SANTANDER UK PLC

(the Ring-Fenced Bank ("RFB")

BOARD NOMINATION COMMITTEE

(the "Committee")

TERMS OF REFERENCE

Approved by the Board of Directors of Santander UK plc (the **"Board"**) on 26 January 2022.

1. AUTHORITY

1.1 The Committee is a committee of the Board from which it derives its authority and to which it regularly reports[1].

1.2 The Committee may sub-delegate all or any of its responsibilities as it sees fit, including without limitation, to a sub-committee established for a specific purpose or by delegating authority to the Chair or any other member.

1.3 The Committee is concerned with the business of RFB, its subsidiaries and subsidiary undertakings (together the "RFB Sub-group") within its Terms of Reference and has authority to obtain such information as it may require from any Director, officer or employee of the RFB Sub-group or Santander UK Group Holdings plc ("HoldCo", and, together with its subsidiaries and subsidiary undertakings, "HoldCo Group").

2. SCOPE

2.1 The Committee is responsible for leading the process for Board and Board committee appointments. The Committee is responsible for, amongst other things, the identification, nomination, recommendation and as required endorsement of candidates for appointments and re-appointments to the Board.

3. RESPONSIBILITIES

The key responsibilities of the Committee are to:

3.1 Board composition

3.1.1 Regularly review the structure, size and composition (including the skills, knowledge, experience, independence and diversity) of the Board and its Board committees in consultation with the Chairs of each of the relevant Board Committees and make recommendations to the Board with regard to any changes, taking into account any legislative or regulatory requirements and any matters affecting the Company.

3.1.2 Conduct an annual review of the leadership needs of the RFB, both Executive and Non-Executive, with a view to ensuring the continued ability of the RFB to compete effectively in the marketplace.

[1] - The Committee has delegated authority from the Board to undertake the role and responsibilities prescribed in these terms of reference.

3.1.3 Regularly review the policy for Selection, Suitability and Succession of Directors and the Succession Policy for Promontorio, Faro and other critical positions, making any recommendations to the Board, as necessary.

3.2 Succession planning

3.2.1 Give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the RFB and the RFB Sub-group as a whole, including all its businesses and subsidiaries, and the skills, expertise, independence and diversity needed on the Board in the future the length of service of the Board as a whole, the need for its membership to be regularly refreshed or to ensure compliance with prospective legislation or regulation.

3.2.2 Satisfy itself that plans are in place for orderly succession for appointments to the Board and senior management.

3.2.3 Oversee the development of a diverse pipeline for succession, having regard to diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

3.3 New appointments

3.3.1 Be responsible for identifying and nominating, for the approval by the Board, candidates to fill Board vacancies as and when they arise, considering any regulatory requirements including ring-fencing.

3.3.2 Prior to any appointment to the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:

3.3.2.1 At its discretion, use open advertising or the services of external advisers to facilitate the search.

3.3.2.2 Consider candidates from a wide range of backgrounds; and

3.3.3.3 Consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender and ethnicity, taking care that appointees have enough time available to devote to the position.

3.3.3 For the appointment of a Chair or Non-Executive Director, the Committee should prepare a job specification, including the time commitment expected. A proposed Chair or Non-Executive Director's other significant commitments should be disclosed to the Board before appointment and any changes to those commitments should be reported to the Board as they arise.

3.3.4 Ensure that, on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings.

3.3.5 Keep under review the number of external appointments held by each Director, ensuring compliance with legislation, ensuring that any new additional external appointments are approved in advance by the Board before being accepted.

3.3.6 Where necessary for the purpose of meeting Banco Santander, S.A. Group's requirements, nominate for the approval by the Board, candidates proposed by RFB and considered suitable to fill key senior management control function positions (as listed in the Subsidiary Governance Model and Guidelines for Subsidiaries ("GSGM")).

3.3.7 Where necessary for the purpose of meeting Banco Santander, S.A. Group's requirements, approve candidates assessed as suitable and proposed by RFB to fill senior management roles in support functions (as listed in the GSGM).

3.4 Board Effectiveness

3.4.1 Oversee the evaluation of the performance of the effectiveness of the Board and Board committees (including the performance of individual Directors), recommending actions to address any findings and oversee the implementation of any resulting action plans.

3.4.2 Review annually the time commitment required from Non-Executive Directors including the Chair, Senior Independent Director and Senior Ring-fencing Director. Performance evaluation should be used to assess whether the Non-Executive Directors are devoting enough time to the fulfilment of their duties.

3.5 Directors

3.5 The Committee shall also make recommendations to the Board concerning:

3.5.1 Membership of the Board committees in consultation with the chairpersons of those committees.

3.5.2 The annual re-election of Directors (and their specific role) at the shareholders general meeting having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the length of service of the Board as a whole and its membership being regularly refreshed.

3.5.3 Any matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the RFB subject to the provisions of the law and their service contract.

3.5.4 The appointment of any Director to executive or other office of the RFB.

3.6 Induction and training and development

3.6.1 Ensure that all new Directors undertake an appropriate induction programme to ensure that they are fully informed about strategic and commercial issues affecting the RFB and the markets in which it operates as well as their duties and responsibilities as a Director.

3.6.2 Consider any ongoing training and development requirements for both the Board as a whole and individual Directors.

3.7 Corporate Governance

3.7.1 Support and advise the Board in relation to corporate and internal governance matters, as well as the periodic review of the adequacy of the corporate governance system of the RFB.

3.7.2 Review and recommend to the Board for approval any changes to the RFB Group's corporate governance framework.

3.7.3 Make recommendations to the Board, and regularly review progress against, measurable objectives that the Board has set in respect of Board Diversity and Inclusion.

