6) Information required for all SAP ERs:

a. The following information must be addressed in the “Detailed description of need” section of every SAP ER submitted in order for PIF to review.

b. If all of the Following information is not included, PIF will reject the request.

i. Explain the services proposed in the request, their benefit to the Bank, and how you arrived at the requested dollar value.

**As highlighted by repeated regulatory feedback, Santander U.S. (including SHUSA and the relevant subsidiaries that will be included in the intermediate holding company (“IHC”)) has significant weaknesses in its foundational risk capabilities.**

**With the planning and mobilization phases complete, Santander U.S. has turned to execution against these plans. OW Consultant will support Santander U.S. over the course of 12 months (June 15, 2015 to June 14, 2016) across Governance and Organization (including Risk Appetite)/Non-financial risk (model risk and operational risk) and Risk identification/Model development. In many cases, Consultant will execute against these plans jointly with Santander U.S. staff.**

**The requested dollar value is driven from the team size and time that are required to address all of the challenges within the project.**

ii. If the proposed request is not for full year spend, what is the period that the funds will cover? iii. Was this activity performed last year?

**The spend will cover June 15, 2015 to December 31, 2015**

a.If this activity was performed last year, indicate the approved SAP ER number and dollar value?

**Not performed last year**

b. If there is any deviation from normal spend, please explain what is driving the increase or decrease.

iv. Does this request pertain to a previous request?

**No**

a. Current year previous request

i. Give a detailed history of the evolution of the requests and any that relate to it. If for whatever reason previous requests were deleted rejected, or abandoned, provide the SAP ER numbers and an explanation. **No previous requests**

b. Previous year request **N/A**

i. If the project funding began last year, how much was accrued to current year? **N/A**

v. What is the proposed engagement start and end date?. **June 15, 2015 to** **June 14, 2016**

vi. Was this request budgeted for or is it unexpected? vii. If this request pertains to an outstanding MRA, provide the number. **Budgeted as part of CART Program**

viii. Who will be the presenter of this request (if needed) for PIF? (This person needs to be fully capable of explaining and justifying the expense.) **Matt Burns**

ix. Are taxes and all other variable expenses (travel, shipping etc.) included in the ER if applicable? **Yes**

x. If the expense is part of a larger project, or a pilot, what is the current-year and next-year spend of the project? **N/A**

xi. If it is SHUSA, what cost center should be used for the expense? **9452**

xii. If proposed type is 3 (Existing Service Renewal) **N/A**

a. Attach the contract that needs to be renewed. **N/A**

b. When does the current contract expire? **N/A**

xiii. If proposed type is 4 (Fund Existing Aquanima Negotiated Contract)

a. Attach the Aquanima negotiated contract that is being funded

b. Indicate the negotiation ID number provided by Aquanima during the negotiation process. (To obtain Negotiation ID numbers please contact the Aquanima Analyst who negotiated the contract, or ERP.US@aquanima.com)

c. Contracts can be obtained by emailing Contracts@santander.us

xiv. If proposed type is 5A (Affiliate Spend) **N/A**

a. Attach the proposed / signed annex b. If the proposed annex is a multi-year contract, signed in a previous year, attach the TWA approval memo.

xv. If proposed type is 5F3 (Strategic Direct Award) **N/A**

a. Give full justification of why this expense is not able to be negotiated via the required Corporate Procurement Model.

b. Who is the person responsible for the engagement? **Matt Burns**

c. Who is the EMC sponsor? **Chris Sulpizio**

d. Who is the proposed Vendor? **Oliver Wyman**

e. What are the specific deliverables?

1. **Governance and Organization (including Risk Appetite)**

As part of the CART program, Santander U.S. has launched efforts to strengthen the Risk Appetite Framework and Risk Governance and Organization. The Consultant will provide support in the following areas:

* Redevelopment and embedding of the Risk Appetite Statement and Framework
  + Risk Appetite statement, cascading and embedding
  + Reporting, monitoring and escalation processes
* Design of the Target Operating Model for risk management
  + Risk leadership structure and responsibilities
  + Articulation of roles and responsibilities across Santander U.S./subsidiaries, and organizational design (by risk type)
* Strengthening of Board and Senior Management risk oversight
  + Board Risk Committee Education
  + Board and Management Risk Committee effectiveness
* Enhancement of internal risk reporting
  + Gap analysis and recommendations for quick wins
  + Reporting landscape
  + Templates for select reports (phased approach)

1. **Non-financial risk (model risk and operational risk) and Risk identification**

As part of the CART program, Santander U.S. has launched efforts to build out and strengthen existing fundamental risk management capabilities. The Consultant will provide support in the following areas:

* + - * 1. Risk Identification
        2. Model Risk Management
        3. Operational Risk Management

1. **Model development**

To address a number of identified weaknesses, Santander U.S. plans to enhance its forecasting capabilities over 2015 and beyond as part of the CART program. Consultant has been asked to support the retail loan model development workstream as well as ancillary ‘Corporate Function’ PPNR forecasts. These are expected to cover the following modeling suites:

* + - * 1. Credit loss forecasting models, to support macro-sensitive projections, used primarily for stress testing
        2. PPNR models, to support stress testing and, potentially, strategic planning

f. Is this an extension of current engagement, or a new engagement? **New Engagement**

xvi. If proposed type is 5G (Non-Compliance)

a. Have you already received any invoices pertaining to this request? ( If yes, attach the invoice)

b. Has the vendor started service without a signed contract?