Santander Holdings USA, Inc.

THIRD PARTY RISK MANAGEMENT POLICY

Enterprise Policy

Santander Holdings USA, Inc. ("SHUSA") believes that our success is grounded in our Values, which are also shared by Banco Santander, S.A. and its Subsidiaries (collectively with SHUSA, "Santander"). Santander's commitment to treat customers, colleagues and stakeholders in a manner that is *Simple, Personal and Fair* means that every action undertaken by a SHUSA Team Member is founded on *INTEGRITY, CUSTOMER COMMITMENT, PEOPLE, TEAMWORK, OWNERSHIP,* and *INNOVATION*. It is because of this commitment throughout the Santander organization that Santander's customers, clients, and shareholders trust us to deliver world class products and services and select Santander. Safeguarding this trust—by always conducting business responsibly, with integrity and a disciplined approach to risk management—is a responsibility shared by each SHUSA Team Member.

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1. Introduction

1.1 Purpose of the Document

The purpose of the Santander Holdings USA, Inc. ("SHUSA") Enterprise Third Party Risk Management Policy ("Policy") is to establish enterprise-wide requirements, principles, and highlight regulatory guidelines that apply to Third Party risk management and governance for SHUSA operations and its material operating subsidiaries ("Subsidiaries"). The Policy supports the board of directors and management by documenting established operating parameters within which SHUSA and its Subsidiaries will engage and manage Third Parties. This Policy ensures that SHUSA and its Subsidiaries are committed to safe and sound Third Party risk management and oversight, ensuring SHUSA requirements are extended to business-related activities performed by Third Parties.

1.2 Scope

The Policy applies to SHUSA and its Subsidiaries which include but not limited to Santander Bank, N.A. ("SBNA") and Santander Consumer USA ("SCUSA"). Policies developed by the Subsidiaries must comply with the requirements and standards set forth in this Policy.

1.3 Document Approval and Maintenance

The Policy is authored and owned by the SHUSA Chief Operational Risk Officer ("CORO") and reviewed and recommended by the SHUSA Enterprise Risk Management Committee ("ERMC") and the SHUSA Risk Committee for final presentation to and approval by the SHUSA Board of Directors ("SHUSA Board" or "Board").

SHUSA Third Party Risk Management reviews and updates this Policy at least annually, or when changes occur, to ensure the Policy aligns to regulatory guidance, SHUSA's strategy and current and planned activities. The ERMC must review and recommend this Policy to the SHUSA Board for review and annual approval. Ad-hoc reviews of this Policy can be performed at the discretion of the SHUSA Chief Risk Officer ("CRO") in response to changing conditions. All material changes or updates to this Policy must be approved by the SHUSA Board.

The ERMC, SHUSA Risk Committee or Board may also initiate updates to the Policy in response to changing conditions. Changes or updates to the Policy must be developed in consultation with the CORO and if material, approved by the Board.

1.4 Key Terms

"Third Party"

A Third Party is an entity or person that has entered into a business relationship with SHUSA to perform or provide one or more of the following activities:

- Products or services directly or indirectly

- Performs an operational function on behalf of SHUSA
- Business on behalf of SHUSA or refers or sells products approved by SHUSA
- Products or services directly or indirectly to any current or prospective customer of SHUSA in connection with SHUSA's offer or provision of financial services

Entities that SHUSA pays for that are common items and sundries, or only for the purpose of community relations and civic involvement, may be classified as Payees and not a Third Party. Payees may include:

- Municipal services (e.g., city and local tax payments)
- Publication subscriptions
- Membership fees & professional dues
- Applicable regulatory fees
- Corporate sponsorships and events

"Business Unit"

A Business Unit represents a specific operations or business function of SHUSA and its Subsidiaries (i.e., Technology & Operations, Consumer Finance, Cost & Structures, Risk Management, HR, etc.)

"Critical Activities"

Third Party relationships involving Critical Activities are subject to comprehensive due diligence, planning, oversight, ongoing monitoring and documentation and reporting. Critical Activities are those involving significant services (e.g., Information Technology), or other activities that:

- Could cause SHUSA or its Subsidiaries to face significant risk if the Third Party fails to meet expectations;
- Could have significant regulatory, reputational or customer impacts;
- Requires significant investment in resources to implement the Third Party relationship and manage its risk; or
- Could have a significant impact on SHUSA or its Subsidiaries operations if SHUSA has to find an alternative Third Party or if the outsourced activity has to be brought in-house.

