

## Information for shareholders of Santander Bank Polska S.A. re item 5 of the agenda

Creating a capital reserve for the buy-back (purchase) of own shares earmarked for the execution of the Incentive Plan VII and authorising the Management Board to purchase own shares to execute the Incentive Plan VII; amendments to the Annual General Meeting Resolution no. 30 of 27 April 2022 re Incentive Plan VII and conditions of its execution

Given that the Annual General Meeting adopted resolution no. 30 of 27 April 2022 with regard to Incentive Scheme VII and conditions of its execution (Resolution no. 30) and that the Bank, on 2 December 2022, got the approval from the Polish Financial Supervision Authority for buy-back (purchasing) its own shares in relation with the execution of the said Plan, the Bank's Management Board presented to the Extraordinary General Meeting the resolution with regard to authorising the Management Board to purchase own shares in order to execute Incentive Plan VII and to create a capital reserve for that purpose. The Management Board will be entitled to exercise the authorisation to purchase own shares once the conditions set out in Resolution no. 30 and in the resolution on this agenda are met (in particular, after assessing compliance with the criteria of granting awards to employees in the form of the Bank's shares for a given year of the Incentive Plan's life).

In this case, when acting upon the authorisation, the Management Board will adopt a resolution on the purchase of shares and will inform their owners about the shares purchase in line with the following regulations: (i) Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse; (ii) Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 in relation with (iii) Article 28 of Commission Delegated Regulation (EU) 241/2014 of 7 January 2014 (i.e. having received the relevant approval from the KNF).

Taking into account the number of shares planned to be purchased in 2023, the operation will not have any impact on the maintenance of a sound capital base.

The Management Board hereby notes that the share purchase process meets all conditions laid down in Article 362 § 2 of the Commercial Companies Code (CCC): (i) all the Bank's shares are to be fully covered, (ii) the total value of the purchased shares is not to exceed 20% of the company's share capital (maximum nominal value of the purchased shares represents ca. 0.2% of the share capital); and (iii) the total price of the purchased shares increased by their purchase costs is not to be higher than the capital reserve created for that purpose out of the amount that might be distributed pursuant to Article 348 § 1 of the CCC.

The Bank estimates that in 2023, the share purchase costs will be PLN 55.3m maximum, and thus the Management Board recommends to the EGM the creation of the capital reserve to be allocated to the purchase of own shares in this amount. The maximum price per share quoted in the draft resolution does not impact the ultimate amount allocated to the purchase of shares in 2023 given the manner of defining the amount of the award due to Participants in Incentive Plan VII. The number of shares granted to the Plan's Participants who are not MRTs will be defined based on the amount allocated to the award for individual Participants and the Bank's share price at the date of their purchase by the Bank.

The Bank intends to purchase the shares at the current market price as at the purchase time, however Article 362 § 1(8) of the CCC imposes a requirement to provide information on the minimum and maximum payment for purchased shares in the resolution authorising the Management Board to purchase the company's own shares. Thus the minimum and maximum price that the Management Board could pay for purchasing the shares has been defined broadly, i.e. from PLN 50 to PLN 500 per share – which in the Management Board's opinion will make it possible to purchase the shares needed to execute Incentive Plan VII.

Given the Extraordinary General Meeting has been convened for 12 January 2023, after the PFSA's approval for purchasing the Bank's own shares in relation with execution Incentive Plan VII, § 3(4) of The Resolution no. 30 needs to be amended as follows:

"4) The GM resolutions referred to in § 3 (2) and (3) will be submitted for voting at GMs in each year of the life of Incentive Plan VII and in the deferral period applicable to payment of variable remuneration to MRTs and will each time refer to purchasing Own Shares to be granted to Participants in the following year."

Proposed version:

"4) The GM resolutions referred to in § 3(2) and (3) will be submitted for voting at GMs in each year of the life of Incentive Plan VII and in the deferral period applicable to the payment of variable remuneration to MRTs".

Additionally, the proposed resolution envisages the approval of the Supervisory Board's resolutions concerning Incentive Plan VII adopted after the time limits envisaged in Resolution no. 30.

More information on Incentive Plan VII is available at the Bank's website at: [www.santander.pl/wza](http://www.santander.pl/wza) in the papers related to the Annual General Meeting held on 27 April 2022.

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