

## Information for shareholders of Santander Bank Polska S.A.

### **Justification for the resolutions to be considered by the Annual General Meeting convened for 15 April 2025 and items of the agenda under which resolutions are not to be passed**

#### I. Justification for the agenda

Pursuant to Article 395 § 2-2<sup>1</sup> and § 5 of the Commercial Companies Code, the Annual General Meeting (AGM) should:

- 1) examine 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 15 April 2025.

#### II. Review and approval of financial statements of Santander Bank Polska S.A. for 2024

Review and approval of consolidated financial statements of Santander Bank Polska Group for 2024

Review and approval of the Management Board Report on Santander Bank Polska Group Performance in 2024 (containing the Management Board report on Santander Bank Polska S.A. operations in 2024, including "Consolidated sustainability statement of Santander Bank Polska Group for 2024")  
(items 5-7 of the agenda)

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

The said financial statements and reports were made public on 25 February 2025.

The Supervisory Board assessed the annual financial statements and the Management Board report for 2025 as well as the respective draft resolutions prepared by the Bank's Management Board.

#### III. Distribution of profit, dividend record date, dividend payment date and decision on Dividend Reserve created pursuant to resolution no. 6 of the Annual General Meeting of 22 March 2021 (item 8 of the agenda)

In accordance with Article 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.

In accordance with the draft resolution of the Annual General Meeting, the Management Board recommends that the Bank's net profit earned in the accounting year from 1 January 2024 to 31 December 2024 in the amount of PLN 5,197,479,813.35 be distributed as follows:

- PLN 3,897,631,915.40 – to be allocated to the dividend for shareholders;
- PLN 104,130,000.00 – to be allocated to the capital reserve;
- PLN 1,195,717,897.95 – to be kept undistributed.

Moreover, the Management Board decided to recommend that PLN 840,886,574.78 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 be allocated to the dividend for 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 the profit earned in 2024 and from the Dividend Reserve (**Dividend**). The Dividend amount is PLN 4,738,518,490.18 (of which PLN 3,897,631,915.40 represents 74.99% of the net profit earned in 2024 and PLN 840,886,574.78 represents the amount allocated from the Dividend Reserve).

The Dividend referred to in item S2(1) is PLN 46.37 per share.

The Dividend record date is 13 May 2025.

The Dividend will be paid out on 20 May 2025.

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

### **Recommendation of the Bank's Management Board regarding proposed 2024 profit distribution**

The arguments supporting the proposal are presented below.

As at 31 December 2024, the capital ratios were as follows:

- Tier 1 capital ratio of 18.73% and 16.78% for the Bank and the Bank's Group respectively;
- total capital ratio of 19.74% and 17.68% for the Bank and the Bank's Group, respectively.

Based on the status as at 31 December 2024 (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 (**KNF guidance**) of 10 December 2024 on the dividend policy of commercial banks for 2025 to pay a dividend up to 50% of its net profit earned in the period from 1 January 2024 to 31 December 2024. 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 2024 in the form of a dividend, whilst the maximum payment must not exceed the amount of the annual profit reduced by the profit earned in 2024 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 2024.

Additionally, the KNF has informed the Bank about its positive stance on the possibility to pay out PLN 840,886,574.78 out of the Dividend Reserve which represents the undistributed profit earned on the sale of shares in AVIVA insurance companies and posted under other comprehensive income.

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

The adoption of resolutions on granting discharge to the Management Board members by the AGM results from Article 395 § 2(3) in connection with 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 Management Board and Supervisory Board members for 2024 (item 10 of the agenda)**

The need to adopt a resolution on the Supervisory Board's report on remuneration of Management Board and Supervisory Board members for 2024 arises from Article 395 § 2<sup>1</sup> of the Commercial Companies Code in connection with 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 its report on remuneration of Management Board and Supervisory Board members for 2024 at its meeting on 19 March 2025 – 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 the Santander Bank Polska S.A. Supervisory Board's report on its activities in the 2024, report on the examination of:**

- Financial Statements of Santander Bank Polska S.A. for 2024,
- consolidated Financial Statements of Santander Bank Polska Group for 2024,
- the Management Board Report on Santander Bank Polska Group Performance in 2024 (containing the Management Board report on Santander Bank Polska S.A. operations in 2024, including "Consolidated sustainability statement of Santander Bank Polska Group for 2024"),
- Management Board's motion with regard to profit distribution and assessment of Santander Bank Polska Group performance in 2024;  
as well as adoption of:

- the Supervisory Board's assessment of the Bank's compliance with corporate governance rules and manner of fulfilling relevant disclosure requirements by Santander Bank Polska S.A.;
- assessment of reasonableness of expenditure on non-core business activities incurred by Santander Bank Polska S.A.;
- information on the delivery of the Diversity Policy;
- results of the Supervisory Board's assessment of compliance with the Corporate Governance Rules for Supervised Institutions; and
- assessment of the applicable remuneration policy.

**Assessment of the suitability of Supervisory Board and Supervisory Board members; assessment of the Supervisory Board's efficiency and the adequacy of internal regulations related to the Supervisory Board's activities (items 11-12 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 and § 28(3) and (4) of the Corporate Governance Rules for Supervised Institutions, item 8.9 of the KNF's Recommendation Z as well as EBA/GL/2021/06 guidelines on suitability assessment for management body members and key function holders of 2 July 2021.

In line with the applicable legislation and regulatory requirements, the Supervisory Board adopted the above said documents at its meetings on 26 February 2025 and 19 March 2025.

#### **VII. Granting discharge to members of the Supervisory Board of Santander Bank Polska S.A. (item 13 of the agenda)**

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

#### **VIII. 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. (item 14 of the agenda)**

The Remuneration Policy for members of the Supervisory Board of Santander Bank Polska S.A. and the Remuneration Policy for members of the Management Board of Santander Bank Polska S.A. were updated given the need to reflect the provisions of the remuneration policy of the parent entity and introduce some minor editorial changes, fleshing out specific provisions. One of the changes to the Remuneration policy for members of the Supervisory Board of Santander Bank Polska S.A. consists in differentiating between the notion of the term of office and the mandate, in accordance with the rules arising from the Commercial Companies Code.

#### **IX. Change of remuneration of the Supervisory Board chair (item 15 of the agenda)**

The change in the monthly remuneration of the Chairman of the Supervisory Board is due to the need to keep the remuneration of Supervisory Board members competitive with other banks. (The Chairman's remuneration has not been updated since March 2021). To that end, the Bank analysed the reports on board directors remuneration of the biggest banks in Poland and presented the recommendation of increasing the monthly rate for the Supervisory Board's chair in line with the presented draft resolution. Remuneration of other Supervisory Board members is not changed.

## X. Amendments to the Bank's Statutes (item 16 of the agenda)

The proposed amendments to the Bank's Statutes are made to align their 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 by the modification of provisions on the Bank's business and transfer of the activities carried out by the Bank and described in § 54 to the section regulating the Bank's business.

The changes also consist in indicating in the Statutes: (i) the option to issue contingent convertible bonds by the Bank (in accordance with Article 27a of the Bonds Act); and (ii) powers of the Supervisory Board to appoint an entity authorised to audit the Bank's financial statements and to conduct financial audits in the Bank as well as to appoint an entity authorised to provide sustainability reporting assurance (in accordance with Article 66 of the Accounting Act of 29 September 1994).

The Bank received a consent from the KNF to amend the Statutes as above.

## 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 17 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 December 2022 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 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 VII life).

In this case, when acting upon the authorisation, the Management Board will adopt a resolution on the repurchase of shares and will inform their owners accordingly 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 connection with (iii) Article 28 of Commission Delegated Regulation (EU) 241/2014 of 7 January 2014.

Taking into account the number of shares that can be repurchased in 2026, 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. 0.38% of the share capital – 390,000 shares); 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 2026, the share purchase costs will be PLN 104,130,000 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 2026, 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 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](http://www.santander.pl/wza) in the papers related to the Annual General Meeting held on 27 April 2022.

## **XII. Gender Balance Policy; authorisation for the Supervisory Board (item 18 of the agenda)**

Legislative work has been started in Poland to transpose the provisions of Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures (OJ L of the European Union | L 315/44 of 7 December 2022, page 44) ( **Directive**). The Directive should have been implemented not later than 28 December 2024. To this end, a project is currently being developed through the adoption of draft provisions amending the Act on public offering, conditions governing the introduction of financial instruments to organised trading, and on public companies and the Act on the implementation of certain provisions of the European Union on equal treatment ( **Bill**).

The Bill envisages the obligation to adopt by the General Meeting of Santander Bank Polska S.A. ( **Bank**) a gender balance policy ( **Policy**) by 30 June 2025, unless the rules for ensuring the gender balance on the Bank's boards have been included in other regulations adopted by the company.

By the date of the announcement of convening the Annual General Meeting, the Bill has not been adopted whilst its provisions may be still amended.

The rules for ensuring gender balance on the Bank's boards have been included in other regulations, such as: (i) Santander Bank Polska Management Board Diversity Policy; (ii) Policy on selection and suitability assessment of Management Board members and key function holders at Santander Bank Polska S.A.; and (iii) Policy on the suitability assessment of the Supervisory Board members in Santander Bank Polska S.A.;

The Bank's Strategy for 2024-2026 focuses on, among other things, social responsibility, such as fostering of gender balance among employees (also among board directors), which is part of building a sustainable development model. The Bank's activities are based on the principle of equal opportunities and creating a friendly working environment for everyone. The Bank complies with the gender balance requirements on its boards in accordance with the rules ensuing from the Best Practice for GPW Listed Companies 2021.

Therefore, the draft resolution under item 18 with regard to the Gender Balance Policy – authorisation for the Supervisory Board envisages that the Policy will be adopted by the Supervisory Board and that the Supervisory Board will present it at the nearest general meeting of the Bank.

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

#### **Buy-back of Bank's shares in 2025**

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 2025, the Bank has bought back the total of 155,605 of its own shares (with the nominal value of PLN 1,556,050) for PLN 72,333,668.00. The shares represent 0.15% of the Bank's share capital and carry 0.15% of votes at the General Meeting. At the same time the Bank hereby informs you that as at the date of producing this information, it instructed that all 155,605 shares be transferred to brokerage accounts of the participants of Incentive Plan VII. Having settled all these instructions the Bank does not hold any own shares.

Moreover, as the number of shares bought back by the Bank was sufficient to pay awards to the participants of Incentive Plan VII for 2024 as well as the deferred awards due for 2022-2023 and payable in 2025, on 12 March 2025 the Bank's Management Board closed the 2025 buyback programme in relation to Incentive Plan VII. The buyback programme was delivered under: (i) resolution no. 30 of the Annual General Meeting of 27 April 2022 regarding Incentive Plan VII and conditions of its execution and (ii) resolution no. 46 of the Annual General Meeting of 18 April 2024 regarding the authorisation of the Bank's Management Board to purchase (buy back) own shares in order to execute Incentive Plan VII and to create a capital reserve for that purpose. The own shares were bought back to be offered free of charge to the participants of Incentive Plan VII as the award for 2024 and deferred awards due for 2022-2023 and payable in 2025.

#### **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. 2023-2025**

The Bank's Management Board hereby announces that as part of 2023-2025 Buyback Programme carried out to execute Incentive Plan VII, the Bank has bought back the total of 455,701 own shares (with the nominal value of PLN 4,557,010) for PLN 203,584,965.80. The shares represent 0.45% of the Bank's share capital and carry 0.45% of votes at the General Meeting. At the same time the Bank hereby informs you that as at the date of producing this information, it instructed that 455,701 shares be transferred to brokerage accounts of the participants in Incentive Plan VII. Having settled all these instructions the Bank does not hold any own shares.

The Bank's Management Board informed the Annual General Meeting about details of the share buyback in 2023 during the meeting held on 19 April 2023 and in 2024 during the meeting held on 18 April 2024.