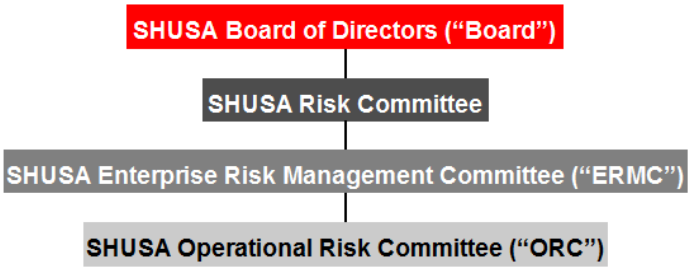
2. Governance and Accountability

2.1 SHUSA Governance

This document is a consolidated Enterprise Policy for SHUSA and its Subsidiaries. All Subsidiaries must, with respect to their Third Party Risk Management functions, adopt and implement the principles set forth in this Enterprise Policy.

2.2 Policy Governance

This Policy is governed by the following committee structure:



Full SHUSA Board responsibilities are detailed in its bylaws and committee charters. With respect to this Policy, the SHUSA Board is responsible for the following:

- Establishes the Policy,
- Reviews and approves the Policy,
- Oversees implementation of the Policy,
- Monitors compliance with the Policy,
- Monitors exceptions to the Policy, and
- Ensures annual review and approval of the Policy.

The SHUSA Risk Committee reviews and recommends this Policy for approval to the SHUSA Board.

The SHUSA ERMC recommends this Policy to the SHUSA Risk Committee for approval on an annual basis or on a frequency as otherwise mandated by the Policy.

The SHUSA ORC reviews this Policy, updates it as necessary, provides input regarding significant changes in accordance with the requirements set forth in Enterprise Risk Management governance, and ensures consistency across SHUSA and its Subsidiaries.

3. Policy

3.1 Policy Statement

SHUSA and its Subsidiaries must comply with all applicable laws and regulations when Third Parties are providing services or products to SHUSA or on behalf of SHUSA to customers or clients.

When a SHUSA or a Subsidiary Business Unit engages a Third Party, whether a Subsidiary, affiliate or non-affiliate, it is the policy of SHUSA that the Third Party will comply with all applicable laws and regulations for the activities conducted on behalf of SHUSA and its Subsidiaries. If the Third Party is an affiliate relationship, SHUSA is subject to federal regulations, therefore the relationship and its terms in their entirety must comply with such laws and regulations.

SHUSA's management of Third Parties shall be risk-based reflecting the complexity of activities undertaken by the Third Party and the inherent risks of those activities. Third Party relationships comprised of Critical Activities are subject to comprehensive risk planning, oversight and reporting. To comply with the Policy, SHUSA and its Subsidiaries will implement processes and controls that will be

used to identify, measure, monitor and manage Third Party risks, and will follow applicable regulatory guidance incorporated in this Policy.

It is understood that SHUSA Subsidiaries will require time to come into full compliance with this Policy. SHUSA Subsidiaries must evaluate the level of existing compliance with this Policy and, where necessary, develop an implementation plan to achieve full compliance with the SHUSA Enterprise Third Party Risk Management policy.

Note: Where appropriate, a SHUSA Standard will support the detailed requirements within this Policy.

3.2 Three Lines of Defense

SHUSA and its Subsidiaries will organize their roles and responsibilities for risk management into a "three lines of defense" model, with separately defined and segregated responsibilities consistent with applicable regulations and guidance:

- **Line 1 ("First Line of Defense" or "1st LOD") Risk Management – SHUSA, its Subsidiaries and their Lines of Business & Lines of Business Support Units:** reporting to the CEO, Line 1 units have responsibility for the primary management of the risks that emanate from their activities. Line 1 units own, identify, measure, control, monitor and report all risks that are originated through activities such as business origination, providing specialist advice, the development, marketing or distribution of products, client maintenance, or operational or technological processes supporting customer activity.

  Line 1 shall be responsible for identifying, assessing, mitigating, managing operational risk, including Third Party risk, and ensuring compliance within its respective area(s).

- **Line 2 ("Second Line of Defense" or "2nd LOD") ERM Function and Risk Management Functions** that are under the executive responsibility of the CEO but report to the CRO. These Line 2 units manage and monitor risk exposures, define frameworks, policies and comprehensive and appropriate controls, and ensure Line 1 units manage risk in line with the agreed frameworks and risk appetite levels.

