

Report on remuneration
of the members of the Management
Board and the Supervisory Board
of Santander Bank Polska S.A.
in 2019 and 2020



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Decision-making process for determining the remuneration policy

Remuneration of employees of Santander Bank Polska Group is governed by the Remuneration Policy of Santander Bank Polska Group – adopted by the Management Board and approved by the Supervisory Board. According to the Policy, key features of the bonus schemes for other employees are reviewed by the Remuneration Committee of the Supervisory Board, and approved by the Management Board member in charge of the Business Partnership Division. All regulations on awarding variable components of remuneration that apply to employees of the Bank are published in the form of ordinances issued by the Management Board member in charge of the Business Partnership Division, in accordance with and on the basis of the Remuneration Policy of Santander Bank Polska Group.

The Supervisory Board has a Remuneration Committee and a Nominations Committee. The key tasks of the Remuneration Committee include reviewing and monitoring the Bank's remuneration policy, and supporting the General Meeting of Shareholders, the Supervisory Board and the Management Board in developing and implementing that policy.

"Remuneration policy for members of the Supervisory Board of Santander Bank Polska S.A." and "Remuneration policy for members of the Management Board of Santander Bank Polska S.A." which detail the manner in which Management Board members and Supervisory Board members are remunerated are adopted by the General Meeting of Shareholders.

The provisions relating to the Supervisory and Management Board members were brought in line with the requirements of the Act of 16 October 2019 amending the Act on public offering, conditions for introducing financial instruments to organised trading, and on public companies, and certain other acts.

No exceptions or temporary waivers to the Policy or its implementing procedure were applied in 2019 and 2020.

Remuneration of the Supervisory Board members and the Management Board members

Remuneration of the Supervisory Board members

Internal regulations concerning remuneration of the Supervisory Board members

As at 31 December 2019, the rules for remunerating the Supervisory Board members of Santander Bank Polska S.A. were set by virtue of Resolution no. 41 of the Annual General Meeting dated 17 May 2017 and Resolution no. 34 of the Annual General Meeting dated 16 May 2018, which were amended by Resolution no. 31 of the Annual General Meeting dated 16 May 2019 and Resolution no. 7 of the Extraordinary General Meeting dated 23 September 2019.

As at 31 December 2020, the remuneration for the Supervisory Board was set in accordance with the Remuneration Policy for Members of the Supervisory Board of Santander Bank Polska S.A. The amount of remuneration of the Supervisory Board members is specified in the AGM Resolution no. 50 of 22 June 2020 on setting the remuneration for the Supervisory Board members. Before 22 June 2020, the amount of remuneration of the Supervisory Board members was specified in Resolution no. 41 of the Annual General Meeting dated 17 May 2017, Resolution no. 31 of the Annual General Meeting dated 16 May 2019, Resolution no. 7 of the Extraordinary General Meeting dated 23 September 2019 and Resolution no. 34 of the General Meeting dated 16 May 2018.

Remuneration paid to the Supervisory Board members

Members of the Supervisory Board are paid fixed remuneration only (monthly remuneration for performing their role on the Supervisory Board and additional remuneration for participating in meetings of the Supervisory Board Committees on which they sit, which they chair or to which they provide expert advice). They may also receive additional remuneration on account of being seconded to exercise on-going individual oversight. The remuneration for the Supervisory Board members is paid in cash only.

The table below presents the remuneration paid to members of the Supervisory Board of Santander Bank Polska S.A. in 2019 and 2020.

