclosed to the public. The above information, including information on potential conflicts of interest of this type in the Bank and their scope should be provided to the KNF.

Therefore, members of the Management Board or the Supervisory Board must:

- act in accordance with the duty of loyalty in the scope related to their function and always act in good faith and in the best interest of a given entity;
- comply with the criteria and principles set out in the Corporate Governance Model for the Group and its subsidiaries and the guidelines for subsidiaries and in the detailed Corporate Governance Principles, and promote an appropriate management and supervision structure and act in accordance with the Group's principles;

have and expand knowledge necessary to perform their duties and responsibilities;

- report to the Compliance Area and the Corporate Governance Department any other professional activities and membership in the management authorities where they hold positions, and
- refrain from:
 - using the name of the Santander Bank Polska Group or referring to the position of function of a member of the Management Board or the Supervisory Board in order to improperly influence private transactions;
 - using corporate resources, including confidential information of a given entity, for private purposes;
 - using for business opportunities offered or gained by the Group entity in whose management authorities they hold a position;
 - accepting benefits or remuneration from third parties from outside the entity and the Group in connection with the performance of their professional duties;
 - engaging in business activities on their own account, or on the account of other persons if the nature of such activities is or may potentially be competitive to the operations of a given entity, or which is a source of permanent conflict with the interests of that entity; moreover, they are required to disclose any shares held directly or indirectly by themselves or their related parties, in the capital of companies engaged in activities competitive to the Group;
 - making or suggesting to any persons that they are trading in securities of the Group or its subsidiaries or related parties, if they have access to restricted or confidential information in connection with the function performed, as long as such information is not publicly available;
 - participating in the meetings and voting over resolutions or decisions, in the case of a direct or indirect conflict of interest concerning themselves or their related parties.

The Group entities must also draw up internal regulations on transactions with related parties. These documents should specify the cases in which the consent of the Management Board or the Supervisory Board or another competent management authority is required. Transactions between related parties and members of the Management Board or Supervisory Board must be identified and reported in accordance with locally applicable requirements.

Transactions with related parties must be assessed on the basis of the principle of equal treatment between all shareholders and the current market conditions.

F. Conflict between the Bank/ Group and their shareholders³

Such conflict may arise directly or indirectly in relation to transactions or agreements between a given entity and its shareholder (including a major shareholder).

Transactions or agreements made with shareholders must be entered between independent entities on an arm's length basis in the interest of the Santander Group entity and in full compliance with the applicable legislation and internal regulations. At the Group level, the provisions of the *Policy on communication and contacts with shareholders and investors* should also be taken into account.

G. Conflict of interest between the Bank and third parties, in particular business partners and suppliers, with the focus on outsourcing

When performing its business activities, Santander Bank Polska S.A. may not favour any of its service providers, business partners, consultants or advisers. Moreover, it is forbidden for employees who have economic or family connections with service/ product providers (companies or persons) to participate in the processes of selecting such service/ product provider by the Bank.

To this end:

- Any kind of interactions which may affect impartiality or objectivity in the procurement of goods and services or in determining economic conditions, should be avoided.
- Whenever possible, exclusive relationships with suppliers of products and services, should be avoided.
- It is forbidden to adopt special approach or cooperation conditions based on personal or family connections.

Relations with third parties must be conducted, supervised and controlled in accordance with the *Policy on cooperation with suppliers and outsourcing, Supplier management and outsourcing procedure, Procurement Policy and Anti-bribery and anti-corruption Policies*.

In line with the EBA Guidelines on outsourcing arrangements:

- Before concluding an outsourcing contract: the Bank identifies, assesses and manages conflicts of interest related to outsourcing agreements it concluded, including those between entities operating within the same Group;
- the financial terms for the outsourced service should be defined on an arm's length basis applicable between independent counterparties.

H. Conflicts between the Bank's business lines or units

³ The conflict between Santander Bank Polska S.A.(including its Group) and the Banco Santander S.A. has been regulated in section D

This type of conflict may arise in a situation where the Bank's unit prioritises its commercial interests over the interest of another Bank's unit, which may be unfavourable or contrary to the best interest of the entire entity.

No unit in the Bank may act against the interests of another Bank unit, and if a conflict arises, it must be reported and resolved by the heads of both units in agreement with their common line manager. Likewise, these units must comply with the internal regulations for marketing of products and services and for the corporate development transactions, where appropriate. All transactions between the Bank's units must be made on an arm's length basis.

