

SANTANDER UK GROUP HOLDINGS PLC
BOARD RESPONSIBLE BANKING COMMITTEE
TERMS OF REFERENCE

1. SCOPE

The Santander UK Group Holdings plc (the "Company") Board Responsible Banking Committee (the "Committee") is a committee of the Board of Directors (the "Board"), the purpose of which is to monitor, challenge and support actions being taken by management to ensure the business is run in a socially responsible way (in the interests of the Company's customers, people, stakeholders and communities) and to ensure its long term success. The Committee's responsibilities include monitoring, challenging and supporting management in its efforts to evolve the organisation's conduct, culture and ethical standards through the sustained effectiveness of the Company's values (Simple, Personal, Fair) and the nine behaviours throughout the organisation and overseeing the reputation of Santander UK and its Corporate and Social Responsibility programme. The Committee will oversee Culture and Operational risks relating to Conduct, Compliance, Competition, Financial Crime and Legal matters (together, "Conduct and Compliance Risk") within the Risk Appetites and Risk Framework set by the Board Risk Committee. The Committee will notify to the Board Risk Committee material Conduct and Compliance Risk matters that require consideration by the Board Risk Committee in its responsibility for setting the Santander UK Group Holdings plc group risk appetite including in relation to Conduct and Compliance Risk.

The Committee is concerned with the business of the entire UK Group and its authority extends to all matters relating to its responsibilities below for the Company, Santander UK plc, their major subsidiaries and the UK Group as a whole, as appropriate (together the "UK Group").

In the event of any perceived overlap between the Committee and any of the other Board Committees, the committee chairs shall between them agree the most appropriate committee to consider the matter. Any matter covered in the terms of reference of either committee shall be deemed to have been duly addressed if it is satisfied by either this Committee or any of the other Board Committees.

1.1 AUTHORITY

The Committee is a Committee of the Board of Directors of the Company constituted in accordance with the Company's Articles of Association.

1.2 RESPONSIBILITIES

Conduct, culture and ethical standards:

The Committee shall:

- 1.2.1 Oversee Conduct and Compliance Risk within the Risk Appetites and Risk Framework set by the Board Risk Committee. All other aspects of Operational Risk will be overseen by the Board Risk Committee;
- 1.2.2 Notify to the Board Risk Committee material Conduct and Compliance Risk matters that require consideration by the Board Risk Committee in its responsibility for setting the Santander UK group risk appetite including in relation to Conduct and Compliance Risk, and oversee the implementation of remedial action where appropriate;
- 1.2.3 Where considered necessary, recommend to the Board Risk Committee any changes to Risk Appetite policies and frameworks in relation to matters that fall under the remit of the Committee;
- 1.2.4 Ensure that adequate and effective control processes and policies are in place to manage and measure Conduct and Compliance Risk, fair customer treatment and customer outcomes and specifically with respect to financial crime, money laundering, fraud, bribery and corruption and market abuse;
- 1.2.5 Receive and review first and second line reporting against Conduct and Compliance Risk metrics (including reports from the Individual Accountability Forum ("IAC")) and reports on conduct related regulatory interaction matters;
- 1.2.6 Consider key emerging Conduct and Compliance Risk issues, lessons learned and anticipated risks via horizon scanning and deep dives;
- 1.2.7 Consider any actions in response to regulatory developments, including idiosyncratic and market developments, on Conduct and Compliance Risk matters which may have a material impact on the Company;
- 1.2.8 Oversee responses to consultations, market studies, thematic reviews and calls for input on Conduct and Compliance Risk matters which have a material impact on the Company;
- 1.2.9 Oversee the culture strategy and monitor management efforts to embed and maintain the desired culture throughout the Company in line with the purpose, vision, values and behaviours that the Company has agreed;
- 1.2.10 Undertake thematic culture and conduct trend reviews, including the cultural drivers at an organisational level identified by the Committee or escalated to it by management, other Committees, delegations from the Board or relevant industry bodies (such as the Banking Standards Board), and their associated action plans, including changes in policy and working practices;
- 1.2.11 Review regular reports from the Chief Legal and Regulatory Officer on the adequacy and effectiveness of the Company's compliance function, oversee the implementation of any remedial action required and report to the Board Risk Committee on the outcomes;
- 1.2.12 Review themes arising from customer complaints, whistleblowing and satisfaction metrics, including referrals to the Financial Ombudsman Service, relating to conduct, brand, reputation and culture;

- 1.2.13 Where considered necessary, recommend to the Board for approval the publication of Company culture statements;
- 1.2.14 Review people policies, codes of conduct and material Santander UK programmes of activity relating to the responsible treatment of employees including diversity, inclusion and wellbeing;
- 1.2.15 Review key themes arising from employee surveys, focus groups and people metrics in order to evaluate the impact on conduct, brand and culture; and
- 1.2.16 Review and consider Internal Audit Reports and Conduct Monitoring findings relevant to the responsibilities of the Committee.