Name and surname Role	2020			2019		
	Fixed remuneration (PLN k)			Fixed remuneration (PLN k)		
	Base salary	Remuneration for functions on the Supervisory Board	Additional benefits	Base salary	Expenses	Additional benefits
Gerry Byrne Chairman of the Supervisory Board	-	-	-	-	-	-
José Luis de Mora ¹¹ Vlce Chairman of the Supervisory Board	-	-	-	-	-	-
José Manuel Campa ¹ Member of the Supervisory Board	-	-	-	-	-	-
José García Cantera ¹ Member of the Supervisory Board	-	-	-	-	-	-
Danuta Dąbrowska Member of the Supervisory Board	144	101	4	144	117	-
Isabel Guerreiro ¹¹² Member of the Supervisory Board	-	-	-	-	-	-
David Hexter Member of the Supervisory Board	159	161	-	155	145	-
John Power ³ Member of the Supervisory Board	159	129	-	155	162	-
Jerzy Surma Member of the Supervisory Board	144	158	-	144	160	-
Marynika Woroszyłska-Sapieha Member of the Supervisory Board	144	110	-	144	112	-
Witold Jurcewicz ⁴ Member of the Supervisory Board	nd	nd	nd	108	103	-
Dominika Bettman ⁵ Member of the Supervisory Board	64	64	1	nd	nd	nd

¹ Gerry Byrne, José Manuel Campa, José García Cantera, José Luis de Mora and Isabel Guerreiro were not remunerated for their functions on the Supervisory Board.

² Isabel Guerreiro was appointed as the Supervisory Board member under the EGM resolution of 23 September 2019.

³ In 2019, remuneration of John Power included an additional PLN 1 720,6k for exercising on the Supervisory Board, independent supervision over the integration of an organised part of Deutsche Bank Polska S.A. into the structures of Santander Bank Polska S.A. He also received PLN 45,4k in 2020 (PLN 44,3k in 2019) for his function on the Supervisory Board of Santander TFI, and PLN 53,4k for his function on the Supervisory Board of Santander Finanse in 2020.

⁴ Death of Witold Jurcewicz on 18 September 2019.

⁵ Dominika Bettman was appointed as the Supervisory Board member on 22 June 2020

Remuneration of the Management Board members

Internal regulations concerning remuneration for executives

The rules regarding fixed and variable components of remuneration for the Management Board members in 2019 are set out in the Remuneration Policy for members of the Management Board of Santander Bank Polska S.A. introduced by virtue of Supervisory Board Resolution no. 79 of 11 December 2019 and in the Remuneration Policy of Santander Bank Polska Group updated in May 2019 and in force since 15 June 2019.

In 2020, the Annual General Meeting, by force of its resolution no. 49, adopted the "Remuneration Policy for members of the Management Board of Santander Bank Polska S.A."

Long-term performance of the company

Under the Remuneration Policy, the remuneration structure fully reflects market practices while the remuneration levels match the ones offered in the banking sector and reflect the size of the Bank's business. The amount of remuneration is subject to annual reviews, in line with the internal process.

The criteria that affect the type and amount of fixed and variable remuneration paid to the Management Board members were defined so as to support the delivery of the Bank's business strategy, long-term interests and stability, in particular by:

- setting annual objectives in accordance with the Bank's financial and strategic plans, and assessing the performance of individual Management Board members;
- applying a flexible remuneration policy by maintaining a proper balance between fixed and variable components;
- awarding part of remuneration in the form of financial instruments and deferring payment of variable remuneration for a minimum of three years (with an option to extend that period to five years) ensuring that the Bank's financial performance has influence on remuneration in the long-term perspective;
- applying malus clauses ensuring proper and effective risk management and discouraging excessive taking of risk which might materialise in the deferral period;
- awarding the variable components of remuneration only if it does not represent any threat to the solid capital base of the Bank or the Group in the long-term horizon.
- Introducing long-term incentive programmes to support delivery of the bank's strategy in a three-year perspective ("Performance Shares" programme).

Information on how total remuneration contributes to the delivery of long-term objectives of the company

The purpose of the Remuneration Policy is to ensure long-term sustainable growth of the Group, protect the stakeholders, including customers, owners and employees by, among others, ensuring adequate staff remuneration for their performance and motivating them to deliver best results and to achieve the Bank's strategic goals, both in terms of business and quality aspects, based on the adopted values.

Under the incentive scheme for the Bank's Management Board members, remuneration is linked to the assessment of the company's long-term financial position, long-term growth of shareholder value, business stability, and risk appetite.

The level of the annual bonus is determined in particular on the basis of:

- quantitative indicators (e.g. customer satisfaction, cost of credit, NPLs as a percentage of the total portfolio, PAT, and return on equity and long-term liabilities),
- qualitative indicators resulting from the quality-oriented analysis of financial performance and risk (e.g. NPS, responsible banking agenda, including goals related to local communities, environmental protection), and
- potential adjustments resulting from unexpected developments.

