

Report on the independent evaluation of the effectiveness of the Supervisory Board of Santander Bank Polska S.A.

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Introduction

KPMG Advisory spółka z ograniczoną odpowiedzialnością sp.k. ("KPMG") conducted an independent assessment of the effectiveness of performance of the Supervisory Board of Santander Bank Polska S.A. in relation to the criteria arising from the:

- 1) the Banking Act of 29 August 1997,
- 2) act of 15 September 2000 Commercial Companies Code,
- 3) the Guidelines of the European Securities and Markets Authority and the European Banking Authority on the assessment of the suitability of members of the management body and of persons performing key functions No. EBA/GL/2021/06,
- 4) Recommendation Z of the Polish Financial Supervision Authority concerning the principles of internal governance in banks, in particular with regard to Recommendation 8.9, stating that: "The adequacy of internal regulations concerning the functioning of the supervisory board and the management board and the effectiveness of the functioning of these bodies should be subject to regular self-assessment and evaluation by the supervisory board - with regard to the management board - and, with regard to the supervisory board, by the general meeting (meeting of representatives). The evaluation may be carried out with the support of external advisors".
- 5) Methodology for assessing the suitability of members of the bodies of supervised entities published by the Polish Financial Supervision Authority.

This Report is based on:

- Analysis of the shared documents on the activities of the Bank's Supervisory Board. A detailed list of documents is included in Appendix 1 - List of information used to prepare the Report,
- Results of a survey conducted among the Members of the Bank's Supervisory Board,
- Analysis of publicly available information. A detailed list of the sources used is included in Appendix 1 - List of information used to prepare the Report,
- Information obtained during a meeting with representatives of the Bank.

1 Summary of evaluation results

The assessment was divided into the following areas:

- 1) Organization and composition of the Supervisory Board,
- 2) Supervision of the Bank's activities
- 3) The principles of succession and continuity of the Supervisory Board,
- 4) The assessment of the individual and collective suitability of the Supervisory Board,
- 5) Knowledge, competence, and qualification of the members of the Supervisory Board,
- 6) Organization of the Supervisory Board and engagement in exercising the function of a Member of the Supervisory Board.

On the basis of the independent analyses performed, it was concluded that the activities of the Bank's Supervisory Board are performed effectively and efficiently, in a manner consistent with applicable laws, supervisory guidelines, including the provisions of Recommendation Z of the Polish Financial Supervisory Authority, and taking into account best market practices and corporate governance requirements.

A summary of the detailed conclusions of the evaluation is described below:

Obszar	Wnioski
Organization and composition of the Supervisory Board	Based on the analysis of the documentation received, it was determined that the composition of the Supervisory Board, including the number of independent members, is appropriate to the size and complexity of the Bank's organizational structure. The Bank appointed required committees to support the activities of the Supervisory Board.
Supervision of the Bank's activities	The supervision exercised by the Supervisory Board is effective and efficient. It covers all matters relevant to the Bank's operations. The Supervisory Board collectively, and its members individually, perform their duties in accordance with the law, supervisory guidelines and taking into account best market practice and corporate governance requirements.
Principles of succession and continuity of the Supervisory Board	<p>No irregularities or inefficiencies were identified in this area - we assess the succession management and the adopted rules for the continuity of the Supervisory Board as correct and effective,</p> <p>We have positively evaluated:</p> <ul style="list-style-type: none"> • adhering to the principle that changes in the composition of the Supervisory Board should not be made suddenly and should not come as a surprise to stakeholders, • preparation and regular updating of succession plans • procedures for the induction of new Members of the Supervisory Board. <p>Based on an analysis of the case of the resignation of the President of the Supervisory Board, Gerry Byrne, and the appointment of Antonio Escámez Torres to this function, it was confirmed that the changes in the composition of the Supervisory Board were conducted in a way that ensured continuity in the work of this body and in accordance with a timetable that allowed for the recruitment process and the assessment of the suitability of the candidate.</p>
Assessment of individual and collective suitability	Based on the analysis, it was concluded that the members of the Supervisory Board individually and the Supervisory Board collectively meet the suitability criteria.
Knowledge, competence and development	<ol style="list-style-type: none"> 1) Members of the Supervisory Board have knowledge and qualifications appropriate to their functions, 2) The Bank's organization of training courses in response to the needs expressed by Supervisory Board Members was positively assessed, 3) The induction and training process for new Supervisory Board members was positively assessed.
Organization of the Supervisory Board and engagement in exercising the function of a Board Member	<ol style="list-style-type: none"> 1) It has been established that the composition of the Supervisory Board, including the number of independent members, is appropriate to the size and complexity of the Bank's organizational structure. The Bank also appointed specialized committees of the Supervisory Board, 2) Members of the Supervisory Board are committed to their functions, inter alia by: carefully analyzing reports, statements and other documents relating to the Bank, actively participating in meetings, and devoting enough time to enable the work of the Supervisory Board to be carried out effectively and efficiently, 3) Organization, frequency and the materials prepared for the meetings and the management of the documentation related to the meetings of the Supervisory Board were assessed positively by KPMG, 4) The following were also positively assessed: <ul style="list-style-type: none"> • the possibility of organizing Supervisory Board meetings online, by teleconference or e-mail, and of keeping electronic records, • the use of applications to manage documentation relating to Board meetings, • high attendance at Supervisory Board and Supervisory Board Committee meetings and the involvement of members in the discussions held.