In the case of changes in the business structure or more sensitive areas, before starting a new business or introducing changes to the existing structure, it is necessary to conduct an assessment to determine whether the new organisational structure is consistent with the principles of managing conflicts of interest as described in this document.

I. Conflict between subsidiaries

This type of conflict may arise when one of the interests of the Group's put its interests over the interests of another subsidiary.

In such cases, it is necessary to notify the Bank (the Compliance Area) as the dominant entity. The Bank will attempt to resolve such conflicts of interest in a way beneficial for the entire Group through the use of mechanisms for resolving conflicts of interest. The Management Board, the chairperson of the Supervisory Board or other competent management authorities of subsidiaries involved in the conflict, will take part in the process.

Transactions with subsidiaries must be assessed on the basis of the principle of equal treatment of all parties and the current market conditions.

J. Conflicts between members of the Supervisory Board and the Management Board or between members of these authorities and the Bank's other employees

Any private relationships within the Supervisory or Management Board members or between members of the Supervisory Board and Management Board and other employees of the Bank arising from e.g. kinship or affinity may have an impact on the independence of mind and impartiality of taken decisions. Situations when the independence of mind and decisions could be at risk due the concurrent existence of private relationships and e.g. reporting lines between specific employees should be prevented.

Each such relationship, taking into account in particular any hierarchical or functional reporting line should be reported, respectively, to the chairperson of the Supervisory Board or president of the Management Board who will take actions adequate to the situation in order to manage a potential conflict, e.g. by ensuring the non-existence of a reporting line between such employees or by vesting another function with one of them (in case of doubts, the Compliance Area should be consulted).

Special treatment or special conditions of employment due to personal or family connections with members of the Bank's Supervisory Board or Management Board should be forbidden.

K. Conflicts between the Bank and related parties other than those listed above.

If another conflict of interest than those described above is identified, the general principles laid down in point 4 of this Policy should be followed. All doubts with regard to the management of identified conflicts of interest (potential or actual) should be reported to the line manager or the Compliance Area.

6. KEY PROCESSES

The Bank has implemented processes ensuring that conflicts of interest are prevented, identified and managed in a timely manner, in accordance with the established allocation of duties and responsibilities.

- Each employee of the Bank is obliged to prevent, identify and manage any potential and actual conflict of interest with the support of/ in consultation with their line manager or the Compliance Area (in line with the three lines of defence model).
- Proper conflict of interest prevention process:

Any conflict of interest that may arise in the Group must be properly managed, using relevant actions, control mechanisms and measures such as:

- Implementing the Conflict of Interest Prevention Policy, enabling recognition of circumstances that constitute or may create a conflict of interest.
- Implementing other internal regulations and procedures as well as control measures and organisational solutions aimed at effective prevention of conflicts of interest, or – where appropriate – mitigating the related risk (proper management of conflict of interest).
- Training for employees and Management Board and Supervisory Board members on the identification, escalation and management of conflicts of interest.
- Allocating properly duties and responsibilities and establishing effective internal control system consistent with the three lines of defence model.
- Segregating tasks related to the provision of services from exercising oversight and reporting in those areas of activity where a conflict of interest may arise between individuals.
- Putting in place appropriate procedures for transactions with related parties. These transactions must be carried out on the arm's length basis, whilst the individuals directly or indirectly impacted by such transactions cannot be reneged in the related decisions or exert any influence on the process and the relevant decision takers.
- Setting information barriers, including physical separation of selected lines or business units in justified cases, in accordance with the applicable code of conduct or other internal regulations.
- Preventing staff who are also active outside the Bank from having inappropriate influence within the Bank regarding those other activities.
- Ensuring oversight of employees performing tasks on behalf and for the benefit of customers which lead or may lead to the conflict of interest between customers, or between the customer and the Bank.

- Preventing the existence of direct dependence of remuneration received by employees performing specific activities on remuneration or profits earned by employees performing other activities which leads or may lead to the conflict of interest.⁴
- Preventing the possibility of third parties exerting unfavourable influence on the way employees perform their duties related to the Bank's business.
- Preventing the performance of activities related to different services by the same person at the same time or one after another if this was to have an unfavourable influence on proper management of conflicts of interest or ensuring oversight of the performance of such activities if necessary.
- Ensuring that employees perform their duties with maximum independence of factors or other individuals conducive to the conflict of interest occurrence.
- Obliging business partners (agents, in particular) to submit statements on proper conflict of interest management.
- Assessing business partners in terms of compliance with the conflict of interest prevention requirements and if required, verifying compliance in this respect.
- Putting in place detailed management mechanisms or processes regulating the process of reporting and resolving conflicts of interest and, if necessary, imposing disciplinary sanctions on persons breaching the provisions of this policy.