Variable remuneration is awarded to the Management Board members based on the evaluation of their performance. The selection of metrics (as well as their granularity) for individual Management Board members takes into account their individual duties and responsibilities in the process of managing the bank.

Based on the actual metrics and evaluation of performance against objectives under WHAT, HOW and RISK categories as well as relevant weights assigned to them, the rating is established and adjusted by a multiplier, which arises, among other things, from assessment of performance against a three-year horizon, as proposed by the Supervisory Board Remuneration Committee and approved by the Supervisory Board.

Objectives, their delivery and variable remuneration paid in 2019 and 2020 are presented in the table:

Criteria	1 Description of the criteria related to the remuneration component	2 Relative importance of performance criteria	Name and Surname position	2019	2020
				4 a) measured performance, and b) actual awards / remuneration (in PLN thousand)	4 a) measured performance, and b) actual awards / remuneration (in PLN thousand)
Management functions					
WHAT Goals	- Credit risk (Credit costs and NPL) - Liquidity risk - Net profit - Return on fixed capital - Customer satisfaction (NPS), customer loyalty, number of electronic banking customers	50%	Michał Gajewski President of the Management Board	a) 4,2 b) 2 984	a) 2,5 b) 1 600
			Maciej Reluga Member of Management Board	a) 4,0 b) 888	a) 2,3 b) 465
HOW Goals	- Realization of the goals of responsible banking - 360 ° rating - Engagement survey result - Customer experience - Employee experience	40%	Juan de Porras Aguirre Vice President of the Management Board	a) 3,5 b) 1 700	a) 2,8 b) 1 010
			Michael McCarthy Vice President of the Management Board	a) 4,0 b) 1 282	a) 2,2 b) 660
			Szyszkowski Feliks Vice President of the Management Board	a) 3,4 b) 369	nd
RISK Goals	- Internal evaluation of the internal audits performed and the auditors' recommendations	10%	Patryk Nowakowski Member of Management Board	a) 3,8 b) 621*	a) 2,1 b) 440
			Arkadiusz Przybył Vice President of the Management Board	a) 4,0 b) 1 186	a) 2,0 b) 580

Control functions					
WHAT Goals	- Credit risk (costs of loans and NPL) - Liquidity risk - Customer satisfaction (NPS), customer loyalty, number of electronic banking customers	50%	Carlos Polaino Izquierdo Member of Management Board	a) 4,0 b) 1 065	a) 2,9 b) 610
HOW Goals	- Realization of the goals of responsible banking - 360 ° rating - Engagement survey result - Customer experience - Employee experience	40%	Andrzej Burliga Vice President of the Management Board	a) 3,9 b) 890	a) 2,0 b) 435
RISK Goals	- Internal evaluation of the internal audits performed and the auditors' recommendations	10%	Dorota Strojkwaska Member of Management Board	a) 3,5 b) 817	a) 2,4 b) 470

* as at the day of taking up the office of a Management Board member

In 2020, the 4-grade scale which applied in 2019, was replaced with a 5-grade one.

Fixed remuneration

Pursuant to the Statutes of Santander Bank Polska S.A. and the aforementioned regulations, the remuneration of the President and members of the Management Board is set by the Supervisory Board, taking into account recommendations of the Remuneration Committee. The Committee defines the Remuneration Policy for members of the Management Board of Santander Bank Polska S.A. as well as individual terms and conditions as part of remuneration packages for each Management Board member.

Members of the Bank's Management Board do not receive remuneration for performing the functions of Supervisory Board Members in subsidiaries for which they have been appointed by the Bank, in accordance with the implemented document " Investment Strategy of Santander Bank Polska S.A. in the Capital Market Instruments". Members of the Board of Santander Bank Polska does not fulfill other functions in the subsidiaries of the Bank Group, and therefore do not receive remuneration in other subsidiaries of the Bank Group.

