

Information for shareholders of Santander Bank Polska S.A.

Justification for the resolutions to be considered by the Annual General Meeting convened for 18 April 2024 and items of the agenda under which resolutions are not to be passed

I. Justification for the agenda

Pursuant to Article 395 § 2-2¹ and § 5 of the Commercial Companies Code, the Annual General Meeting (AGM) should:

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

The Annual General Meeting agenda may also include other matters.

The Supervisory Board has issued a positive opinion on the agenda of the Annual General Meeting convened for 18 April 2024.

II. Review and approval of the financial statements of Santander Bank Polska S.A. for 2023

Review and approval of consolidated financial statements of Santander Bank Polska Group for 2023

Review and approval of the Management Board Report on Santander Bank Polska Group Performance in 2023 (containing the Management Board report on Santander Bank Polska S.A. performance in 2023) (items 5-7 of the agenda)

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

The said financial statements and reports were made public on 16 February 2024.

The Supervisory Board assessed the annual financial statements and the Management Board report for 2023 as well as the respective draft resolutions prepared by the Bank's Management Board.

III. Profit distribution, dividend record date, dividend payment date and the decision related to the Dividend Reserve established on the basis of Annual General Meeting Resolution no. 6 of 22 March 2021 (item 8 of the agenda)

In accordance with 395 § 2(2) of the Commercial Companies Code, the adoption of a resolution on profit distribution falls within the powers of the Annual General Meeting.

According to the draft resolution Management Board Recommends to distribute the Bank's net profit earned in the accounting year from 1 January 2023 to 31 December 2023 in the amount of PLN 4,672,978,361.27 as follows:

- PLN 3,504,071,577.06 – to be allocated to the dividend for the shareholders,
- PLN 87,042,000.00 – to be allocated to the capital reserve;
- PLN 1,081,864,784.21 – to be kept undistributed.

The Management Board also recommends that PLN 1 056 637 506,76 out of the Dividend Reserve created by force of resolution no. 6 of the Annual General Meeting of 22 March 2021 on profit distribution and creation of capital reserve shall be allocated to the dividend for the shareholders.

102,189,314 (say: one hundred two million, one hundred eighty nine thousand and three hundred fourteen) series A, B, C, D, E, F, G, H, I, J, K, L, M, N and O shares give entitlement to the dividend to be paid out from profit earned in 2023 and from the Dividend Reserve (**Dividend**). The Dividend amount is PLN 4,560,709,083.82 (of which PLN 3,504,071,577.06 represents 74.99% of the net profit earned in 2023 and PLN 1,056,637,506.76 represents the amount allocated from the Dividend Reserve).

The Dividend is PLN 44.63 per share.

The Dividend record date is 16 May 2024.

The Dividend will be paid out on 23 May 2024.

The below Management Board's justification for the profit distribution is attached to the respective draft of the AGM resolution.

Recommendation of the Bank's Management Board regarding proposed 2023 profit distribution

The arguments supporting the proposal are presented below.

As at 31 December 2023, the capital ratios were as follows:

- Tier 1 capital ratio of 19.62% and 17.18% for the Bank and the Bank's Group, respectively;
- total capital ratio of 21.24% and 18.56% for the Bank and the Bank's Group, respectively.

Based on the status as at 31 December 2023 (the Bank's quarterly data on own funds and monthly data on receivables portfolio), the Bank met the basic criteria defined in the Polish Financial Supervision Authority's guidance of 14 December 2023 on the dividend policy of commercial banks for 2024 to pay a dividend up to 50% of its net profit earned in the period from 1 January 2023 to 31 December 2023. Additionally, after factoring in the quality of the Bank's loan portfolio measured as the share of NPLs in the total portfolio of receivables from the non-financial sector, including debt instruments, the potential dividend payout ratio was increased to 75% in view of the Bank's sound credit quality.

At the same time, the Bank's receivables arising from unsecured FX home loans to households do not account for more than five percent of its portfolio of receivables from the non-financial sector.

Taking into account the lack of additional adjustments, in the individual recommendation addressed to the Bank, the KNF informed the Bank that it met the requirements to pay out 75% of its net profit for 2023 in the form of a dividend, whilst

the maximum payment cannot exceed the amount of the annual profit reduced by the profit earned in 2023 already allocated to own funds. The Bank hereby explains that it has not allocated to own funds any amount out of the profit earned in 2023.

Additionally, the KNF has informed the Bank about its positive stance on the possibility to pay out the amount of PLN 1,056,637,506.76 out of the Dividend Reserve, equivalent to 50% of the profit earned in the period from 1 January 2019 to 31 December 2019.

The Supervisory Board issued a positive opinion on the Management Board's recommendation concerning the above mentioned matters.

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

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

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

V. Review of the Supervisory Board's report on remuneration of the Management Board and Supervisory Board members for 2023 (item 10 of the agenda)

The need to adopt a resolution on the Supervisory Board's report on remuneration of the Management Board and Supervisory Board members for 2023 arises from Article 395 § 2¹ of the Commercial Companies Code in relation to Article 90g(6) of the Act on public offering, conditions for introducing financial instruments to organised trading and on public companies.