  Operational Risk Management is part of SHUSA's independent Risk Management function, which includes Third Party Risk Management that provides supervision of the operational risk management program and processes across SHUSA and its Subsidiaries.

- **Line 2 Legal Function** that is under the executive responsibility of the CEO.

- **Line 3 ("Third Line of Defense" or "3rd LOD") Risk Assurance - Internal Audit; Credit Risk Review Function.**

  - **Internal Audit** provides independent assurance and reports to the Board. It is a permanent corporate function, independent of any other function or unit in SHUSA or its operating Subsidiaries, whose purpose shall provide assurance to the SHUSA Board

and Senior Management, thus contributing to the protection of the organization and its reputation, by assessing the quality and effectiveness of the processes and systems of internal control, risk management and risk governance; compliance with applicable regulations; the reliability and integrity of financial and operational information including the integrity of the balance sheet of SHUSA.

Internal Audit conducts independent assessments of risk and compliance related procedures across SHUSA, including those concerning Third Party risk.

3.3 Third Party Management - Lifecycle Elements

SHUSA must establish a documented and effective Third Party Risk Management Program and process that follows a continuous life cycle for all relationships and incorporates the following phases:

1. Planning	2. Risk Classification	3. Due Diligence & Selection	4. Contract Facilitation & Negotiation
5. Incentive Compensation Review	6. Business Continuity & Contingency Planning	7. Ongoing Monitoring & Oversight	8. Documentation & Reporting
9. Independent Reviews	10. Training & Awareness	11. Termination and Exit Planning	

3.3.1 Planning

SHUSA and Subsidiary Business Units (1st LOD) will ensure the documentation of the strategic purpose, legal and compliance implications, and the inherent risks associated with the use of Third Parties. SHUSA and Subsidiary Business Units will assess their capacity to effectively manage the risks of Third Parties within their respective risk tolerance. Business Unit Plans must be commensurate with the level of risk and complexity of the Third Party relationship and must address their contingency strategy in the event there is a need to transition the activity to another Third Party or support the activity internally.

3.3.2 Risk Classification

There are four inherent risk classifications that could be assigned to SHUSA Third Parties or services performed by Third Parties. Risk classifications are determined by an Inherent Risk Assessment ("IRA") completed by the assigned Business Line, Third Party Service Manager (1st LOD) and are defined as follows:

- **Critical** – Contracted products or services that if disrupted would severely impair or cease SHUSA's or its Subsidiaries' operations or pose significant strategic, customer, reputational or regulatory impact on its operations
- **High** – Contracted products or services that if disrupted, would impair or cease SHUSA's or its Subsidiaries' operations or have reputational, regulatory compliance or customer impacts
- **Moderate** – Products or services that represent minimal operational impact to SHUSA or its Subsidiaries and no strategic, reputational, regulatory compliance or credit risk (e.g., building maintenance, office supplies and printing)
- **Low** – Products or services that represent no strategic, reputation, compliance, credit or operational risk to SHUSA or its Subsidiaries (e.g., utilities, subscriptions, education and equipment purchases)

3.3.3 Due Diligence and Selection

SHUSA (1st and 2nd LOD) shall conduct appropriate due diligence on potential Third Parties prior to entering into contracts. The Policy ensures that after the initial IRA and due diligence are performed, Third Parties are risk classified, and when appropriate, risk mitigation and risk monitoring are prepared, reviewed and approved by an appropriate oversight committee prior to contracting. The extent of the due diligence effort is commensurate with the inherent level of risk and will consider, as applicable, the following due diligence items:

- Strategies and Goals – ensures that Third Parties' business strategies and goals do not conflict with those of SHUSA or its Subsidiaries.
- Legal and Regulatory Compliance – evaluates the Third Parties' ability to perform services and includes Third Parties that provide marketing, sales, delivery, servicing, and/or fulfillment of services including consumer products to ensure compliance with all applicable consumer protection laws and SHUSA policies. This will include a review of Third Parties' legal and regulatory compliance programs including the review of the Third Parties' policies, procedures, internal controls, and training material to ensure that the service provider conducts appropriate training and oversight of employees or agents that perform services or have consumer contact or compliance responsibilities.
- Financial Condition – assesses Third Parties' financial viability.
- Business Experience and Reputation – evaluates Third Parties' qualifications, backgrounds, reputation and any changes in business models.
- Evaluation and consideration of litigation or pending judgments involving the Third Party.

