

RETIREMENT SAVINGS PLAN COMMITTEE CHARTER

Purpose

The purpose of the Retirement Savings Plan Committee (the “Committee”) is to assist the Board of Directors, (the “Board”) of Sovereign Bancorp, Inc. (the “Company”) in (i) fulfilling its fiduciary responsibilities with respect to the Sovereign Bancorp, Inc. Retirement Plan (the “Plan”); (ii) ensuring the integrity of the Plan’s financial statements; and (iii) monitoring the Company’s and the Plan’s compliance with legal and regulatory requirements with respect to the Plan. This Charter is effective December 15, 2004.

Committee Membership

The Committee shall consist of no fewer than three members, each of whom shall be a director of the Company. The Board shall determine the qualifications of Committee members from time to time. The Board shall appoint and replace all members of the Committee. The Committee shall meet at least once annually and as many other times as the Committee or the Board deem necessary. In addition, Team Member Services may request that the Committee meet, from time to time, to discuss issues. The Committee shall report to the Board when the Committee deems it appropriate or upon request of the Board. In addition, when required by the terms of the Plan, the Committee will make recommendations to the Board with respect to any and all actions that are reserved to the Board. A majority of the members of the Committee shall constitute a quorum.

Committee Authority and Responsibilities With Respect to the Plan

1. The Committee shall review and discuss with Team Member Services the structure of the Plan and the benefits provided thereunder.
2. The Committee shall discharge its duties solely in the interest of the Plan and its participants and beneficiaries, with the care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent man, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims.
3. The Committee shall adhere to the guidelines as defined in the Employment Retirement Income Security Act of 1974, as amended, and all other applicable regulations, rulings, and authoritative pronouncements of the Employee Benefits Security Administration of the U.S. Department of Labor.
4. The Committee shall determine, with the assistance of professional experts, the Plan’s risk tolerance and its investment horizon.

5. The Committee shall establish, review, revise, and maintain reasonable and consistent investment objectives, policies, and guidelines that will set forth the framework for the investment of Plan assets.
6. The Committee shall prudently and diligently select qualified investment professionals and other specialists.
7. The Committee shall prudently and diligently select mutual funds or other investment vehicles for Plan participant investment direction.
8. The Committee shall evaluate the performance of the mutual fund and other investment funds and their managers to assure adherence to investment policy guidelines and monitor investment objective progress and shall replace an investment option due to fundamental change in investment management style process, failure to comply with established guidelines, or poor performance relative to the appropriate investment benchmark.
9. The Committee shall annually review and discuss with Team Member Services and Company management the Plan's annual audited financial statements, including disclosures made in the Statement of Assets Available for Benefits and any other matters required to be communicated to the Committee by the Plan's auditor under Generally Accepted Auditing Standards, and recommend to the Board whether the audited financial statements should be included in the Plan's Form 11-K for the Plan's fiscal year.

General Authority and Responsibilities

1. The Committee shall, with the assistance of Team Member Services, monitor the Company's compliance with the requirements under the Sarbanes-Oxley Act of 2002 (the "Act") relating to the Plan and confirm the absence of loans to the Company's officers and directors by the Plan in contravention of the Act.
2. The Committee may delegate authority and responsibility to professional experts in various fields, including but not limited to consultants, investment managers, portfolio strategists, legal counsel, plan custodians, trustees, Team Member Services and other administrative service providers and specialists. In addition, the Committee may, and has, delegated to Team Member Services, which is accountable to the Committee, the implementation of all actions approved by the Committee. Team Member Services is responsible for monitoring all aspects of day-to-day Plan activity and directly coordinates with, and manages, all Plan service providers.
3. The Committee shall, with the assistance of Team Member Services, make reports to the Board when the Committee deems it appropriate or upon request of the Board. The Board has sole authority, under the terms of the Plan, to amend the Plan. The Committee is not required to consider or recommend any Plan amendment unless such amendment is determined to be material by Team Member Services.

4. The Committee, and each member of the Committee in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by (i) officers and other employees of the Company or Sovereign Bank, whom such member believes to be reliable and competent in the matters presented and (ii) legal counsel, public accountants, or other persons as to matters which the member believes to be within the professional competence of such person.
5. Minutes of each Committee meeting will be compiled by the Company's Corporate Secretary who shall act as Secretary to the Committee, or in the absence of the Corporate Secretary, by an Assistant Corporate Secretary of the Company who is also a member of the Company's internal legal staff or any other person so designated by the Committee.