- Escalation process:

Employees are obliged to follow the principles of the internal process of escalating conflicts of interest (potential and actual) and to inform their line managers and the Compliance Area about the occurrence and nature of each conflict so that it can be assessed and properly managed.

The Compliance Area keeps a register of potential and actually reported conflicts of interest (see respectively Appendix I⁵ and template included in Appendix II to this policy).

Moreover, if there is any doubt about a potential conflict of interest, employees may always consult the Compliance Area.

- Conflict of interest resolution

Conflicts of interest will be appropriately documented, reported and managed depending on their nature and relevance.

To this end, it is necessary to ensure that the following elements are documented: a description of the conflict of interest, a proposed method of conflict management, an adopted solution (where appropriate) and an indication of the involved persons, managers or management authorities.

The head of the affected unit must resolve conflicts by making a decision with regard to each conflict in compliance with law and internal regulations. In the event of a conflict between two areas, the heads of both areas will be responsible for solving it.

⁴ This refers to making remuneration of dealers participating in the WIBOR fixing dependent on the size of the loan portfolio benchmarked to this rate.

⁵ The Compliance Area reviews and verifies the register of potential conflicts of interest each year.

If the conflict of interest may involve other entities of the Group or concern the entire Group, a relevant conflict resolution mechanism will be applied accordance with the Conflict of Interest Prevention Policy in force in Santander Bank Polska S.A. In case of conflict involving Santander Group, conflict must be resolved on a corporate level in accordance with the Group-Subsidiary Governance Model.

- Management

Conflicts of interest will be managed by managers and management authorities in line with their responsibilities and powers.

Management authorities will take into consideration the potential conflict of interest when selecting their members. Moreover, all members of management authorities must disclose all potential conflicts of interest that may affect them.

Before appointing a person a member of the Bank's management authority or appointing a member of the Bank's authority to the authority an entity outside the Bank Group (this applies also to taking up and performing other decision-making functions in entities outside the Bank Group), at the request of the Corporate Governance Department, the Compliance Area analyses if there is a potential or actual conflict of interest. In justified cases, the Corporate Governance Department may perform such an analysis on its own and informs the Compliance Area about its result at a later stage, after disclosing the information on a specific person being a candidate or being appointed to the Bank's management authority or after disclosing other information justifying such an analysis. The analysis is performed based on submitted statements and other available information, including:

- 1) verification of the information with regard to the conflict of interest obtained when assessing the suitability of the management authority member (or candidate to such an authority);
- 2) check of business relations between the Bank and a third party in which a member of the Bank's management authority performs (or is to perform) a function;
- 3) check of court disputes between the Bank and a third partying which a member of the Bank's management authority performs (or is to perform) a function;
- 4) check of business relations between a member of or candidate to the Bank's management authority and the Bank Group or Banco Santander S.A.;
- 5) recommendation of actions to manage properly the identified actual or potential conflict of interest, including the description of the conflict itself, management proposal, solution adopted (where appropriate) and identification of the engaged;
- 6) in the case of potential conflicts of interest, the recommendation in item 5 above includes also the description of actions to be taken if such a conflict materialises.

Actions outlined in items 2 and 3 include also a check of business relations and potential disputes between the Group, Banco Santander, S.A and a third party in which a member of the Bank's management authority performs (or is to perform) a function.

The results of the said analysis are submitted to: chairperson of the Supervisory Board, Nominations Committee of the Supervisory Board and the person in question through the Corporate Governance Department. If the analysis concerns the chairperson of the Supervisory Board, the results of the analysis are provided also to the lead independent member of the Supervisory Board.

When referring matters to the Supervisory Board or the Management Board for consideration, the Corporate Governance Department checks if based on the analysis results specific individuals should not be excluded from the decision-making process and informs about it the chairperson of the Supervisory Board or president of the Management Board as required.