- Fee Structure and Incentives – evaluates if fee structures or incentives create inappropriate risk taking by Third Parties or SHUSA and its Subsidiaries.
- Risk Management – evaluates the effectiveness of Third Parties' risk management programs to include operational and internal controls.
- Information Security – assesses Third Parties' Information Security and Cybersecurity programs and controls.
- Management of Information Systems – assesses Third Parties' business processes and technology used to support the services provided to SHUSA and its Subsidiaries.
- Resilience – assesses Third Parties' ability to respond to service disruptions (Business Continuity Planning and Disaster Recovery).
- Incident Reporting and Management Programs – evaluates Third Parties' incident reporting and escalation processes.
- Physical Security – assesses Third Parties' physical and environmental controls.
- Human Resources Management – evaluates Third Parties' program to vet new employees and train and hold employees accountable for compliance with procedures.
- Reliance on Subcontractors – assesses Third Parties' volumes, types, onboarding and monitoring processes to include the locations of subcontractors utilized.
- Concentration Risk – assesses reliance on single source Third Parties for multiple activities, or from a geographical concentration of business services.
- Country Risk – assesses the possible economic, social, and political conditions and events from Third Parties' engagements as foreign-based service Third Parties.
- Insurance – assures Third Parties' agreement to carry adequate insurance coverage.

3.3.4 Contract Facilitation and Negotiation

For new and renewed contracts, a written contract between SHUSA and the Third Party will set forth the responsibilities of each party, especially: (i) The Third Party's specific service level and performance responsibilities and duty, where applicable, to maintain adequate internal controls; (ii) The Third Party's responsibilities and duty to provide adequate training on applicable consumer protection laws and SHUSA policies and procedures to all Third Party employees or agents engaged in the certain consumer facing services (for example, but not limited to any Third Party that provides marketing, sales, delivery, servicing, and/or fulfillment of services for consumer products).

Where appropriate, Third Party contracts will also grant SHUSA (or its designee) the authority to conduct periodic onsite reviews of the Third Party's controls, performance, and information

systems. Contracts will also include SHUSA's right to terminate the contract if the Third Party materially fails to comply with the terms specified in the contract.

In addition, all new and renewable Third Party contracts will take into account the key risk factors identified during the Inherent Risk Assessment and due diligence process as such requirements are communicated to the Legal Contracts Department (2nd LOD). Contracts will be clearly written with sufficient detail to provide assurances for confidentiality, data security, regulatory compliance, performance reliability, audit accessibility, indemnification, escalation, reporting, dispute resolution and termination. The required contract provisions vary based upon the scope and risks of goods and services provided. Contract provisions must be consistent with standard contract terms approved by the Legal Contracts Department.

3.3.5 Incentive Compensation Review

SHUSA (1st and 2nd LOD) ensures that an effective process is in place to review and approve any incentive compensation that may be embedded in Third Party contracts, including a review of whether existing governance and controls are adequate in light of risks arising from incentive compensation arrangements. This primarily impacts Third Parties that represent the institution by selling products or services on its behalf. SHUSA must consider whether the incentives provided might encourage the Third Party to take imprudent risk which could result in reputational damage, increased litigation, compliance or other risks to SHUSA and its Subsidiaries.

3.3.6 Business Continuity and Contingency Planning

Various events may affect a Third Parties' ability to provide contracted services. Services could be disrupted by natural disasters, performance degradation, operational disruption, financial viability, or business continuity and contingency plans executed during disruptions could fail. SHUSA and Subsidiary Business Units (1st LOD) are required to document the following:

- Ensure that a disaster recovery and business continuity plan exists and aligns to the contracted services, products and business groups recovery time objective;
- Document roles and responsibilities for maintaining and testing their respective Third Parties' business continuity and contingency plans; and
- Maintain an exit strategy in the event that a contracted Third Party is unable to perform its contractual responsibilities.

3.3.7 Ongoing Monitoring & Oversight

Monitoring the Third Parties performance, service levels and risk occurs during the lifecycle of the relationship and shall be performed by the assigned Business Unit Third Party Service Manager (1st LOD). Ongoing Monitoring ("OGM") assesses Third Parties' performance against their contracted service level agreement and any changes to the initial risk classification with the Third Parties' service engagement. The degree of oversight will vary depending on the

nature of the activities being performed and monitored and may include periodic onsite reviews by SHUSA of a Third Party's controls, performance, and information systems.

