

SANTANDER UK GROUP HOLDINGS plc

and SANTANDER UK plc

(each individually “the Company” and collectively “SANTANDER UK”)

THE ROLE OF NON-EXECUTIVE DIRECTORS (including Ring-fenced Bank Double Independent Non-Executive Directors)

Non-Executive Directors

The Company’s Non-Executive Directors are all considered to be independent of the Executive management team. The Company’s Independent Non-Executive Directors have no relationship with (or circumstances) with Banco Santander, S.A. (“Group”) which are likely to affect, or could appear to affect, the director’s judgement (“INEDs”)¹. Certain of the Company’s Non-Executive Directors would not, however, be considered to be independent under the UK Corporate Governance Code, either as a result of their length of service or their relationship with Banco Santander, S.A. (the Company’s ultimate parent). The Company is not required to comply with the UK Corporate Governance Code, because its entire ordinary share capital is owned by Banco Santander, S.A. (or group companies).

The Non-Executive Directors may receive directors’ fees unless they are already separately remunerated by another entity in the group headed by Banco Santander, S.A. Non-Executive Directors are not offered any Company incentive schemes, performance related remuneration, or access to the Company’s pension scheme, nor are they entitled to compensation for loss of office. Non-Executive Directors have a responsibility to carry out their roles with integrity, due skill, care and diligence, observing proper standards of market conduct, complying with all statutory and regulatory duties imposed upon directors and dealing with regulators in an open and co-operative way. They should have sufficient time to meet their board responsibilities.

Key Accountabilities

Non-Executive Directors together with all other members of the Company’s Board are collectively responsible for:

- Promoting the long-term sustainable success of the Company, generating value for its Shareholder and contributing to wider society;
- Establishing the Company’s purpose, values and strategy and becoming satisfied that these and its culture are aligned;
- Acting with integrity, leading by example and promoting the desired culture;
- Ensuring that the necessary resources are in place for the Company to meet its objectives and measure performance against them;
- Establishing a framework of prudent and effective controls, which enable risk to be assessed and managed;
- Ensuring the effective engagement with, and encouraging participation from its Shareholder and stakeholders; and
- Ensuring that workforce policies and practices are consistent with the Company’s values and supports its long-term sustainable business.

The role of the Non-Executive Directors is to:

¹ INED as set out at section D.2.(ii) (B) of the UK Group Framework dated 5 December 2019

- Provide an independent perspective on how the Company is run;
- Bring balance and a broader perspective through wider knowledge and experience;
- Challenge constructively, and if necessary, seek additional information and explanation from Executive Management about decisions, policies, proposals or any aspect regarding the running of the Company.

In performing their role, Non-Executive Directors are expected to:

- Provide effective oversight and constructive challenge, helping to develop proposals on strategy and then fully empowering the Executive Directors to implement the strategy;
- Uphold high standards of integrity and probity and support the Chair and the other directors in instilling the appropriate culture, values and behaviours in the boardroom and beyond;
- Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance including by regularly liaising with key members of executive management and third parties (for example the external auditor) to develop an understanding of the Company's day-to-day operations;
- Be satisfied that financial information is accurate and ensure that financial controls and systems of risk management are robust and defensible having regard to the risk-appetite of the Company;
- Ensure the necessary human resources are in place to meet the Company's objectives and review senior management performance;
- Devote time to developing and refreshing knowledge and skills maintaining professional qualifications (as appropriate) and participating in appropriate induction and training sessions designed to enhance knowledge of the Company's business and financial industry awareness;
- Insist on receiving high-quality information sufficiently in advance of board and committee meetings;
- Take into account the views of shareholders and other stakeholders where appropriate;
- In relation to risk, ensure business proposals are aligned with the Company's strategy and are within its stated risk appetite, that the firm delivers good outcomes both prudentially and for customers, that risks to customers have been identified and that appropriate actions are in place to mitigate and monitor such risks;
- Champion an appropriate culture to meet the Company's regulatory responsibilities towards the fair treatment of retail customers; and
- Be satisfied that the Company has in place a policy promoting gender, ethnicity, age, geographical, educational, socio-economic and professional diversity in the management body.

In addition, Group Non-Executive Directors are expected to:

- Represent the interests of the wider Banco Santander group at the level of the board of the Company, thereby assisting in ensuring appropriate strategic alignment;
- Overview the implementation of Group policies; and
- Inform the Group about the main local decisions/issues.

Double Independent non-executive directors

Santander UK plc as a Ring-fenced Body², must ensure that at least three members of the RFB's governing body are independent non-executive directors ('INED's) who are PRA Senior Management Function holders for the RFB and are not employees or directors of any other

² A ring-fenced body as defined in Financial Services and Markets Act 2000.

member of the ring-fenced body's group other than a ring-fenced affiliate (referred to as Double INEDs).

The key accountabilities of the Double INEDs, (in addition to any other directors' duties or responsibilities as a statutory director), are to:

- Maintain the integrity of the RFB; and
- To raise any RFB conflict matter (defined at the end of this document).

In the course of undertaking their responsibilities a Double INED may:

- Acting by majority, veto decisions on conflict matters.
- Have authority to reinstate directors who have recused themselves on the identification of a conflict matter.
- Veto decisions in relation to the appointment, removal or remuneration of the Risk Officer function (individual who is a member of the management team, independent from the wider group and reports to the Chief Risk Officer, with particular responsibilities around the escalation of potential conflict matters in the RFB)

Time commitment

Expected time commitment will be agreed on an individual basis with each Non-Executive Director. Certain Non-Executive Directors including Committee Chairs and Committee members will be expected to commit additional time in order to fulfil their extra responsibilities. All Non-Executive Directors are expected to make sufficient time available to discharge their responsibilities.

Conflict matter

A conflict matter means any matter for decision where the interests of the RFB conflict or may conflict with any other member of the RFB's group (other than an RFB affiliate) in a way that could adversely affect:

- (1) the financial or non-financial resources of the RFB in a material way;
- (2) the sustainability of the RFB's business model;
- (3) the continuous provision in the United Kingdom of core services as defined in section 142C of Financial Services and Markets Act 2000 (FSMA); or
- (4) the ability of the RFB to meet any ring-fencing provision as defined in section 142A(5) of FSMA.