The Supervisory Board adopted the Supervisory Board's report on remuneration of the Management Board and Supervisory Board members for 2023 at its meeting on 21 March 2024 – the document was reviewed by the statutory auditor whose opinion is attached to papers submitted to the AGM and published at the Bank's website.

VI. Review of Santander Bank Polska S.A. Supervisory Board's report on its activities in 2023, report on the examination of: Santander Bank Polska S.A. financial statements for 2023; consolidated financial statements of the Santander Bank Polska S.A. Group for 2023; the Management Board report on the Santander Bank Polska S.A. Group performance in 2023 (including a report on Santander Bank Polska S.A. performance in 2023), the Management Board's motion concerning distribution of profit; the Santander Bank Polska Supervisory Board's assessment of the Santander Bank Polska S.A. Group's performance in 2023; adoption of the Supervisory Board assessment of compliance with corporate governance rules (including the Corporate Governance Rules for Supervised Institutions) and manner of fulfilling disclosure requirements regarding their application, assessment of reasonableness of expenditure on non-core business activities, information on the degree of implementation of the diversity policy and outcome of the applicable

remuneration policy assessment; assessment of the Supervisory Board efficiency and the adequacy of internal regulations related to the Supervisory Board's activities (item 11 of the agenda)

The need to adopt a resolution on the above said matters by the AGM results from Article 382 § 2 of the Commercial Companies Code, item 2.11 of the Best Practice for GPW Listed Companies 2021, § 27, § 28(3) and (4) of the Corporate Governance Rules for Supervised Institutions, item 8.9 of the KNF's Recommendation Z. In line with the applicable legislation and regulatory requirements, the Supervisory Board adopted the above said documents at its meeting on 21 March 2024.

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

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

VIII. Suitability assessment of the Supervisory Board and of the candidates to the Supervisory Board

Appointment of the Supervisory Board for the new term of office

Appointment of the Supervisory Board Chairman for the new term of office

(items 13-15 of the agenda)

Given the expiry of the Supervisory Board's term of office, it is necessary to appoint the Supervisory Board for a new term, including its chair.

The obligation to assess the suitability of the Supervisory Board and candidates for Supervisory Board members derives from the Banking Law Act of 29 August 1997, Joint Guidelines of the European Securities and Markets Authority [ESMA] and of the European Banking Authority [EBA] on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06), Policy on the suitability assessment of the Supervisory Board members in Santander Bank Polska S.A., Act of 11 May 2017 on statutory auditors, audit firms and public oversight and the Methodology for assessing the suitability of members of the governing bodies of the entities supervised by the Polish Financial Supervision Authority.

The assessment of the suitability of individual candidates for Supervisory Board members and the assessment of the suitability of the Supervisory Board in its proposed composition are attached to the draft resolution under item 13 of the agenda.

The Nominations Committee presented the recommendation to appoint the Supervisory Board in the following composition:

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|---------------------------|--|
| 1) Antonio Escámez Torres | Chairman of the Supervisory Board |
| 2) José Luis de Mora | Vice Chairman of the Supervisory Board |
| 3) Dominika Bettman | Member of the Supervisory Board |
| 4) José Garcia Cantera | Member of the Supervisory Board |
| 5) Isabel Guerreiro | Member of the Supervisory Board |

6) Danuta Dąbrowska	Member of the Supervisory Board
7) Adam Celiński	Member of the Supervisory Board
8) Jerzy Surma	Member of the Supervisory Board
9) Kamilla Marchewka-Bartkowiak	Member of the Supervisory Board
10) Tomasz Sójka	Member of the Supervisory Board

All the persons listed above, except for Kamilla Marchewka-Bartkowiak and Tomasz Sójka, have been sitting on the Supervisory Board to-date.

Kamilla Marchewka-Bartkowiak has a higher-level doctoral degree and is the associate professor in the Department of Investments and Financial Markets of Poznań University of Economics and Business as well as a as an expert at the Bureau of Research (former: the Sejm Analyses Bureau) at the Chancellery of the Polish Sejm. Thanks to her rich academic experience in finance and banking she will strengthen the Supervisory Board's skills given her knowledge of the banking sector as well as a broad view of the Bank's economic environment. Additionally, her vast research experience in the area of finance would enhance the diversity of the Supervisory Board and strengthen its skills related to long-term macroeconomic and legislative forecasts.

Tomasz Sójka is a professor and lecturer at Adam Mickiewicz University in Poznań and a well known lawyer. His academic record is well recognised and he has a broad knowledge of the Polish financial and business market, including the banking sector; he will also complement the Supervisory Board's collective skills by contributing his experience in advanced technology law (including AI). He used to be a member of supervisory boards of companies such as GPW S.A. (Warsaw Stock Exchange) and NCBR Investment Fund ASI S.A. He also provided advisory to many financial institutions on matters such as FX loans or supervisory review and evaluations (BION). His combined legal, business and academic experience will reinforce the collective skills of the Board, in particular when it comes to regulatory matters.

