

SANTANDER UK GROUP HOLDINGS plc and SANTANDER UK plc
(individually “the Company” and collectively “SANTANDER UK”)

ROLE OF THE CHAIR

Purpose of the Role

The Chair’s priority is to maintain, develop and lead the Board and ensure its effectiveness. The Chair does not have any executive responsibility vested in him by the Board for the day-to-day running of the Company’s business.

The Chair of the Board is responsible for promoting a culture of openness and debate, facilitating constructive Board relations and ensuring that the Board discharges its responsibilities.

Key Accountabilities

The key accountabilities of the Chair are to ensure that:

Role of the Board (including running of the Board)

- The Board provides independent oversight of executive decisions such that:
 - Fosters an open, inclusive discussion which challenges executives where appropriate;
 - The Board devotes sufficient time and attention to matters within their remit which are relevant to the Company’s safety and soundness; and
 - Timely, relevant, accurate and high-quality information is provided to directors to enable the Board to make sound decisions and monitor effectively to promote the success of the Company.
- There is sufficient time at Board meetings for discussion of audit, risk, remuneration, conduct and cultural issues considered in detail by Board Committees.
- The Board provides appropriate oversight of the development and maintenance of both the Company’s culture and its business model.
- The Company’s strategy is approved and is communicated effectively both internally and externally.
- Agendas concentrate on strategic and performance matters and contain all relevant issues, with a view to providing effective decision making and constructive debate.
- All directors, both executive and non-executive, play their full part enabling non-executive directors to make effective contributions and foster constructive relations between executive and non-executive directors.
- To promote a culture of genuine open dialogue, effective decision-making and constructive debate, ensuring that all views (especially those that are dissenting) are heard and that no one director or group of directors dominates board discussion.

Effectiveness

- The Board meets with sufficient frequency.
- The Board is effective in all aspects of its role (including co-ordinating, directing, and relevant members attending relevant sub-committees of the Board, as applicable and monitoring the frequency of meetings).
- The performance of the Board, its Committees and individual directors (including the CEO) are evaluated annually and that any action plans formulated as a result are implemented.
- Where appropriate informal meetings are held beforehand to enable thorough preparation for Board discussion.
- An externally facilitated Board evaluation is conducted at least every three years.

Composition, Succession, Induction and Training

- The composition of the Board (including its diversity of skills, experience and knowledge) is appropriate.
- There are properly constructed induction programmes provided for new directors and the development needs of individual directors and the Board as a whole (in order to maintain the necessary depth and breadth of knowledge and skills) are met.
- There is an effective succession planning process, led by the Chair, in conjunction with the Board Nomination & Governance Committee.
- There is an effective process (including a succession plan) for recruiting the CEO.

Delegation of Authority (to CEO and Board Committees)

- There is appropriate delegation of authority from the Board to the CEO.
- Delegation of authority to Board Committees is evidenced by clearly structured and appropriate Terms of Reference.

Corporate Governance

- The highest standards of corporate governance, including compliance with the provisions of the UK Corporate Governance Code, to the extent permissible and possible, are promoted and upheld, supported by the Board Nomination and Governance Committee.
- An effective working relationship is maintained with the CEO, and the Chair will typically discharge this responsibility by providing both a source of counsel and challenge to the CEO on how the Company is being run (e.g. providing feedback to the CEO on Senior Management performance, development and succession and corporate structure).
- There is effective communication with shareholders and other stakeholders and an appropriate balance is maintained between the interests of shareholders and other stakeholders (employees, customers, community, etc).

Communication

- Meetings are held with Non-Executive Directors without the Executive Directors being present, as appropriate.

Other

- The Chair is properly briefed in the Company's affairs to enable the proper discharge of his duties as Chair. In this capacity, the Chair has an unlimited right to consult any employees of the Company and require information on any aspect of the Company's business.

Time commitment

The Chair is expected to devote such time as is necessary for the proper performance of the duties as Chair of the Company and Santander UK plc including preparation for and attendance at Board meetings, Chairing the Board Nomination & Governance Committee and attending the Board Audit Committee, the Board Risk Committee, the Board Remuneration Committee and the Board Responsible Banking Committee, as required.