3.7.4 Review and recommend to the Board for approval any policies owned by the Board..

3.7.5 Review and recommend to the Board for approval the Chair's report on Corporate Governance for inclusion in the Annual Report and Accounts.

3.7.6 The Committee shall produce a report to be included in the RFB's Annual Report and Accounts, about its activities.

3.7.7 Oversee the RFB's governance arrangements, ensuring that consideration is given to best practice principles, appropriate to the size and complexity of the RFB.

3.7.8 Review the internal criteria and procedures for the selection and continuous evaluation of the CEO, senior executives or similar key officers and other employees responsible for internal control functions or who hold key positions for the daily carrying-out of the banking activity, and to report on their nomination and removal from office and their continuous evaluation.

3.8 Conflicts of Interest

3.8.1 Require any prospective Non-Executive Directors to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest.

3.8.2 Consider and, if appropriate, recommend to the Board the authorisation of situational conflicts of interest of Directors and potential Directors. When considering the authorisation of these situations, the Committee will have regard to the possible time required to fulfil this, and all other outside commitments notified by the Director, and whether it could impede the Director from spending sufficient time to fulfil his/her obligations to the RFB.

3.8.3 Keep under review, at least annually, potential conflicts of interest of Directors disclosed to the RFB and develop appropriate processes for managing such conflicts if the RFB considers this to be necessary.

3.9 Legal and Regulatory requirements

3.9.1 Keep up to date and fully informed about strategic issues, regulatory developments and commercial changes affecting the RFB Sub-group and the market in which it operates to determine the impact on the RFB insofar as the Committee's responsibilities are concerned and make recommendations to the Board for any changes.

3.9.2 The Committee shall:

3.9.2.1 Have access to sufficient resources to carry out its duties, including access to external advisers and Secretariat for assistance as required.

3.9.2.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

3.9.2.3 Give due consideration to laws and regulations, as appropriate.

3.9.2.4 Oversee any investigation of activities which are within its Terms of Reference.

3.9.2.5 Ensure there is an annual review of its performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary for approval by the Board.

4. MEMBERS

4.1 The Committee shall comprise at least three members, whom shall be Non-Executive Directors and the Committee Chair. The majority of members shall be independent and at least one member shall be an RFB Double-Independent[2] Non-Executive Director.

4.2 Members of the Committee shall be appointed by the Board (upon the recommendation of the Committee) and in consultation with the Committee Chair. Committee membership shall be reviewed on a regular basis.

5. ATTENDEES

5.1 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as other Directors, the Company Secretary, Chief Legal & Regulatory Officer, Chief HR Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate, at the discretion of the Chair. The Committee Chair retains the discretion to invite any other individual to observe or present at Committee meetings (subject to any conflicts of interests).

6. CHAIR

6.1 The Chair of the Board will chair the Committee, except when it meets to discuss the Chair of the Board's succession or performance. In such cases, or in the Chair of the Board's absence, the Senior Independent Director will chair the meetings of the Committee. In the absence of the Chair of the Committee and the Senior Independent Director the remaining members present shall select one of the Independent Non-Executive members to Chair the meeting.

7. QUORUM

7.1 The quorum necessary for the transaction of business shall be two members, one of whom shall be an INED[3] who will chair the meeting. If a conflict matter[4] is to be considered a Double Independent Non-Executive Director is also required. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

8. SECRETARY

8.1 The Committee Secretary shall be the Company Secretary (or, in their absence, the Chair's nominee).

9. MINUTES

9.1 The Secretary of the Committee shall minute the proceedings, which shall be circulated promptly to all members of the Committee, (subject to any actual or potential conflicts of interest restricting such circulation).

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[2] Double Independent Non-Executive Directors are those RFB INEDs that are a senior management function holder for the RFB and not also an employee or Director of any other member of the RFB group other than an RFB affiliate.

[3] INED has the meaning set out at section D.2.(ii) (B) of the Santander UK Group Framework.

[4] 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 the 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.

10. NOTICE AND FREQUENCY OF MEETINGS

10.1 The Committee shall meet at least four times a year at appropriate times as determined by the Committee Chair and otherwise as required. Meetings of the Committee and the HoldCo Board Nomination Committee may be held concurrently where it is considered appropriate to do so but at least twice each year the Committee shall consider separately from the HoldCo Board Nomination Committee matters specific to the RFB alone.

10.2 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Committee Chair or any of its members (and in the case of a matter relating to the succession or performance of the Committee Chair, by the Senior Independent Director).

10.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and, as appropriate, any other person required to attend, not later than five business days before the date of the meeting. Supporting papers shall be sent to Committee members at the same time.

11. ADVICE

11.1 The Committee is authorised to obtain any information it requires from any employee of the HoldCo Group in order to perform its duties and, at the RFB's expense, seek appropriate legal or other professional advice on any matters within its Terms of Reference.

12. GENERAL MATTERS

12.1 In discharging its responsibilities, the Committee shall promote the success of the RFB Sub-group for the benefit of its shareholders, whilst having due regard to its wider stakeholder group (including employees, regulators, communities, customers, and suppliers), as set out in the Companies Act 2006. During its deliberations, the Committee shall consider the long-term consequences of decisions, foster good relationships, demonstrate acts of fairness, maintain a reputation of high standards of business conduct and mindfulness of environmental impacts.

13. REPORTING RESPONSIBILITIES

13.1 The Committee Chair (or their elected nominee) shall report formally to the Board on the Committee's proceedings after each meeting.

13.2 The Committee shall where appropriate make recommendations to the Board on any area within its remit.

13. 3 The Committee shall work and liaise as necessary with all other committees of the Board.