Designated employees of the Corporate Governance Department, with the support from the Compliance Area are obliged to store documents concerning conflicts of interest for individual members of the Management Board and Supervisory Board, including the documentation on the management and resolution of each conflict.

In the case of investment and additional services, as required under law, the Bank has introduced a Rules for managing conflicts of interest, keeps the register of conflict of interest and verifies it on a regular basis. The register includes information about procedures and measures applied in relation to potential conflicts of interest.

Moreover, the Bank's units may keep their own conflict of interest registers, when necessary. The Compliance Area will keep and regularly update a register of the service types, including investment and additional services provided by the Bank or on its behalf, which have triggered or may trigger conflict of interest.

For ongoing services, this register will indicate the procedures and measures implemented to address potential conflicts of interest.

- Reporting irregularities

Apart from standard reporting and escalation, in justified cases employees may also use whistleblowing channels, referred to in the General Code of Conduct.

7. BREACH OF THE POLICY

Each breach of this policy may lead to disciplinary employee sanctions, including dismissal or termination of another relation between a specific party with the Bank, without prejudice to additional administrative and penal sanctions that may apply in effect of particular breach.

8. OWNERSHIP, INTERPRETATION, VALIDITY DATE AND PERIODICAL REVIEW

This Policy enters into force upon approval by the Management Board, provided that the Resolution is accepted by the Supervisory Board of Santander Bank Polska S.A.

The Compliance Area is responsible for the interpretation of the policy.

This policy will be subject to annual review which may lead to amendments and modifications, if necessary.

HISTORY OF DOCUMENT

Version of the document:		Author of the change:	Description of the change (with an indication of related, new or repealed or amended documents)	Approving authority or person	Approval date
1.0		Monika Grząślewicz, Katarzyna Berdych	Implementation of the Conflicts of interest Prevention Policy	MBR 29/2019	20.02.2019 r.
2.0		Monika Grząślewicz, Katarzyna Berdych	Updating the Conflict of Interest Prevention Policy, taking into account changes to the Corporate Policy	MBR 212/2020	18.12.2020 r.
3.0		Łukasz Siwek, Katarzyna Berdych	Implementation of the Conflict of Interest Prevention Policy, taking into account the amended Recommendation Z	MBR 237/2021	30.11.2021 r.
4.0		Katarzyna Berdych	Updating the Conflict of Interest Prevention Policy, taking into account changes to the Corporate Policy	MBR	2023

APPENDIX I

This Appendix includes an open list of main categories of conflict of interest and related actions, services, decisions and transactions.

Conflict category	Type of potential conflict of interest	Action, service, decision or transaction
Employees	Improper behaviour	Improper and/ or negligent behaviour Conflict of interest has not been reported or it was not possible to avoid it.
	Transactions with related parties	Financing or supplying products and services and other materials to related parties (individuals or entities).
	Confidentiality	Access to and use of confidential or restricted, insider information subject to obligatory protection
	Competition	Commencing activity or providing services, directly or indirectly, in the same sector or in a similar area of business
	Remuneration practice	Promoting actions and/ or getting involved, directly or indirectly, in decision processes which may impact current, future or potential remuneration principles applicable to managers or employees
	Inducement	Inducement paid to or received from third parties for providing or selling products/ services to customers

Conflict category	Type of potential conflict of interest	Action, service, decision or transaction
Customers	Improper behaviour	Improper and/ or negligent behaviour Conflict of interest has not been reported or it was not possible to avoid it.
	Confidentiality	Access to and use of confidential or restricted, insider information subject to obligatory protection
	Remuneration practice	Promoting actions and/ or getting involved, directly or indirectly, in decision processes which may lead to increasing the current, future or potential remuneration of managers or employees
	Inducement	Inducement paid to or received from third parties for providing or selling products/ services to customers
	Market research	Supplying research reports that may encourage the investment decision.