Variable remuneration

The rules for determining variable remuneration for the Management Board members and material risk takers are laid down in the Remuneration Policy of Santander Bank Polska Group. These rules are regularly (or at least annually) reviewed by the Remuneration Committee of the Supervisory Board.

The Management Board members are paid variable remuneration once a year following the end of the reference period and release of the Bank's results. Variable remuneration is awarded in accordance with the applicable bonus regulations for the Management Board members (adopted by virtue of the Supervisory Board's resolution), which set out the bonus principles depending on the achievement of personal objectives as well as business and financial objectives of an organisational unit and the Bank. The performance is assessed against the financial and non-financial criteria for the period of minimum three years to take into account the Bank's economic cycle and business risk. The Remuneration Committee recommends the amount of variable remuneration for members of the Management Board to the Supervisory Board. The Supervisory Board decides – by force of a resolution – on the level of annual bonuses awarded to individual members of the Management Board.

The total variable remuneration paid to the Management Board members and material risk takers identified in accordance with the Remuneration Policy of Santander Bank Polska Group for a given calendar year cannot exceed 100% of the total fixed remuneration paid. However, in exceptional cases, this limit may be increased up to 200% of fixed remuneration subject to the approval of the Bank's General Meeting. The decision on determining the

maximum ratio of the fixed components of the total remuneration to the variable components of the remuneration in the Santander Bank Polska Group was taken by the AGM on 20 April 2016.

Variable remuneration is awarded in accordance with bonus regulations and paid in cash, phantom stock or ordinary shares. Payment must represent min. 50% of the total amount of variable remuneration.

At least 40% of the variable remuneration component is deferred for minimum 3 years, with a proviso that the payment of each deferred part may be withheld or reduced if any negative factors occur.

The table below shows unpaid variable remuneration in cash and financial instruments:

Name and Surname position	Payment for	Financial instrument (in pcs.)							Cash (PLNk)						
		Payment date													
		2021	2022	2023	2024	2025	2026	2027	2021	2022	2023	2024	2025	2026	
Michał Gajewski President of the Management Board	Bonus for the year 2016	0													
	Bonus for the year 2017	385	383						153						
	Bonus for the year 2018	523	523	522					191	191					
	Bonus for the year 2019	3034	674	674	674				199	199	199				
	Bonus for the year 2020		2129	426	426	426	426	426	400	80	80	80	80	80	80
Andrzej Burliga Vice President of the Management Board	Bonus for the year 2016	226													
	Bonus for the year 2017	185	183						74						
	Bonus for the year 2018	173	173	173					63	63					
	Bonus for the year 2019	903	201	201	200				59	59	59				
	Bonus for the year 2020		695	155	155	153			131	29	29	29			
Juan de Porras Aguirre Wiceprezes Zarządu	Bonus for the year 2016	330													
	Bonus for the year 2017	284	284						113						
	Bonus for the year 2018	346	346	346					127	127					
	Bonus for the year 2019	1728	384	384	384				113	113	113				
	Bonus for the year 2020		1613	358	358	358			303	67	67	67			
Michael McCarthy Vice President of the Management Board	Bonus for the year 2016	248													
	Bonus for the year 2017	209	208						83						
	Bonus for the year 2018	250	250	248					91	91					
	Bonus for the year 2019	1304	290	290	288				85	85	85				
	Bonus for the year 2020		1054	234	234	234			198	44	44	44			
Arkadiusz Przybył Vice President of the Management Board	Bonus for the year 2017	192	192						77						
	Bonus for the year 2018	250	250	248					91	91					
	Bonus for the year 2019	1206	268	268	268				79	79	79				
	Bonus for the year 2020		926	206	206	205			174	39	39	39			
	Patryk Nowakowski Member of Management Board	Bonus for the year 2019	632	141	141	139				41	41	41			
Bonus for the year 2020			703	156	156	156			132	29	29	29			
Carlos Polaino Izquierdo Member of Management Board	Bonus for the year 2016	226													
	Bonus for the year 2017	201	199						80						
	Bonus for the year 2018	219	219	218					80	80					
	Bonus for the year 2019	1083	241	241	240				71	71	71				
	Bonus for the year 2020		974	217	217	215			183	41	41	41			
Maciej Reluga Member of Management Board	Bonus for the year 2017	142	142						57						
	Bonus for the year 2018	173	173	173					63	63					
	Bonus for the year 2019	906	201	201	201				59	59	59				
	Bonus for the year 2020		743	165	165	165			140	31	31	31			
	Dorota Strojowska Member of Management Board	Bonus for the year 2017	149	148						59					
Bonus for the year 2018		153	153	153					56	56					
Bonus for the year 2019		831	185	185	184				54	54	54				
Bonus for the year 2020			751	167	167	166			141	31	31	31			
Inactive members of the Management Board		Bonus for the year 2016	1176												
	Bonus for the year 2017	653	648						260						
	Bonus for the year 2018	605	605	604					221	221					
	Bonus for the year 2019	376	84	84	82				25	25	25				

