



**Supervisory Board
Santander Bank Polska S.A.**

REPORT FOR THE ANNUAL GENERAL MEETING

ON ASSESSMENT OF THE INDIVIDUAL AND COLLECTIVE SUITABILITY OF THE SUPERVISORY BOARD MEMBERS AND OF THE CANDIDATES FOR MEMEBRS OF THE SUPERVISORY BOARD OF SANTANDER BANK POLSKA S.A.

RECOMMENDATION OF THE NOMINATIONS COMMITTEE ON APPOINTMENT OF THE SUPERVISORY BOARD OF SANTANDER BANK POLSKA S.A.

On 20 May 2020, the Nominations Committee of the Supervisory Board of Santander Bank Polska S.A. (**Committee**) assessed the individual suitability of the Supervisory Board members as well as collective suitability of the Supervisory Board of Santander Bank Polska S.A. (**Bank**) in line with the following regulations:

- 1) the Banking Law of 29 August 1997 (**Banking Law**),
- 2) Joint Guidelines of the European Securities and Markets Authority and the European Banking Authority No. EBA/GL/2017/12,
- 3) Policy on the suitability assessment of the Supervisory Board members in Santander Bank Polska S.A. (**Policy**).

When assessing the suitability, the Committee also took into account the rules arising from the “Methodology for assessing the suitability of members of the governing bodies of the entities supervised by the Polish Financial Supervision Authority” published by the KNF.

These are annual **re-assessments for current members of the Supervisory Board** and are also made in relation to the **proposed re-appointment of all current members of the Supervisory Board for the next term of office** (the current term of office expires as at the date of the upcoming Annual General Meeting).

Additionally, the Committee assessed individual suitability of **Dominika Bettman**, who to-date has not performed any role on the Board, as a candidate for the Supervisory Board Member.

Based on the assessments made (the results of which are presented below), the Committee recommends to the General Meeting the appointment of all current Supervisory Board members, and of Dominika Bettman, to the Bank’s Supervisory Board, i.e.:

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|----------------------------------|-----------------------------------|
| 1) Gerry Byrne | Chairman of the Supervisory Board |
| 2) José Luis de Mora | Member of the Supervisory Board |
| 3) José Garcia Cantera | Member of the Supervisory Board |
| 4) Isabel Guerreiro | Member of the Supervisory Board |
| 5) Danuta Dąbrowska | Member of the Supervisory Board |
| 6) David Hexter | Member of the Supervisory Board |
| 7) John Power | Member of the Supervisory Board |
| 8) Jerzy Surma | Member of the Supervisory Board |
| 9) Marynika Woroszyńska-Sapiecha | Member of the Supervisory Board |
| 10) Dominika Bettman | Member of the Supervisory Board |

The Committee also recommends that Gerry Byrne, who currently holds this post, be appointed as the Supervisory Board Chairman.

I Results of individual suitability assessments.

The Committee stated that each of the above individuals:

- meets the suitability criteria set out in Article 22(aa) of the Banking Law, i.e. with regard to knowledge, skills and experience required to perform their duties and responsibilities on the Bank's Supervisory Board as well as warrants their proper discharge,
- meets the criteria with regard to good repute, honesty, and integrity; and in the Committee's opinion there are no objective and demonstrable grounds that might raise concerns about good repute of these individuals,
- meets the independence of mind criteria,
- has the ability to commit sufficient time to perform her duties and responsibilities also in the periods of particularly increased activity of the Bank; in particular, to meet the requirements set out in Article 22(aa)(3) of the Banking Law.

The Committee did not identify any shortcomings in the knowledge, skills or experience of the said individuals.

The Committee stated that the independence criteria are met by four out of nine current members of the Supervisory Board, i.e. David Hexter, Marynika Woroszyńska – Sapięha, Danuta Dąbrowska and Jerzy Surma; such criteria are also met by Dominika Bettman

The Committee did not identify a need to formulate any recommendations as a result of the individual suitability assessment of Supervisory Board members currently in office as well as Dominika Bettman, as candidates to the Supervisory Board.

II. Results of collective suitability assessment.

Taking into account the results of individual suitability assessments of the said individuals as well as the fact that the collective suitability of the Supervisory Board is considered as a sum of skills represented by all its members, the Committee deemed that collectively the Supervisory Board in the proposed composition would:

- meet the requirements with regard to knowledge, skills and experience, warranting thus proper performance of duties and effective oversight of all areas of the Bank, including the requirements with regard to the ability to challenge and effectively monitor decisions taken by the Management Board,
- meet the criteria with regard to good repute, honesty and integrity and that the Committee was not aware of any circumstances or factors that could raise concerns about good repute of the said individuals,
- meet the independence criteria as there are five independent members in the 10-member composition of the Supervisory Board, which will enable proper representation of independent members on the Supervisory Board committees,
- meet the independence of mind criteria,
- sufficiently meet the Policy's diversity requirements, including those related to educational and professional background, age, geographical provenance as well as pursued targets for the female representation on the Supervisory Board set until 2025 (30%),
- meet the criteria with regard to the ability to commit sufficient time to perform their duties, also in periods of particularly increased activity of the Bank.

Therefore, the Committee's clearly stated that the structure, size, composition and effectiveness of the Supervisory Board in the proposed composition were suitable and complied with the applicable regulations, in particular Article 22aa of the Banking Law.

When assessing the collective suitability of the Supervisory Board, assuming Dominika Bettman becomes its member, the Committee deemed that her appointment would strengthen the collective skills of the Supervisory Board thanks to her experience in digital technologies and innovations, strategic planning, business and management, transformation as well as accounting and finance. In the Committee's opinion, Dominika

Bettman's knowledge and experience gained as the member of the Management Board, CFO and recently as the CEO of Siemens sp. z o.o., would be of huge value for the Bank given its progressing strategic transformation.

Additionally, the Supervisory Board in the proposed composition, including Dominika Bettmans's appointment, will meet the requirements under paragraph 25 section 2 of the Bank's Statute of having at least 50% of independent members.

There will be a sufficient number of the Supervisory Board members with knowledge and experience in each required area to allow a discussion of decisions considered by the Supervisory Board as well as adequate skills are held by members of individual Supervisory Board committees in line with the applicable laws and the Bank's internal regulations.

The Supervisory Board in the proposed composition will be collectively suitable given that collective suitability is determined by the sum of sufficient and adequate knowledge, skills and experience of individual Supervisory Board members.

The Committee did not identify any conflicts of interests that would impede Supervisory Board members' ability to perform their duties independently and objectively.

Thus, the Committee did not identify any need to formulate any recommendations following the assessment of the collective suitability of the Supervisory Board in the proposed composition.

The Committee confirmed that the assessment process was conducted in a comprehensive, integrate and impartial manner, taking into account all circumstances that could have an impact on the results of such an assessment. Individual members of the Nominations Committee were not involved in the individual assessment of their suitability.