Reputation and Corporate and Social responsibility:

The Committee shall:

- 1.2.17 Oversee the reputation of the Company and how this impacts its brand and market positioning;
- 1.2.18 Ensure that adequate and effective control processes are in place by which reputational risks are identified and managed;
- 1.2.19 Receive and review reports on brand and reputation tracker metrics and perform deep dives on emerging issues;
- 1.2.20 Receive reports on key decisions or key risk events that may give rise to a Reputational risk issue; and
- 1.2.21 Oversee the Company's Corporate Social Responsibility programme and its impact on people, communities, the environment, reputation, brand and market positioning.

3.1 Other matters:

The Committee shall:

- 1.2.22 Have access to sufficient resources in order to carry out its duties, including access to external advisers and Secretariat for assistance as required;
- 1.2.23 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;
- 1.2.24 Give due consideration to laws and regulations, as appropriate;
- 1.2.25 Compile a report of the work of the Committee in discharging its responsibilities for inclusion in the Annual Report, including a description of the significant issues dealt with by the Committee;
- 1.2.26 Review and recommend for approval, the statements to be included in the risk management sections of the annual and half yearly reports relating to Conduct and Compliance Risk; and

- 1.2.27 Conduct regular review of its performance to ensure it is operating at maximum effectiveness and implement any changes it considers necessary.

2 MEMBERSHIP AND ATTENDANCE

2.1 MEMBERSHIP

Members of the Committee shall be appointed by the Board on the recommendation of the Board Nomination Committee in consultation with the Chair of the Committee. The Committee shall be made up of at least three members, the majority of whom shall be Independent Non-Executive Directors and shall include the Chair of the Risk Committee and Chair of the Remuneration Committee.

Other individuals such as the Head of Internal Audit may be invited to attend meetings as required.

The Board shall appoint the Committee Chair who shall be an Independent Non-Executive Director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

2.2 QUORUM

The quorum necessary for the transaction of business shall be two members. 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.

2.3 ATTENDEES

The following shall be standing attendees of the Committee:

- The Chairman of the Board;
- The Chief Executive Officer;
- Head of Retail Banking;
- The Chief Legal and Regulatory Officer;
- The Chief Risk Officer;
- The Director of HR;
- The Director of Corporate Communications;
- The Director of Conduct and Compliance, Centre of Excellence;
- The Director of Compliance, Retail & Business Banking;
- The Organisation Effectiveness and Culture Director;
- Head of Customer Proposition and Experience;
- Chief Marketing Officer;
- Head of Legal – Litigation, Contentious Regulatory & Competition;
- General Counsel; and
- The Company Secretary.

3. COMMITTEE MANAGEMENT

3.1 SECRETARY

The Secretary of the Committee shall be a member of the Secretariat agreed with the Committee Chair.

3.2 MEETINGS

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 shall be called by the Secretary of the Committee at the request of any of its members or at the request of the Chief Executive Officer if he considers it necessary.

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, no later than five calendar days before the date of the meeting, unless otherwise agreed by the Chair of the Committee. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

3.3 REPORTING AND MINUTES

The Secretary of the Committee shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee, once agreed by the Chair, and to all members of the Board unless it would be inappropriate to do so.

The Committee Chair shall report to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities, and sufficient time should be allowed between Committee and Board meetings to enable work arising from the Committee meeting to be undertaken and reported to the Board.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall work and liaise as necessary with all other Committees of the Board.

4. ADVICE

The Committee is authorised to obtain any information it requires from any employee of the Company in order to perform its duties and, at the Company's expense, external legal or other professional advice on any matter within its Terms of Reference. The Committee may also require the attendance of any employee at a meeting of the Committee, as and when required.

5. VERSION CONTROL

5.1 CHANGES TO THE TERMS OF REFERENCE

These Terms of Reference shall be reviewed by the Committee at least once a year and any proposed amendments will be recommended to the Board for approval. Changes to the Terms of Reference must be approved by the Company's Board.

The scope and standing of the Committee shall be reviewed three years from its first meeting in order to assess future requirements.

5.2 CHANGE HISTORY

Version 1	Approved by a delegation of the Board on 27 June 2017
Version 2	Approved by the Board on 24 July 2017
Version 3	Approved by the Board on 15 December 2017
Version 4	Approved by the Board on 30 November 2018