Remuneration paid to the Management Board members

The tables below present the total remuneration and additional benefits received by members of the Management Board of Santander Bank Polska S.A. for their functions on the Management Board:

2019:

Name and Surname position	Fixed remuneration (in thousands PLN)			Variable remuneration (in thousands PLN)		3 Extraordinary	4 Pensions	5 Total remuneration (in thousands PLN)	5 Fixed to variable remuneration ratio
	Base Salary	Expenses	Other fixed remuneration and additional benefits *	One-year variable	Multi-year variable				
Michał Gajewski President of the Management Board	2 160	-	101	-	1 650	-	-	3 911	137%
Andrzej Burliga Vice President of the Management Board	1 296	-	104	-	1 060	-	-	2 460	132%
Juan de Porras Aguirre Vice President of the Management Board	894	-	514	-	1 452	-	-	2 860	97%
Michael McCarthy Vice President of the Management Board	1 320	-	88	-	1 252	-	-	2 659	112%
Arkadiusz Przybył Vice President of the Management Board	1 320	-	103	-	806	-	-	2 229	177%
Szyszowskiak Feliks Vice President of the Management Board	366	-	67	-	1 185	-	-	1 618	37%
Patryk Nowakowski Member of Management Board	552	-	50	-	-	-	-	601	-
Carlos Polaino Izquierdo Member of Management Board	1 259	-	627	-	906	-	-	2 791	208%
Maciej Reluga Member of Management Board	960	-	103	-	577	-	-	1 640	184%
Dorota Strojowska Member of Management	1 062	-	103	-	558	-	-	1 722	209%

2020:

Name and Surname position	Fixed remuneration (in thousands PLN)			Variable remuneration (in thousands PLN)		3 Extraordinary	4 Pensions	5 Total remuneration (in thousands PLN)	5 Fixed to variable remuneration ratio
	Base Salary	Expenses	Other fixed remuneration and additional benefits *	One-year variable	Multi-year variable				
Michał Gajewski Prezes Zarządu	2 592	-	170	-	2 058	-	-	4 821	134%
Andrzej Burliga Wiceprezes Zarządu	1 296	-	135	-	910	-	-	2 342	157%
Juan de Porras Aguirre Wiceprezes Zarządu	923	-	771	-	1 413	-	-	3 108	120%
Michael McCarthy Wiceprezes Zarządu	1 320	-	89	-	1 193	-	-	2 601	118%
Arkadiusz Przybył Wiceprezes Zarządu	1 320	-	101	-	917	-	-	2 338	155%
Patryk Nowakowski Członek Zarządu	960	-	101	-	186	-	-	1 247	569%
Carlos Polaino Izquierdo Członek Zarządu	1 261	-	557	-	874	-	-	2 693	208%
Maciej Reluga Członek Zarządu	960	-	128	-	663	-	-	1 750	164%
Dorota Strojowska Członek Zarządu	1 062	-	101	-	611	-	-	1 774	190%

* Other fixed remuneration and additional benefits for individual members of the Management Board may include, inter alia, non-retirement life insurance, car benefits, housing allowances. The benefits for relatives in the amount of 257.4k PLN and in 2020 in the amount of 56.4k PLN

were received by Mr. Carlos Izquierdo for flights and school allowances. Mr. Juan de Porras took advantage of the benefit for his relatives due to flights in 2020 in the amount of 1.3k PLN.