In the following sections of the Report, the analyses conducted within each of the areas indicated above are described - each subsection provides a brief overview of the Board's activities and a description of the conclusions regarding the Board's effectiveness.

2 Organization and composition of the Supervisory Board

The Supervisory Board exercises constant supervision over the Bank's activities in all areas of its operations.

As a rule, the Supervisory Board acts collectively and its responsibilities include, in particular, monitoring the effectiveness of the Board of Management and its members, including a fair and constructive assessment of the information presented by the Board of Management and its members. Its responsibilities also include reviewing the Bank's management strategy and risk management strategy, as well as evaluation of the Supervisory Board activity reports and financial statements in terms of both their compliance with the books, documents and facts, capital adequacy reports, supervision and evaluation of the risk management system and the internal control system, evaluating the Bank's internal regulations relating to the Management Board and the Supervisory Board in terms of their adequacy in relation to the tasks actually performed.

The Supervisory Board informs the General Meeting of the results of its evaluations and prepares a periodic report on its activities.

The Supervisory Board may order certain activities to be completed by the internal audit unit or external entities.

Structure and composition of the Supervisory Board

As at the date of the Report, there are ten members of the Supervisory Board appointed by the Bank's General Meeting on 22 June 2020 for three-years joint term (Antonio Escámez Torres, President of the Supervisory Board was appointed on 22 March 2021).

Table 1 Composition of the Supervisory Board

Function in the Supervisory Board	Member of the Supervisory Board
President of the Supervisory Board	Antonio Escámez Torres
Deputy President of the Supervisory Board	José Luis de Mora
Member of the Supervisory Board	Dominika Bettman
Member of the Supervisory Board	José García Cantera
Member of the Supervisory Board	Isabel Guerreiro
Member of the Supervisory Board	Danuta Dąbrowska
Member of the Supervisory Board	David Hexter
Member of the Supervisory Board	John Power
Member of the Supervisory Board	Jerzy Surma
Member of the Supervisory Board	Marynika Woroszyńska-Sapieha

According to the Bank's Articles of Association, at least half of the members of the Supervisory Board should be independent. The status of independent member of the Supervisory Board is held by: Dominika Bettman, Danuta Dąbrowska, David Hexter, Jerzy Surma and Marynika Woroszyńska-Sapieha. Each of these individuals has submitted a declaration of their independence as part of the individual member and collective evaluation process of the Supervisory Board.