SHUSA standards address expectations for tracking, escalating and resolving risk and performance issues identified in due diligence, oversight, monitoring and testing of Third Parties. Material performance and risks issues must be escalated timely within the SHUSA management structure to SHUSA's appropriate oversight committees and to the SHUSA Operational Risk Committee, as appropriate. Third Parties classified as critical, high and moderate are subject to elements of Ongoing Monitoring which determines changes to:

- Status of Third Party engagement (Active vs. Inactive)
- Risk exposure SHUSA has with Third Parties
- Collection of data attributes on service level performance, customer impact and how the relationship is being managed
- Compliance with legal and regulatory requirements
- Concentration risks; reliance on a single source Third Party for multiple activities, or from a geographical concentration of business services
- Information technology or the management of information systems
- Ability to respond to and recover from service disruptions or degradations and meet business resilience expectations
- Reliance on, exposure to, or performance of subcontractors; location of subcontractors
- Ability, cost and timing to replace Third Parties should the need arise
- Consumer complaints and breach notifications, particularly those that indicate compliance or risk management problems

3.3.8 Documentation and Reporting

Documentation and reporting facilitates regulatory accountability, monitoring, risk management and best practice associated with the management of Third Parties and will include, as applicable:

- Current inventory of SHUSA Third Party portfolio, which identifies those relationships that involve critical, high, moderate and low risk activities and delineates the risks posed by those relationships
- Approved plans for use of critical Third Party services
- Material and Inherent Risk Assessments, Due Diligence results, findings and recommendations
- Executed contracts
- Annual Third Party risk assessments for critical engagements
- Ongoing Monitoring (e.g., Service Level Agreements, performance reports)
- Risk management and performance reports required and received from the Third Party as applicable (e.g., audit reports, security reviews)

3.3.9 Independent Reviews

SHUSA ensures that periodic independent reviews are conducted on the SHUSA Third Party Risk Management Program and associated standards. SHUSA internal audit (3rd LOD) or an independent auditor performs the reviews, and executive management ensures results are reported to the SHUSA Board, SHUSA Risk Committee, ERMC, ORC and Audit Committee. Reviews may include assessing the adequacy of SHUSA's process for:

- Ensuring Third Party relationships align to the business strategy
- Identifying, assessing, managing, and reporting on risks of Third Parties
- Responding to material breaches, service disruptions, or other material issues
- Identifying and managing risk associated with complex Third Party relationships, including foreign based Third Parties and subcontractors
- Ensuring appropriate staffing and expertise to perform due diligence
- Ensuring that conflicts of interest or appearances of conflicts of interests do not exist when selecting or overseeing Third Parties
- Identifying and managing concentration risks that may arise from relying on a single source Third Party for multiple activities, or from geographical concentration of business due to either direct contracting or subcontracting to the same locations

3.3.10 Training and Awareness

SHUSA Operational Risk Management (2nd LOD) assesses training needs on a case-by-case basis and aligns with the Santander Learning & Development Center to develop training materials and administer training to appropriate SHUSA personnel who engage and manage Third Parties.

3.3.11 Termination and Exit Planning

To the extent that termination rights vary with the type of Third Party activity, SHUSA and its Subsidiary Business Units (1st LOD) engage Procurement and the Legal Contracts Department to ensure that relationships terminate in an efficient manner, whether the activities are transitioned to another Third Party or brought in-house if there are no alternative solutions available. Business Unit plans must address:

- Capabilities, resources, and the time frame required to transition the activity while still managing legal, regulatory, customer, and other impacts that may arise
- Risks associated with data retention and destruction, information systems network connections and access control issues, or other control concerns that require additional risk management and monitoring during and after the end of the Third Party relationship
- Handling of joint intellectual property developed during the course of the engagement
- Reputation risks to SHUSA and its Subsidiaries if the termination happens as a result of the Third Party's inability to meet agreed upon expectations

4. Roles and Responsibilities

4.1 Third Party Relationship Owner

A Third Party Relationship Owner is a SHUSA Business Unit executive level manager that has accountability for a Third Party relationship. The primary factor for determining who has accountability for a Third Party relationship is risk.

The risk is carried by the area of the organization that has made the determination to outsource an activity or to leverage a particular Third Party to provide a service. Accordingly, the area that owns the risk is generally the area that would be most impacted if the service were no longer available. This is the standard criteria for determining ownership of a Third Party.