Remuneration arising from long term incentive programmes (6th LTIP):

In 2020, Santander Bank Polska S.A. settled the sixth edition of the three-year incentive programme (Incentive Programme) addressed to the employees of the Bank and its subsidiaries who contributed significantly to an increase in the value of the organisation.

On 20 February 2020, the Supervisory Board confirmed fulfillment of the economic conditions triggering payment of the award. On 22 June 2020, the Bank's Annual General Meeting passed a resolution on raising the Bank's share capital by issuing series O shares, and approved the final list of participants in the programme.

The participants acquired series O shares in the number set out in the share subscription agreements concluded with the Bank. The issue price of a series O share was PLN 10, and was equal to the nominal price. Each participant paid the amount calculated as the product of the awarded shares and their issue price.

Following registration of the share capital by the competent registry court, and registration of the newly issued shares by the Central Securities Depository of Poland, all the 101,009 series O shares were admitted and introduced to trading on the Warsaw Stock Exchange, and recorded on the securities accounts indicated by the participants. This formally ended the settlement process of the 6th Incentive Programme.

The table below presents the settlement of the 6th Incentive Programme in 2020:

Imię i nazwisko stanowisko	Główne warunki programów na akcje					Informacje dotyczące roku obrotowego, którego dotyczy raport					
	1 Specyfikacja	2 Okres obowiązania	3 Data przyznania	4 Data nabycia uprawnień	5 Koniec retencji	Bilans otwarcia		W ciągu roku		Saldo końcowe	
						6 Akcje posiadane na początku roku	7 Przyznane akcje	8 Nabyte akcje	9 Akcje objęte warunkiem wykonania	10 Akcje przyznane i przekazane na koniec roku	11 Akcje podlegające retencji
Michał Gajewski Prezes Zarządu	LTIP VI	2017	17-05-2017	22-06-2020	10-11-2021	-	1 807	1 807	-	1 807	1 807
		2018				-	1 807	1 807	-	1 807	1 807
		2019				-	1 807	1 181	-	1 181	1 181
Andrzej Burtiga Wiceprezes Zarządu	LTIP VI	2017	17-05-2017	22-06-2020	10-11-2021	-	940	940	-	940	940
		2018				-	940	940	-	940	940
		2019				-	940	615	-	615	615
Juan de Porras Aguirre Wiceprezes Zarządu	LTIP VI	2017	17-05-2017	22-06-2020	10-11-2021	-	747	747	-	747	747
		2018				-	747	747	-	747	747
		2019				-	747	488	-	488	488
Michael McCarthy Wiceprezes Zarządu	LTIP VI	2017	17-05-2017	22-06-2020	10-11-2021	-	1 083	1 083	-	1 083	1 083
		2018				-	1 083	1 083	-	1 083	1 083
		2019				-	1 083	709	-	709	709
Arkadiusz Przybył Wiceprezes Zarządu	LTIP VI	2017	17-05-2017	22-06-2020	10-11-2021	-	1 130	1 130	-	1 130	1 130
		2018				-	1 130	1 130	-	1 130	1 130
		2019				-	1 130	739	-	739	739
Patrik Nowakowski Członek Zarządu	LTIP VI	2017	17-05-2017	22-06-2020	10-11-2021	-	273	273	-	273	273
		2018				-	273	273	-	273	273
		2019				-	273	180	-	180	180
Carlos Polaino Izquierdo Członek Zarządu	LTIP VI	2017	17-05-2017	22-06-2020	10-11-2021	-	940	940	-	940	940
		2018				-	940	940	-	940	940
		2019				-	940	615	-	615	615
Maciej Reluga Członek Zarządu	LTIP VI	2017	17-05-2017	22-06-2020	10-11-2021	-	677	677	-	677	677
		2018				-	677	677	-	677	677
		2019				-	677	442	-	442	442
Dorota Strojowska Członek Zarządu	LTIP VI	2017	17-05-2017	22-06-2020	10-11-2021	-	790	790	-	790	790
		2018				-	790	790	-	790	790
		2019				-	790	517	-	517	517

Options to prevent vesting the entitlement to variable components of remuneration

Deferred variable remuneration, whether in cash or in financial instruments, pending payment may be subject to malus if, during the period before its vesting, specific circumstances occur. They will respond to real risk situations or to changes in persistent risk for the entities, business lines or employee activities.