Committees of the Supervisory Board

The Supervisory Board is supported in the performance of its duties by specialized committees. The following committees of the Supervisory Board are in place at the Bank:

- 1) Audit and Compliance Committee,
- 2) Risk Committee,
- 3) Nominations Committee,
- 4) Remuneration Committee.

As part of the evaluation of the effectiveness of the Supervisory Board in 2021, its members positively assessed the effectiveness of this body, awarding an average rating of 4.4 in the “Efficiency and dynamics” category and an average rating of 4.4 in response to the question on the “Evaluation of the overall effectiveness of the Supervisory Board and its committees”. Ratings were given on a five-point scale, with five being the best rating.

Conclusions and comments:

Based on the analysis of the documentation received, it was assessed that the composition of the Supervisory Board, including the number of independent members, is appropriate to the size and complexity of the Bank’s organisational structure. The Bank also has specialised committees to support the work of the Supervisory Board.

3 Supervision of the bank's activities

The primary function of the Supervisory Board is to supervise the activities of the Bank. It performs this task, in particular, by evaluating the Management Board's reports on its activities and the financial statements in terms of their compliance with the books and documents as well as with facts, and the Management Board's proposals for the distribution of profit or coverage of loss. The Supervisory Board also supervises the risk management system and the internal control system and assesses the adequacy and effectiveness of these systems.

Within the scope of its powers and for the purpose of performing the duties indicated, the Supervisory Board receives reports and analyses within the framework of the management information system, and its members discuss the information presented with those in charge for those areas at the Bank, during meetings of the Supervisory Board or its specialized committees.

According to the "Report on the Activities of the Supervisory Board of Santander Bank Polska S.A. in 2021", the Supervisory Board received, on an ongoing basis, comprehensive materials on matters on the agenda of its meetings, as well as on all other matters relevant to the Bank in connection with its business, in particular:

- **received from the Bank's Management Board** data on the Bank's financial performance and current forecasts for the Bank, information on key developments concerning the Bank and its environment, including current macroeconomic and market forecasts and their impact on the Bank's operations and the national economy. The Bank's Management Board also informs the members of the Supervisory Board of the current priorities and the approach adopted to financing, liquidity management, capital management, risk management, including credit risk, as well as cost management,
- **was informed by the Internal Audit Area** of the results of audits performed and the implementation of post-audit recommendations,
- **was informed by the Compliance function** on matters related to compliance risk management,
- at each regular meeting, the Members of the Supervisory Board received a "Risk Tables" report based on which they reviewed the main risk areas.

The results of the survey conducted by the Bank, as part of the evaluation of the effectiveness of the Supervisory Board, indicate that the members of this body highly appreciate the information prepared by the units responsible for the respective areas of the Bank's activities¹.

The Supervisory Board meetings are regularly attended by members of the Management Board and managers of the Bank's business areas, depending on the topic discussed. In the opinion of the

¹ The assessment was performed by the Bank as part of a study of the Supervisory Board effectiveness. All reports received from the Supervisory Board Committees was rated 4 on a five-point scale.

members of the Supervisory Board, the frequency of contact and the level of interaction with the top management are adequate for the performance of their functions².

Representatives of the Supervisory Board participate in the General Meeting, during which they present the conclusions of the activities completed by the Supervisory Board.

The Supervisory Board also supervises the implementation of the Bank's strategy and the objectives of the Management Board, whereby it monitors the effectiveness of the Management Board and verifies the implementation of the Bank's management strategy and risk management strategy. Under this category of competence, the Supervisory Board sets the objectives of the President of the Management Board and approves the objectives of the Members of the Management Board (which are set by the President of the Management Board).

Each year, the Supervisory Board, after receiving an opinion from the Remuneration Committee, approves the performance evaluation of the President of the Management Board and the other members of the Management Board.

As a result of the individual assessments conducted for 2021, all Management Board Members were positively evaluated, i.e. it was concluded that each of them have met expectations and made the expected contribution to the Bank Group's goal of helping customers succeed on a daily basis and to have contributed to their team's goals. The year before, the effectiveness of the Board Members was also positively assessed, as being in line with expectations.