Duties of the Third Party Relationship Owner include the following:

- Develop and retain key relationships with the Third Party
- Management of the aggregated risks associated with each of the services performed by the Third Party across the U.S. enterprise
- Periodic engagement with the service line Third Party Service Managers to gauge performance and significant changes to the Third Party's risk exposure
- Act as primary point of contact for all escalations associated with the Third Party
- Ensure at a minimum an annual business review is performed for all services placed with the Third Party
- Engages with other internal stakeholders using the same Third Party to ensure that an enterprise lens is being applied to their ownership of the Third Party

There are situations where the line of business may bear the risk associated with a certain type of relationship; however, SHUSA has decided to centralize ownership of that relationship within a function outside of the line of business because these types of scenarios may account for large volumes of like services (e.g., technology service providers, law firms, and appraisers).

4.2 Third Party Service Manager

A Third Party Service Manager is a SHUSA Business Unit associate who has direct responsibility for performing the activities of managing the services and the associated risks of the service performed by the Third Party. A Third Party Service Manager is determined through one or more the following:

- Assignment by the Third Party Relationship Owner
- Direct alignment to the business line receiving services from a Third Party

4.3 Procurement

As part of Line 1, Procurement oversees the activities involved in the establishment of Business Units' requirements for sourcing activities such as market research, request for proposals and Third Party evaluation and negotiation of contracts for the approved purchasing activities of goods and services for SHUSA Business Units.

4.4 Legal and Contracts Management

The Contracts team analyses the business terms and establishes request files for Legal and Risk. Legal negotiates with the Third Party to finalize the legal terms while working with the lines of business and Third Party Risk Management to raise any potential issues. Once Legal provides authorization, Contracts Management controls the signature process.

4.5 SHUSA Chief Operational Risk Officer

As part of Line 2, the SHUSA CORO is the owner of the SHUSA Enterprise Third Party Risk Management Policy. Changes or updates to the Policy are developed in consultation with the CORO. The SHUSA CORO has delegated certain administrative responsibilities for this Policy to the Head of TPRM. The Head of TPRM reviews this Policy annually or as required and obtains the necessary approvals whenever updates occur.

4.6 Third Party Risk Management ("TPRM")

As part of Line 2, the TPRM Team is responsible for identifying, measuring, monitoring and reporting operational risk exposures related to Third Party services and operations.

4.7 Internal Audit

In their role as Line 3, Internal Audit conducts independent assessments of compliance with this Policy and related procedures across SHUSA.

4.8 Board of Directors

The SHUSA Board shall be responsible for overseeing the development, implementation, and maintenance of SHUSA's TPRM Program. The SHUSA Board must ensure that this Policy is followed by all lines of business and corporate functions across SHUSA. The SHUSA Board must ensure necessary resources and funding are allocated to support the Policy.

4.9 Risk Committee

The SHUSA Risk Committee is appointed by the SHUSA Board to assist it in its oversight responsibilities with respect to Enterprise Risk Management activities and related compliance matters. In particular, and with regard to operational risk, the SHUSA Risk Committee reviews and approves the Third Party Risk Management Program and recommends to the SHUSA Board policies and/or procedures for the identification, measurement and control, of operational risk as well as decisions to reduce, increase, transfer and/or hedge, operational risks in each Subsidiary, including the review of TPRM processes and procedures.

4.10 Enterprise Risk Management Committee

The SHUSA ERMC is established under the authority of the SHUSA Risk Committee and is chaired by the SHUSA CRO. SHUSA ERMC is responsible for the oversight and monitoring of all risk-taking and risk management activities across the enterprise. The SHUSA ERMC reviews the TPRM Program and,

if necessary or appropriate, recommends to the SHUSA Risk Committee for approval the SHUSA Enterprise Third Party Risk Management Policy on an annual basis or on a frequency as otherwise mandated by this Policy.

4.11 SHUSA Operational Risk Committee

The SHUSA ERMC and CRO established the SHUSA ORC to oversee operational risk. SHUSA ORC has the primary responsibility to oversee and manage the identification and monitoring of operational risk in SHUSA and its Subsidiaries. The SHUSA ORC advises the SHUSA ERMC and Subsidiary Board committees on the supervision, control and reporting of the TPRM operational risks related to Subsidiary operations and activities. The ORC oversees adherence to the Policy across the enterprise regarding TPRM operational risk and recommendations from internal audit, external audit, and regulators with regard to the TPRM Program.

4.12 SHUSA Chief Risk Officer

Ad-hoc reviews of this Policy can be performed at the discretion of the SHUSA CRO.

4.13 Learning & Development

Santander Learning & Development provides access to tools and resources that enable team members to pursue functional knowledge, professional and leadership development needed to grow team members' skills and mitigate risk to their respective Business Units, including third party risk management.

5. Reporting Structure

The SHUSA Head of TPRM provides oversight, ensures effective controls, and implements an integrated enterprise-wide TPRM Policy and Standard through coordination with the operational risk leads within SHUSA and each Subsidiary. The SHUSA Head of TPRM reviews and reports on the status of Subsidiary Third Party risk to the SHUSA CORO. SHUSA Head of TPRM monitors, reviews and approves the metrics results and event reports and escalates the status to the SHUSA CORO who reports to the Board and senior management on the results of ongoing monitoring of Third Parties involved in Critical Activities.

6. Policy Exceptions

Situations or scenarios will arise that cannot be effectively addressed within the constraints of the SHUSA Enterprise TPRM Policy. There will be times when business processes can and should take precedence over this Policy.

SHUSA and its Subsidiaries must, at a minimum, adopt and implement the principles set forth in this Policy with respect to Third Party Risk Management. Any exceptions will be documented, tracked by TPRM and go through the required approval and authorization process as exceptions occur.

Escalations will take place through the 1st and 2nd lines of defense. Third Party Risk Management will escalate exceptions to ORC for approval, which will in turn escalate any exception to the ERMC, SHUSA Risk Committee and Board (if necessary).

- Exception requests must be evaluated in the context of potential risk to the business line and SHUSA. Exception request evaluations must take into account what value the exception will bring to the business line requestor and SHUSA.
- Exception requests that create high or elevated risks without compensating controls may not be approved.

7. Document History and Version Control

7.1 Ownership and Authorship

Version	*Date*	*Author*	*Owner*	*Change*
1.0	*5.5.15*	*SHUSA-US TPRM*	*CORO*	*Initial Version*
2.0	*5.19.15*	*SHUSA-US TPRM*	*CORO*	*Policy Administration and Promontory Financial Group recommended changes*
3.0	*7.31.15*	*SHUSA-US TPRM*	*CORO*	*Final Version for Governance review/approval*
4.0	*8.24.15*	*SHUSA-US TPRM*	*CORO*	*Independent version review completed by Oliver Wyman*
Final	*9.02.15*	*SHUSA-US TPRM*	*CORO*	*Final submission to CART PMO with ORC and Oliver Wyman comments incorporated*

7.2 Sign Off

Approving Body	*Governance Committee Approval or Endorsement*	*Final Approval Date*
	SHUSA ORC	10.07.15
	SHUSA ERMC	
	SHUSA Risk Committee	
SHUSA Board of Directors		

8. Appendices

8.1 Appendix A – Key Contacts

Title	*Role*	*Name and Contact*
Chief Operational Risk Officer	*Policy Owner*	*Michael Lima, SVP, SHUSA Interim Chief Operational Risk Officer mlima1@santander.us*
Head of Third Party Risk Management	*Primary points of contact on policy related matters*	*Gregory Hamilton, SVP US Head TPRM Gregory.hamilton@santander.us*

8.2 Appendix B – Regulatory Obligations Addressed by this Policy

Regulatory Agency	*Citation*	*Title*
OCC	*Bulletin 2013-29*	*Third-Party Relationship Risk Management Guidance*
OCC	*Bulletin 2013-33*	*Guidance for Bankers and Review of Independent Consultants in Enforcement Actions*
FRB	*Board of Governors of the Federal Reserve*	*FRB Guidance on Managing Outsourcing risk*
CFPB	*Bulletin 2012-03*	*Third Parties*
FFIEC	*Appendix J*	*Strengthening the Resilience of Outsourced Technology Services*
FRB	*Federal Reserve Act 23A, 23B and Regulation W*	*Section 23A: Relations with Affiliates* *Section 23B: Restrictions on Transactions with Affiliates*

8.3 Appendix C – Related Policies and Process and Administrative Documents

Document Type	*Entity and Department*	*Owner*	*Document Title*
Standard	*SHUSA Third Party Risk Management*	*CORO*	*Third Party Risk Management Standard*