According to the criteria set out in Directive 2013/36/EU, it is not enough for there to be misconduct/misbehaviour or serious error by an employee for the associated breach to be considered a potential trigger for the application of a malus clause, but rather that this behaviour must translate into a significant negative impact of a financial nature or the risk profile or reputation of the Group, the Bank or a subsidiary, always provided that the latter does not occur alone, but simultaneously with other negative consequences for the Group, the Bank or a subsidiary.

The factors analysed when a decision is taken to apply malus clauses and the decision-taking process are described in detail in the Malus Clauses Application Procedure of Santander Bank Polska Group. Specifically, these factors include:

- Significant irregularities in risk management on the part of the entity, a business unit, a control unit or a support function;
- Material adjustments to the Group's financial statements, based on the external auditor's opinion, except where the adjustments are due to changes in accounting standards;
- Violation by the employee of internal regulations or codes of conduct, particularly those relating to risks;
- Significant changes in the financial, capital or risk profile of the Group;
- Significant increase in economic or regulatory capital requirements which has not been foreseen at the time of approval of the exposure;
- Regulatory sanctions or criminal charges made against the entity or employees who are held liable;
- Any misconduct, whether individual or collective, in particular when referring to the marketing of unsuitable products;
- Poor financial performance of the Group.

No malus triggers were identified in 2019 or 2020 in respect of Management Board members.

Members of the Management Board of Santander Bank Polska S.A are employed under employment contracts; according to the Labour Code, there are no grounds to demand that they return their variable remuneration in part or in full.

Evolution of remuneration and key financial highlights of Santander Bank Polska S.A. from 2014 to 2020

The table below presents evolution of total remuneration and key financial highlights of Santander Bank Polska Group from 2014 to 2020

YoY change	2015 vs 2014	2016 vs 2015	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2020
Remuneration of the Supervisory Board (PLN k)							
Gerry Byrne Chairman of the Supervisory Board	-	-	-	-	-	-	-
José Luis de Mora⁶ Vice Chairman of the Supervisory Board	-	-	-	-	-	-	-
José Manuel Campa^{6 and 7} Member of the Supervisory Board	nd	nd	-	-	-	-	-
José García Cantera^{6 and 8} Member of the Supervisory Board	-	-	-	-	-	-	-
Danuta Dąbrowska Member of the Supervisory Board	82,0%	20,8%	-4,1%	-0,9%	12,3%	-4,5%	249
Isabel Guerreiro^{6 and 9} Member of the Supervisory Board	nd	nd	nd	nd	-	-	-
David Hexter Member of the Supervisory Board	21,8%	9,6%	-4,4%	4,2%	9,2%	7,1%	320
John Power¹⁰ Member of the Supervisory Board	23,9%	1,7%	-10,2%	-27,2%	60,0%	-8,9%	289
Jerzy Surma Member of the Supervisory Board	24,9%	18,5%	-4,7%	10,2%	12,9%	-0,4%	302
Marynika Woroszyńska-Sapieha Member of the Supervisory Board	79,2%	12,8%	10,3%	6,5%	12,1%	-0,8%	254
Witold Jurcewicz¹¹ Member of the Supervisory Board	17,5%	18,8%	-2,8%	-3,8%	-8,5%	nd	nd
Dominika Bettman¹² Member of the Supervisory Board	nd	nd	nd	nd	nd	nd	128
Remuneration of the Management Board members (PLN k)							
Michał Gajewski¹³ President of the Management Board	nd	nd	1010,3%	41,6%	36,5%	23,2%	4 821

⁶ Gerry Byrne, José Manuel Campa, José García Cantera, José Luis de Mora and Isabel Guerreiro were not remunerated for their functions on the Supervisory Board.

⁷ Compared with the Supervisory Board composition as at 31 December 2016, the Supervisory Board was joined by José Manuel Campa.

⁸ José García Cantera was appointed as the Supervisory Board member under the AGM Resolution of 23 April 2015.

⁹ Isabel Guerreiro was appointed as the Supervisory Board member under the EGM resolution of 23 September 2019.

¹⁰ In 2019, John Power was also paid the remuneration of PLN 1 720,6k as he single-handedly supervised the integration of an organised part of Deutsche Bank Polska S.A. into the structures of Santander Bank Polska S.A. (PLN 853,5 k in 2018).

¹¹ Death of Witold Jurcewicz on 18 September 2019.

¹² Dominika Bettman was appointed as the Supervisory Board member on 22 June 2020

¹³ Michał Gajewski was appointed as President of the Management Board on 29 November 2016

Andrzej Burliga ¹⁴ Vice President of the Management Board	43,0%	23,0%	7,9%	13,0%	1,1%	-4,8%	2 342
Juan de Porras Aguirre ¹⁴ Vice President of the Management Board	43,3%	21,7%	12,5%	4,8%	4,5%	8,7%	3 108
Michael McCarthy ¹⁴ Vice President of the Management Board	47,4%	19,3%	10,0%	12,7%	4,4%	-2,2%	2 601
Arkadiusz Przybył ¹⁵ Vice President of the Management Board	nd	nd	nd	64,7%	29,2%	4,9%	2 338
Feliks Szyszkowski ¹⁶ Vice President of the Management Board	66,5%	10,7%	6,2%	5,4%	-30,6%	nd	nd
Patryk Nowakowski Member of Management Board	nd	nd	nd	nd	nd	107,3%	1 247
Carlos Polaino Izquierdo Member of Management Board	nd	93,6%	24,6%	18,9%	5,4%	-3,5%	2 693
Maciej Reluga ¹⁷ Member of Management Board	nd	nd	nd	75,5%	33,2%	6,7%	1 750
Dorota Strojowska ¹⁸ Member of Management Board	nd	nd	nd	92,6%	27,4%	3,0%	1 774
Company results (in PLN M)							
Total income	14,6%	0,9%	2,1%	12,3%	8,6%	-8,6%	8 647
Total costs	15,3%	-5,9%	0,1%	11,8%	18,5%	0,5%	-4 488
Net impairment allowances	-3,1%	-3,2%	-12,0%	57,1%	12,4%	44,6%	-1 763
Profit before tax	20,4%	-1,8%	6,4%	3,1%	-5,2%	-42,0%	1 881
Profit attributable to shareholders of Santander Bank Polska S.A.	21,5%	-6,9%	1,5%	7,5%	-9,5%	-51,5%	1 037
Average remuneration (in PLN k)							
Members of the Supervisory Board (2019-2020)	34,2%	12,8%	-3,4%	-2,4%	15,0%	-6,4%	257
Members of the Management Board (2019-2020)	35,3%	7,8%	1,9%	24,7%	1,9%	12,0%	2 519
Inactive members of the Supervisory Board (2014-2018)	nd	87,6%	2,7%	-53,9%	nd	nd	nd
Inactive members of the Management Board (2014-2018)	nd	6,6%	-10,4%	23,8%	-21%	nd	nd
Employees ¹⁹	3,6%	1,3%	4,9%	10,7%	7,9%	1,7%	94

¹⁴ On 10 March 2017, the Supervisory Board appointed the existing Management Board members: Andrzej Burliga, Michael McCarthy, Juan de Porras Aguirre as Vice Presidents of the Management Board.

¹⁵ On 10 March 2017, the Supervisory Board extended the composition of the Management Board by appointing Arkadiusz Przybył as the Management Board member.

¹⁶ Death of Witold Jurcewicz on 18 September 2019.

¹⁷ On February 16, 2017, Mr. Maciej Reluga was appointed a Member of the Management Board.

¹⁸ On April 1, 2017 - with the expiry of obligations resulting from previous employment - Ms Dorota Strojowska took up the position of a Member of the Management Board.

¹⁹ Average salary as at the end of the year, exclusive of the Supervisory Board, Management Board, employees employed as 1/10 and 1/16 FTE and suspended employees. Average gross salary per FTE, multiplied by 12.