The Supervisory Board exercised day-to-day supervision of the implementation of the Bank's strategic projects in 2021. According to the "Report on the activities of the Supervisory Board of Santander Bank Polska S.A. in 2021", the Supervisory Board monitored the KPIs set for the Bank's strategic transformation. Particular attention was paid to 6 strategic directions: "Caring for the employee", "Simplifying", "Obsessed with the customer", "Omni-channel", "Evolving to an open platform", "Security and trust".

The Supervisory Board conducts an ongoing assessment of the Bank's financial performance and current forecasts, primarily based on the financial reports presented by the Management Board at Supervisory Board meetings.

The Supervisory Board oversees the actions taken by the Management Board in managing emergency situations. In recent years, the two most important events that triggered the emergency management mode were the COVID 19 pandemic and the outbreak of war in Ukraine. During this period, the Supervisory Board's activities focused on supervising the Management Board's assurance of the Bank's operational continuity and the measures taken to guarantee safety for employees and customers. The Supervisory Board also monitored the Bank's activities within the framework of customer assistance programs.

Conclusions and comments:

Based on the analyses performed, it was determined that the supervision exercised by the Supervisory Board is effective and efficient and that it covers all matters relevant to the Bank's operations. The Supervisory Board collectively, and its members individually, perform their duties in accordance with the law, supervisory guidelines and taking into account best market practices and corporate governance requirements.

Based on a review of the minutes of the Supervisory Board meetings held in 2021, we have confirmed that the Supervisory Board members are regularly informed about the implementation of the strategy

² The assessment was performed by the Bank as part of the Supervisory Board Effectiveness Survey. In both the question on frequency of contact and level of interaction with top management, average scores were above 4 on a five-point scale.



and the financial results achieved. The level of implementation of the objectives set and the Bank's strategy confirm that the Supervisory Board's oversight is effective.

Based on the analysis of the materials received, the effectiveness of the supervision of the Management Board's activities in emergency management and, in particular, of ensuring the continuity of the Bank's work was confirmed. The readiness of Supervisory Board members to increase their engagement to perform the assigned functions in emergency situations was also confirmed.

4 Principles of succession and continuity of the Supervisory Board

The Supervisory Board is appointed for a three-year term of office and the rules for the selection, appointment and succession of its members are documented in the Bank's Articles of Association and the internal procedure approved by the Bank's General Meeting in Resolution No. 32 of 16 May 2019: "Policy for assessing the suitability of the members of the Supervisory Board of Santander Bank Polska S.A." (last update: Resolution of the Supervisory Board No. 63/2022, of 25 May 2022) and the Policy on Appointment and Succession of Members of the Supervisory Board of Santander Bank Polska S.A. (latest update: Supervisory Board Resolution No. 132/2021, of 29 September 2021).

To ensure the continuity of the work of the Supervisory Board, succession plans are drawn up and reviewed periodically. Succession plans contain lists of potential candidates assessed as suitable to replace a given Board Member over a specified time horizon.

The Bank is guided by the principle that changes in the composition of the Supervisory Board should be conducted in such a way as to ensure that a new candidate can be recruited and adequately assessed well in advance. Accordingly, Gerry Byrne submitted his resignation from the position of President of the Supervisory Board one month in advance, i.e. on 22 February 2021 with effect from 22 March 2021. This information was communicated to market participants in Current Report No. 4 (2021) dated 22 February 2021.

With the resignation of Gerry Byrne, the continuity of the Supervisory Board has been maintained. In his place, the General Meeting of the Bank on 22 March 2021 appointed Antonio Escámez Torres, at the same time entrusting him with the role of new President of the Supervisory Board.

Appointment to the Supervisory Board is preceded by a recruitment process and a detailed assessment of the candidate's suitability. To adequately prepare persons holding positions on the Supervisory Board, an implementation procedure is performed upon becoming a member of the Supervisory Board, the rules of which are regulated in the document adopted by Supervisory Board Resolution No. 9/2019 of 22 February 2019 "Policy on induction into duties and training for Supervisory Board Members of Santander Bank Polska S.A."

As part of the induction process, the newly appointed Supervisory Board Member reviews the Bank's key procedures, participates in training sessions and meetings with other Supervisory Board Members, Management Board Members and representatives of key areas of the organization. The Supervisory Board Member also can request additional training, and the Bank provides such training.

In 2021 Antonio Escámez Torres participated in the induction procedure, which included meetings with six Supervisory Board Members, the President of the Management Board and other Board Members, as well as the directors of the Internal Audit Area, the Legal and Compliance Division, Business and Corporate Banking Division, Retail Banking Division, the Central Banking Operations Area and the Strategy and Transformation Area. Antonio Escámez Torres also participated in dedicated training courses for Supervisory Board Members.

Conclusions and comments:

Based on the analysis of the documentation received and the interviews conducted on the functioning of the succession process, we assess the succession management and the principles adopted to ensure continuity of the Supervisory Board' works as correct and effective.

Based on the analysis of the case of the resignation of the President of the Supervisory Board, Gerry Byrne, and the appointment of Antonio Escámez Torres to this function, it is confirmed that the changes in the composition of the Supervisory Board were implemented in a manner that ensured the continuity in the work of the Supervisory Board.

We positively assess the Bank's adherence to the principle, which states that changes in the composition of the Supervisory Board should not be carried out abruptly and should not come as a surprise to stakeholders.

We consider the principles of maintaining continuity in the work of the Supervisory Board to be compliant with best market practice. In addition, in our opinion, the appointment of ten members of the Supervisory Board (against the statutory requirement of a minimum of five) with a wide range of competences increases the possibility of their replacement and thus contributes to maintaining the continuity of the work of this body.

We consider the Bank's procedures for the induction of new Supervisory Board members as adequate and contributing to the effectiveness of Board' work.

5 Assessment of individual and collective suitability of the Supervisory Board

The Bank has documented the process of assessing the suitability of Supervisory Board Members in the "Policy for the Assessment of the Suitability of Supervisory Board Members of Santander Bank Polska S.A.". In accordance with the procedure, individual and collective assessments of Supervisory Board members are performed, upon recommendation of the Supervisory Board Nominating Committee, by the General Meeting.

Suitability assessments are performed at least once a year. The most recent individual assessments of the members and the collective assessment of the Supervisory Board were recommended by the Nominating Committee on 29 March 2022 and adopted by resolution of the General Meeting and submitted to the Polish Financial Supervisory Authority in a letter of 4 April 2022. The results of the assessments were positive, no recommendations were issued and no irregularities in the individual or collective suitability of the Supervisory Board were identified. As at 30 June 2022, the Polish Financial Supervisory Authority did not raise any objections to the results of the evaluation.

Conclusions and comments:

Based on the analysis of the internal procedures received and the documentation of the assessment of the suitability of the individual Supervisory Board Members and the collective assessment of the Supervisory Board, it was confirmed that all Supervisory Board Members meet the required individual suitability criteria and that the Supervisory Board as a collegiate body meets the collective suitability criteria. The specific areas examined in the suitability assessment are described in the following sections of the Report.

6 Knowledge, competence and qualifications

Possession of relevant knowledge and experience is a prerequisite for being able to serve as a Supervisory Board Member in banks. This criterion is verified by the Bank when appointing a new Supervisory Board Member and monitored at least once a year during the term of office of this body, as part of suitability assessments.

Information on the knowledge and experience of each Member of the Supervisory Board is publicly available (e.g. in periodic reports published by the Bank, on the Bank's website) and communicated to the Polish Financial Supervision Authority.³

In the opinion of the Members of the Supervisory Board, they have the necessary competence and experience to perform the duties within the framework of the function entrusted to them, taking into account the Bank's development strategy.

The Bank provides Supervisory Board Members with opportunities to further develop their qualifications. Between 2021 and 2022, all Board Members participated in a number of training courses delivered in traditional form or online. The training courses conducted included current trends in the banking sector, anti-money laundering and terrorist financing, cyber security, ESG or credit risk management. The training topics corresponded to the demand expressed by Supervisory Board Members in the surveys conducted in 2021 as part of the evaluation of Supervisory Board effectiveness.

All Supervisory Board Members have a university degree, many years of experience in the financial sector and a high level of competence in the management of financial institutions, risks occurring in the financial sector and the Bank's main business areas.

As part of the evaluation of the effectiveness of the Supervisory Board's activities in 2021, its members positively assessed the quality of the training courses they attended, awarding an average of 4.3 points out of a possible 5 in this question (where 5 is the best rating).

Conclusions and comments:

Based on the analysis of the documentation received, no irregularities or inefficiencies were identified in the area of knowledge, competence and qualification development. Based on a review of the CVs of the Supervisory Board Members and the list of training courses they have attended, there are grounds for concluding that they have the required knowledge and competence to perform the functions allocated to them.

Based on a review of the list of training courses organized for Supervisory Board Members in 2021, we confirmed that the Bank has a training program for the Supervisory Board and it responds to the needs communicated by Supervisory Board Members in this regard, as well as provides them with the opportunity to improve their qualifications.

We positively assess the participation of Supervisory Board Members in the most important events for financial sector engagement in panel discussions on topics relevant to the financial sector. We see this involvement as an expression of interest in current issues affecting the financial markets as well as the confirmation that the members of the Supervisory Board are perceived by the market as experts in banking and finance.

7 Organization of the work of the Supervisory Board and engagement in exercising the function of a Board Member

Meetings of the Supervisory Board

Meetings of the Supervisory Board may be held in a traditional form, (i.e. simultaneous gathering of the members of the Supervisory Board in one place) or by means of direct remote communication, e.g. teleconference or email. Pursuant to the "Regulations of the Supervisory Board of Santander Bank Polska S.A." adopted by Supervisory Board Resolution No. 72/2022 of 25 May 2022, meetings are

³ E.g. Annexes W.A to the form for assessing the suitability of members of supervised entity bodies: "education" and "competence".

organized as required, but at least four times per financial year. In the opinion of the Members of the Supervisory Board, the meetings are held with sufficient frequency (average rated 4.6 out of 5) and the duration of the meetings and the way they are conducted allow for the discussion of planned issues (average rating of 4.3 out of 5)⁴.

The Members of the Supervisory Board have proven that they are able to devote sufficient time to their function. In 2021, 23 meetings were held, at which 171 resolutions were adopted, and the attendance of Supervisory Board Members at meetings averaged 94%. The attendance the year before was 98% respectively. Detailed attendance figures are presented in Table 2.

Table 2: Attendance at Supervisory Board meetings in 2021 and 2020.

Function in the Supervisory Board	Member of the Supervisory Board (as at 31.12.2021)	Attendance at meetings in 2021		Member of the Supervisory Board (as at 31.12.2020)	Attendance at meetings in 2020.	
President of the Supervisory Board	Antonio Escámez Torres	17/17*	100%	Gerry Byrne	18/18	100%
Deputy Chairman of the Supervisory Board	José Luis de Mora	19/23	83%	José Luis de Mora	17/18	94%
Member of the Supervisory Board	Dominika Bettman	23/23	100%	Dominika Bettman	9/9	100%
Member of the Supervisory Board	José Garcia Cantera	20/23	87%	José Garcia Cantera	17/18	94%
Member of the Supervisory Board	Danuta Dąbrowska	22/23	96%	Danuta Dąbrowska	18/18	100%
Member of the Supervisory Board	Isabel Guerreiro	21/23	91%	Isabel Guerreiro	18/18	100%
Member of the Supervisory Board	David Hexter	22/23	96%	David Hexter	18/18	100%
Member of the Supervisory Board	John Power	23/23	100%	John Power	18/18	100%
Member of the Supervisory Board	Jerzy Surma	21/23	91%	Jerzy Surma	17/18	94%
Member of the Supervisory Board	Marynika Woroszyńska-Sapieha	21/23	91%	Marynika Woroszyńska-Sapieha	17/18	94%
Average attendance at meetings in 2021.			94%	Average attendance at meetings in 2020.		98%

*Antonio Escámez Torres was appointed President of the Supervisory Board on 22 March 2021.

** Dominika Bettman was appointed as a member of the Supervisory Board on 22 June 2020.

In addition, as part of the suitability assessment, all Supervisory Board Members stated that they were ready to devote more time during periods of particularly intense activity or in extraordinary situations.

Materials prepared for Supervisory Board meetings

Notice of planned Supervisory Board meetings, together with the proposed agenda and materials for to the matters to be discussed are delivered to each Member of the Supervisory Board in advance.

For the purpose of documentation management, an application providing constant access to current and archived materials (including meeting agendas, materials discussed during meetings and minutes) has been implemented. The launch of the application in November 2019 has eliminated the need to distribute information and documents via email. The application is widely used at the Bank by the Members of the Management Board, Supervisory Board, committee members and those preparing meeting materials. The application has been positively received, particularly after the introduction of the remote working mode during Covid 19 pandemic.

In the opinion of Supervisory Board Members, the quality of materials prepared for meetings is high and delivered sufficiently in advance (rating 4.6)⁵.

⁴ The rating obtained in the Bank's survey of Supervisory Board effectiveness. The rating scale was a five-point scale, the best possible rating being 5

⁵ The rating obtained in the Bank's survey of Supervisory Board effectiveness. The rating scale was a five-point scale, the best possible rating being 5.

Active participation in meetings and independence of opinion

Members of the Supervisory Board actively participate in meetings. In a survey conducted by the Bank as part of its assessment of the effectiveness of the Supervisory Board, all indicated that the discussions held at meetings are of a high standard, with the opportunity to express their own opinions (rating of 4.6)⁶.

Based on a review of the minutes of the Supervisory Board meetings held in 2021, it was confirmed that the Supervisory Board Members actively participate in the discussions held. They regularly present their opinions, ask questions or request additional analyses or specific actions to be taken.

Involvement in Supervisory Board Committees

Members of the Supervisory Board belong to committees that support the work of the Supervisory Board. As part of their activities, the committees, among other things, prepare, on a working basis, proposed resolutions on either their own conclusions or conclusions submitted for consideration by the Management Board.

The Bank has all the required and appropriately staffed Supervisory Board committees in place: Audit and Compliance Committee, Risk Committee, Nomination Committee and Remuneration Committee. In the period from 1 January to 31 December 2021:

- the Audit and Compliance Committee held 9 meetings, including 3 meetings combined with the Supervisory Board Risk Committee. Members' attendance at each meeting was 100%,.
- the Nomination Committee held 6 meetings, with 100% attendance of all members,
- the Remuneration Committee held 5 meetings, with all members in attendance, except for José Luis de Mora, who attended 4 of these meetings.

⁶ The rating obtained in the Bank's survey of Supervisory Board effectiveness. The rating scale was a five-point scale, the best possible rating being 5.

Table 3. Supervisory Board Members' attendance at Supervisory Board committee meetings

Function in the Supervisory Board	Member of the Supervisory Board (Composition as at 31.12.2021)	Audit and Compliance Committee		Risk Committee		Nominations Committee		Remuneration Committee	
		2021	2020	2021	2020	2021	2020	2021	2020
Chairman of the Supervisory Board	Antonio Escámez Torres								
Deputy Chairman of the Supervisory Board	José Luis de Mora					6/6	5/5	4/5	3/4
Member of the Supervisory Board	Dominika Bettman*	9/9	5/5	7/7	4/4			5/5	2/2
Member of the Supervisory Board	José Garcia Cantera								
Member of the Supervisory Board	Danuta Dąbrowska	9/9	8/8			6/6	5/5	5/5	4/4
Member of the Supervisory Board	Isabel Guerreiro								
Member of the Supervisory Board	David Hexter**	9/9	8/8	7/7	6/6	1/1			
Member of the Supervisory Board	John Power			7/7	6/6				
Member of the Supervisory Board	Jerzy Surma	9/9	8/8	7/7	6/6	6/6	5/5		
Member of the Supervisory Board	Marynika Woroszyńska-Sapieha	9/9	8/8			6/6	5/5	5/5	4/4
Number of meetings in a given year		9	8	7	6	6	5	5	4

* Dominika Bettman was appointed as a Member of the Supervisory Board on 22 June 2020.

** David Hexter has been a Member of the Nominations Committee since 29 September 2021.

Documentation of Supervisory Board meetings

All meetings of the Supervisory Board are documented. The minutes are taken in electronic form and shared to Members in a document distribution application for the Management Board, Supervisory Board and committees. Resolutions of the Supervisory Board are also adopted in electronic form.

As part of the evaluation of the effectiveness of the Supervisory Board, one member suggested preparation of a list of tasks to be performed based on the findings of the discussions and to attach it to the minutes of the meetings. The suggested solution was implemented.

Conclusions and comments:

Based on an analysis of the documentation received, including a sample of minutes from the meetings of the Supervisory Board, an analysis of the survey and walk-through the process of preparing and documenting Board meetings (including review of the application supporting the process), no irregularities or inefficiencies were identified in the evaluated area.

We consider the organizational solutions adopted by the Bank, in particular: the possibility of organizing Supervisory Board meetings online, via teleconference or e-mail, as well as the implementation of the possibility of adopting Supervisory Board resolutions electronically and preparing documentation of the meetings of this body electronically, as improving the effectiveness of the work of the Supervisory Board.

In our opinion, the use of application for management of documentation associated with meetings of the Supervisory Board is in line with the best market practices, as it helps to organize and increase the efficiency of the Board' work.

We believe that the high attendance of the members of the Supervisory Board at the meetings and their active involvement in the discussions is a confirmation of their engagement in the function exercised and a proof of acting on independent judgment.

Appendix 1 - List of information used to prepare the Report:

1. Publicly available information:

- Current reports of Santander Bank Polska S.A. published on the Bank's website (www.santander.pl/relacje-inwestorskie/raporty): Current Report No. 4 (2021) dated 22 February 2021.
- Report of the Management Board on the activities of the Santander Bank Polska S.A. Group in 2021.
- Report on the activities of the Supervisory Board of Santander Bank Polska S.A. in 2021.

2. Internal procedures

- Articles of Association of Santander Bank Polska S.A.,
- Organizational Regulations of Santander Bank Polska S.A.,
- Regulations of the Supervisory Board of Santander Bank Polska S.A.,
- Policy for assessing the suitability of the members of the Supervisory Board of Santander Bank Polska S.A.,
- Policy for the Management of Work Effectiveness in the Santander Bank Polska S.A. Group.
- Procedure for setting objectives and evaluating the performance of the Members of the Management Board of Santander Bank Polska S.A.,
- List of Management Information System reports,
- Policy on induction and training for Members of the Supervisory Board of Santander Bank Polska S.A.

3. Documentation of the individual suitability assessment of Supervisory Board members and the collective suitability assessment of the Supervisory Board carried out in 2022, including:

- individual assessment forms completed as part of the assessment of the individual suitability of members and the collective suitability of the Bank's Supervisory Board.

4. Other internal documentation

- Report on the objectives of the Board Members for 2021,
- Documentation of the induction of the President of the Supervisory Board Antonio Escámez Torres and Dominika Bettman, Member of the Supervisory Board,
- List of training sessions of the Members of the Supervisory Board and the Management Board of the Bank,
- Sample of minutes of Supervisory Board meetings held in 2021.
- Agendas of the Bank's Supervisory Board meetings held in 2021

5. Results of a survey of Supervisory Board Members conducted by the Bank as part of the evaluation of Supervisory Board effectiveness