Moreover, having recognised Antonio Escámez Torres to-date performance as the Supervisory Board Chairman, the Committee recommends to vest this function with him for the new term of office.

Given the need to ensure the required representation of independent members on the Supervisory Board (they should represent at least 50% of the Board's composition), the appointment of two members (Isabel Guerreiro and Jerzy Surma) will take effect as of 1 July 2024.

Adam Celiński will meet the independence criteria starting from 1 July 2024 whilst Jerzy Surma will not meet them starting from 11 May 2024 r.

Therefore, in the period between the date of the AGM's resolution on the Supervisory Board appointment and 30 June 2024, the Supervisory Board will be composed of eight members, including four independent ones (Dominika Bettman, Danuta Dąbrowska, Kamilla Marchewka–Bartkowiak, Tomasz Sójka), and starting from 1 July 2024 – of 10 members, including five independent ones (including Adam Celiński).

At the same time, the Supervisory Board will meet the suitability criteria at all times given that its members will have sufficient skills which will be strengthened further once Isabel Guerreiro and Jerzy Surma join the Board on 1 July 2024.

The curriculum vitae of individual candidates are attached as a separate file.

IX. Determining the remuneration of the Supervisory Board members (item 16 of the agenda)

Adoption of the resolution on determining the remuneration of the Supervisory Board members is related to the appointment of the Supervisory Board for the new term of office. **The remuneration amounts remain unchanged compared to those introduced by resolution no. 5 of the Extraordinary General Meeting of 20 July 2023 on determining the remuneration of the Supervisory Board members.**

X. Amendments to the Bank's Statutes (item 17 of the agenda)

The proposed amendments to the Bank's Statute are made to align its content to the provisions introduced by the Act of 16 August 2023 on amending certain acts in connection with ensuring the development of the financial market and the protection of investors in this market (Journal of Laws of 2023, item 1723).

XI. Creating a capital reserve for the buy-back (purchase) of own shares earmarked for the execution of Incentive Plan VII and authorising the Management Board to purchase own shares to execute the Incentive Plan VII (item 18 of the agenda)

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 on 2 the Bank got the approval from the Polish Financial Supervision Authority for buy-back (purchase) of its own shares in relation with the execution of the said Plan, the Bank's Management Board presented to the Annual 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 that can be purchased in 2025, 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. 0.32% 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 2025, the share purchase costs will be PLN 87,042k maximum, and thus the Management Board recommends to the AGM 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 2025 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 1000 per share, which in the Management Board's opinion will make it possible to purchase the shares needed to execute Incentive Plan VII.

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

XII. Information on the purchase of own shares to execute Incentive Plan VII (item 19 of the agenda)

Buy-back of Bank's shares in 2024

Pursuant to Article 363 § 1 of the Commercial Companies Code, the Bank's Management Board hereby announces that in order to execute Incentive Plan VII in 2024, the Bank has bought back the total of 134,690 of its own shares (with the nominal value of PLN 1,346,900) for PLN 72,333,668.00 which represent 0.132% of the Bank's share capital and give 0.132% of votes at a general meeting. At the same time the Bank hereby informs you that as at the date of producing this information, it instructed that all 134,690 shares be transferred to brokerage accounts of the participants in Incentive Plan VII. Having settled all these instructions the Bank does not hold any of its own shares.

Given that the Bank exhausted the amount allocated for the purchase of the Bank's Own Shares in 2024 under Incentive Plan VII, on 13 March 2024 it closed the buyback programme of its own shares set up for this purpose. The buyback programme was delivered under: (i) Resolution no. 30 of the Annual General Meeting of 27 April 2022 with regard to Incentive Plan VII and conditions of its execution (Resolution no. 30) and (ii) Resolution no. 29 of the of the Annual General Meeting of 19 April 2023 with regard to authorising the Management Board to purchase (buy back) own shares in order to execute Incentive Plan VII and to create a capital reserve for that purpose (amended by the Resolution no. 3 of the Extraordinary General Meeting of 11 January 2024). The own shares were bought back to be offered free of charge to the participants in Incentive Plan VII as the award for 2023 and deferred awards due for 2022 and payable in 2024.

Information on the buy-back of the Bank's own shares for the execution of Incentive Program VII throughout the whole life of the programme, i.e. 2023-2024

The Bank's Management Board hereby announces that as part of 2023-2024 Buyback Programme carried out to execute Incentive Plan VII, the Bank has bought back the total of 300 096 of its own shares (with the nominal value of PLN 3,000,960) for PLN 121,217,860.40 which represent 0.294% of the Bank's share capital and give 0.294% of votes at a general meeting. At the same time the Bank hereby informs you that as at the date of producing this information, it instructed that 300,096 shares be transferred to brokerage accounts of the participants in Incentive Plan VII. Having settled all these instructions the Bank does not hold any of its own shares.

The Bank's Management Board informed the Annual General Meeting about details of the shares buyback in 2023 during the meeting held on 19 April 2023.
