

re item 14 of the agenda

Appendix no. 1:

**REMUNERATION POLICY
FOR MEMBERS OF THE SUPERVISORY BOARD OF SANTANDER BANK POLSKA S.A.**

1. GENERAL PRINCIPLES

This Policy defining the remuneration rules for members of the Supervisory Board of Santander Bank Polska S.A. (**Bank**) is introduced in order to:

- 1) comply with the responsible banking principle by providing support in adequate and effective risk management and discouraging excessive risk taking above the greed risk appetite and the principles ensuring maintenance of a strong capital base;
- 2) support the Bank's business strategy, objectives, and long-term interests of its shareholders and to ensure the Bank's stability by ensuring that the Bank's operations are professionally surprised on an on-going basis by individuals with appropriate knowledge, skills and experience,
- 3) ensure remuneration adequate to the level of knowledge, skills an experience as well as responsibilities of Supervisory Board members,
- 4) provide support in creating a strong organisational culture by ensuring compliance with the Bank Group's corporate values,
- 5) prevent conflicts of interest.

2. REMUNERATION RULES FOR THE BANK'S SUPERVISORY BOARD MEMBERS

§ 1

This Policy sets out remuneration rules for members of the Bank's Supervisory Board.

§ 2

Subject to § 10(2), the level of remuneration received by Supervisory Board members is transparently defined by the Bank's General Meeting, taking into account the nature, scale and complexity of the Bank's activities.

§ 3

When taking decisions on the remuneration of Supervisory Board members, the General Meeting makes its level dependent on the function performed on the Supervisory Board, and memberships in the Supervisory Board committees, adequately to additional tasks performed within a given committee.

§4

1. Members of the Bank's Supervisory Board receive fixed remuneration only.
2. Members of the Supervisory Board can be awarded remuneration in cash:
 - 1) monthly remuneration – on account of the function performed on the Supervisory Board,
 - 2) additional remuneration – on account of participation in the Supervisory Board committees, either as committee members, chairs or experts providing advisory,
 - 3) remuneration on account of being seconded to exercise on-going individual oversight.
3. Remuneration on account of participation in the Supervisory Board committees is calculated based on confirmation from a relevant committee's secretary that a meeting was held and the list of Supervisory Board members present.
4. The payment of remuneration to Supervisory Board members in the form of financial instruments is not envisaged.
5. No additional discretionary pension benefits or early retirement programmes for Supervisory Board members are envisaged.

§5

The General Meeting may identify Supervisory Board members who will not be remunerated.

§ 6

Remuneration is paid at dates set out in the General Meeting's resolution.

§ 7

1. The Bank makes necessary deductions from the paid remuneration as defined by relevant legislation.
2. Moreover, pursuant to legislation in place, remuneration of Supervisory Board members may be subject to the Employee Capital Plan applicable in the Bank.

§ 8

3. When defining this Policy, the employment and pay conditions offered to the Bank's employees other than members of the Supervisory Board and Management Board were taken into account, specifically by aligning the remuneration of Supervisory Board members with their knowledge, skills and experience, while observing basic rules referring to employment conditions. The Policy aims also at ensuring that the terms of remunerating Supervisory Board members result from the scope of their responsibilities arising from the performed functions and their importance for the Bank, and that they are aligned with market standards.
4. This Policy contributes to delivering the Bank's business strategy, long-term interests and stability by building engagement of Supervisory Board members and strengthening their relationship with the Bank, ensuring the adequacy of their remuneration and grounds for avoiding excessive risk taking when performing their functions.

§ 9

1. The relationship between Supervisory Board members and the Bank arises from the resolution of the General Meeting on their appointment and lasts throughout the time they perform a function in this governing body. Supervisory Board members are appointed for a joint three-year term of office.
2. The relationship referred to in item 1 expires (whichever of the following takes place earlier): (i) expiry of the term of office (if the individual is not re-appointed for another term) or (ii) on the day when resignation or removal of the individual comes into effect.

§ 10

1. In order to avoid conflicts of interest, both this Policy, all amendments to it as well as remuneration of Supervisory Board members will be agreed by the General Meeting.
2. The General Meeting may empower the Supervisory Board to define specific remuneration for Supervisory Board members seconded to exercise on-going individual oversight. In such a case, the Supervisory Board member seconded to exercise on-going individual oversight who is to receive such remuneration does not participate in the vote.

3. FINAL PROVISIONS

1. This Policy has been developed by the Management Board, presented for review to the Supervisory Board and then submitted to the Bank's General Meeting for approval.
2. The Supervisory Board will review this Policy every year and, if amendments are required, the procedure outlined in item 2 will apply.
3. When updating this Policy, the Bank's Management Board and Supervisory Board take into account the recommendations and decisions of the Bank's General Meeting.
4. The Supervisory Board will produce an annual remuneration report presenting a comprehensive review of remuneration, including all benefits (irrespective of their form) received or payable to Supervisory Board members in the last accounting year in line with this Policy. Members of the Bank's Supervisory Board are responsible for information included in the remuneration report.
5. This Policy supersedes the existing "Remuneration Policy for members of the Supervisory Board of Santander Bank Polska S.A." introduced by force of Annual General Meeting's resolution no. 49 of 22 June 2020.