Conflict category	Type of potential conflict of interest	Action, service, decision or transaction
	Corporate transactions	Intention to make corporate transactions
	External trade transactions	

Dominant entity and subsidiaries	Improper behaviour	Improper and/ or negligent behaviour of key personnel and/ or employees Conflict of interest has not been reported or it was not possible to avoid it.
	Confidentiality	Access to and use of confidential or restricted, insider information subject to obligatory protection
	Data flow	Providing only that information which is necessary for or which supports a particular goal Reluctance to cooperation and effective interactions
	Appointment to positions	Divergence due to contradictory interests when promoting nominations and when appointing certain persons to positions in management authorities.
	Setting objectives and assessing their achievement	Disapproval or divergence in the process of setting objectives and assessing their achievement; reluctance to handling the processes in a chronological order, in compliance with applicable rules
Dominant entity and subsidiaries	Remuneration practice	Promoting actions and/ or getting involved, directly or indirectly, in decision processes which may lead to increasing the current, future or potential remuneration of managers or employees Practice which may be subject to clauses stipulating reduction or withdrawal of remuneration Discrepancies due to contradictory interests concerning individual decisions on remuneration and/ or implementation of certain processes
	Implementation of key processes	Refusal, delay or negligence when contributing to implementation of key processes of the Group within agreed time frames; different opinions on key processes, as defined and applicable by the Group at the time (at the minimum - "Sxx" strategy planning, as well as planning and taking decisions on the budget, capital and liquidity of "Pxx")
	Capital	Decisions on capital (issue and allocation), dividends, issue of bonds and other financial instruments that have or may have impact on the entire Group
	Liquidity	Significant liquidity decisions that have or may have impact on the entire Group

Conflict category	Type of potential conflict of interest	Action, service, decision or transaction
Members Supervisory Board/ Management Board	Improper behaviour	Improper and/ or negligent behaviour Conflict of interest has not been reported or it was not possible to avoid it.
	Financing	Financing or supplying products and services and other materials to related parties (individuals or entities).
	Transactions with related parties	Financing or supplying products and services and other materials to related parties (individuals or entities).
	Confidentiality	Access to and use of confidential or restricted, insider information subject to obligatory protection
	Competition	Commencing activity or providing services, directly or indirectly, in the same sector or in a similar area of business as Santander Bank Polska Group
	Remuneration practice	Promoting actions and/ or getting involved, directly or indirectly, in decision processes which may lead to increasing the current, future or potential remuneration of Members of Board of Directors
	Holding positions in many management authorities	Holding positions in many management authorities of Santander Bank Polska Group (contradictory interests)

Conflict category	Type of potential conflict of interest	Action, service, decision or transaction
Major shareholders	Confidentiality	Access to and use of confidential or restricted information subject to obligatory protection
	Voting rights	Individual interactions between Santander Bank Polska Group entities and qualified shareholders.
	Material transactions	Transactions, activities or services provided by Santander Bank Polska Group entities to a qualified investor or related parties.

Conflict category	Type of potential conflict of interest	Action, service, decision or transaction
Third parties	Improper behaviour	Improper and/ or negligent behaviour Conflict of interest has not been reported or it was not possible to avoid it.
	Material transactions	Material transactions, activities or services provided by Santander Group entities to third parties.
	Transactions with related parties	Providing financing, products, services or other materials to related parties (individuals or businesses)
	Confidentiality	Access to and use of confidential or restricted, insider information subject to obligatory protection
	Competition	Commencing activity or providing services, directly or indirectly, as the service provider to other entities from the same sector or a similar area of business as Santander Group

Conflict category	Type of potential conflict of interest	Action, service, decision or transaction
Business line/ unit	Corporate transactions	Intention to make corporate transactions at the same time
	External commercial transactions	
	Confidentiality	Access to and use of confidential or restricted, insider information subject to obligatory protection
	Competition	Commencing activity or providing services, directly or indirectly, in the same sector or in a similar area of business and/ or pursuing activity in the same location or jurisdiction

Conflict category	Type of potential conflict of interest	Action, service, decision or transaction
Two different Santander Group entities (both subsidiaries of Banco Santander, S.A.)	Corporate transactions	Intention to make corporate transactions
	External commercial transactions	
	Improper behaviour	Improper and/ or negligent behaviour of managers and/ or employees Conflict of interest has not been reported or it was not possible to avoid it.
	Confidentiality	Access to and use of confidential or restricted, insider information subject to obligatory protection
	Competition	Commencing activity or providing services, directly or indirectly in the same location or jurisdiction

APPENDIX II

This appendix includes a template register of actual conflicts of interest reported to the Compliance Area.

Date	Reported: in wiring (W) or verbally (V)	a) a person reporting the conflict/ a person with whom the conflict or a query are discussed	Business unit	Type of conflict	Companies/ customers engaged	Conflicts of the conflict of interest	Assessment and proposed solution	Processed by: