

Conflicts of Interest Policy Summary

Introduction

Santander UK plc (also referred to in this documents as 'we', 'us' and 'our') is committed to putting our customers first by prioritising their needs and interests. Our Conflicts of Interest Policy aims to protect our customers' interests. This document provides an overview of our internal Conflicts of Interest Policy and our internal procedures designed to identify and prevent or manage potential conflicts of interest. We aim to recognise, supervise and resolve potential conflicts of interest.

What is a conflict of interest?

A conflict of interest may arise where our firm, a member of our staff or a person linked to them has an interest in business which conflicts with the interests of a customer. This might, for example, lead to compromising or influencing a decision or the treatment of someone or something. A conflict of interest may also occur where one customer is favoured over another customer in the course of our dealings.

A conflict of interest is a circumstance which could create or increase a material risk of damage to the interests of the customers, or potential customers of the bank.

In assessing whether a conflict of interest has arisen, we will consider if the firm or individual:

- a) is likely to make a financial gain, or avoid a financial loss, at the customer's expense;
- b) has an interest in the outcome of a service provided or of a transaction, which is different from the customer's interest;
- c) has a financial or other incentive to favour another customer or group of customers;
- d) carries on the same business as the customer; and
- e) has or will receive, from another person, an inducement for a service provided to the customer, whether money goods or services, other than the standard payment for that service.

Examples of conflicts of interest include, but aren't limited to:

- Family/friends – Our employee serves a customer who is a relative or friend of the employee.
- Gifts and hospitality – A customer offers our employee gifts or hospitality that could be seen to influence decisions or have the effect of compromising the employee's judgement.
- Order allocation – We prioritise executing orders based on their value rather than when they're received.

Managing conflicts of interest

If a conflict of interest is identified, our employee is required to follow our internal procedures to report it. There'll be different mitigating actions taken, depending on the conflict of interest. 'Common' conflicts of interest, will be mitigated through the policies and procedures in place that our employees are required to comply with.

At a company level, we have governance procedures in place to manage any conflicts of interest between Santander UK plc and other companies in the Santander Group such as Santander Asset Management.

Disclosing conflicts of interest

If we don't consider the mechanisms for managing the conflict of interest are sufficient to mitigate the risk of it adversely affecting the customer i.e. where we cannot ensure with reasonable confidence, that risks of damage to the customer's interests will be prevented, we'll clearly disclose:

- What steps have been taken to mitigate the risks on the customer's behalf, whether or not the conflict can be managed and how it'll be managed.
- A specific description of the conflicts of interest that arise in the provision of Santander's services to the customer.
- The risks to the customer that arise as a result of the conflicts of interest.
- Sufficient detail so that the customer can take an informed decision with respect to the service in the context of which the conflict arises.
- How the steps taken don't damage the customer's interests and show we are only disclosing the conflict of interest to the customer as a last resort.

Santander may not be required to disclose information to the customer in certain circumstances. For example, information may not be disclosed if such disclosure would breach the confidentiality of another client or would contravene applicable law or regulation.

We'll continue to manage conflicts of interest once disclosed. We'll also, in scenarios where we think there's a significant risk of detriment, give the customer the option to not continue business with us. For some cases where the circumstances warrant, we may decide to not transact with a customer.

Review of policy

We'll review the Conflicts of Interest Policy on an annual basis. This will ensure the policy and the arrangements in place remain appropriate and effective to protect our customers' interests.