

Bank of Ireland Group plc

# Group Nomination and Governance Committee

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## Terms of Reference

<b>Document Title:</b>	<b>Group Nomination and Governance Committee Terms of Reference</b>
<b>Approved by the Board:</b>	<b>22 November 2018</b>
<b>Effective from:</b>	<b>22 November 2018</b>
<b>Review frequency:</b>	<b>Annually</b>

**Bank of Ireland Group plc (the “Company” and together with its subsidiaries the “Group”)**

**Group Nomination and Governance Committee (the “Committee”)**

**Terms of Reference**

**1. Objectives**

- 1.1 This is the Committee of the Board of Directors of Bank of Ireland Group plc (the “Board”) responsible for:
- 1.1.1 leading the process for appointments and renewals for Board and Board Committees as appropriate, and making recommendations in this regard to the Board for its approval;
  - 1.1.2 keeping Board governance arrangements under review and making appropriate recommendations to the Board to ensure corporate governance practices are consistent with good practice corporate governance standards;
  - 1.1.3 overseeing subsidiary governance to ensure that appropriate and proportionate governance arrangements are in place for Group subsidiaries; and
  - 1.1.4 agreeing the Group’s Corporate Responsibility Policy and overseeing its implementation.

**2. Membership**

- 2.1 The Committee shall have a minimum of three (3) members, appointed by the Board, all of whom shall be non-Executive Directors with a majority of members being independent non-Executive Directors. The Chairman and the Deputy Chairman shall be members of the Committee.
- 2.2 The Committee shall be chaired by an independent member in accordance with the principles set out in paragraph 91 of the EBA Guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2017/12).
- 2.3 Without prejudice to paragraph 2.2, the Chairman shall chair the Committee except when it is dealing with the appointment of a successor to the Chairmanship. In that situation the Senior Independent Director (SID) (unless he/she wishes to be considered for the role of Chairman, shall be appointed by the Committee to chair the Committee and to lead the selection process. Committee members who wish to be considered for the role of Chairman are required to absent themselves from the Committee for the duration of the selection process.
- 2.4 The Group Secretary shall be secretary of the Committee.
- 2.5 Directors who perform an executive function shall not be members of the Committee.
- 2.6 Each year the membership of the Committee will be displayed in the Annual Report and Accounts together with a statement about its activities and the process used for any appointments made.
- 2.7 Membership of the Committee shall be reviewed by the Chairman (to include consideration of rotation of its members) each year to ensure an optimal mix of

expertise, competencies and experience. The general aim is to refresh the membership from time to time to ensure an appropriate balance between continuity and fresh perspectives. These reviews shall be submitted to the Committee for consideration and recommendation to the Board.

- 2.8 While there is no fixed term of membership, a minimum of three and no more than six consecutive years' service would normally be expected of members.

### **3. Collective Knowledge**

- 3.1 Members of the nomination committee should have adequate collective knowledge, expertise and experience relating to the business of the institution to be able to assess the appropriate composition of the management body, including recommending candidates to fill management body vacancies.

### **4. Meetings and Quorum**

- 4.1 The Committee shall meet as often as it deems necessary for the discharge of its responsibilities. The Chairman of the Committee shall report to the Board on its proceedings after each meeting.

- 4.2 The quorum for meetings shall be three members one of whom should be the Chairman or Deputy Chairman and two of whom shall be independent non-Executive Directors.

- 4.3 Any member of the Committee or the Board who has any personal interest in the matters to be considered by that Committee must declare that interest and if the issue is to be decided by the Committee, or subsequently by the Board, must absent himself/herself from any meeting while such issue is being considered.

### **5. Voting**

Questions arising at any Committee meeting shall be decided by a majority of votes. Where there is an equality of votes, the Chairman of the Committee shall have a second or casting vote. Votes shall be recorded in the minutes. Where decisions are unanimous, they shall be recorded as such in the minutes. Dissensions and negative votes shall be documented in the minutes in terms acceptable to the dissenting person or negative voter.

### **6. Duties**

Without limiting the generality of the Committee's objectives, it shall;

#### **6.1 Appointments and Renewals**

- 6.1.1 lead the appointment process for new Board directors, establishing appropriate selection criteria and recommending suitable candidates to the Board for approval. When considering Board appointments the Committee shall have regard to any regulatory requirements applicable to the assessment of the suitability of holders of such roles and the Board Director Assessment Policy (as in place and agreed from time to time);

- 6.1.2 consider the appointment of Key Function Holders (as more particularly defined in the Key Function Holder Assessment policy) to ensure they have the appropriate integrity, adequate knowledge, experience, skill and competence for their roles and make recommendations to the Board with regard to such appointments;

- 6.1.3 annually assess whether Key Function Holders' collective knowledge and expertise remains appropriate given the Group's risk profile;
- 6.1.4 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;
- 6.1.5 ensure that, on appointment to the Board, Directors receive a comprehensive and tailored induction programme designed to enable effective contribution from the outset;
- 6.1.6 ensure that appropriate and timely training shall be provided on an ongoing basis to all Directors;
- 6.1.7 regularly (and at least annually) review the structure, size, composition and succession plans of the Board and Committees of the Board (including consideration of the skills, knowledge, experience and diversity of Directors and their compliance with the relevant fitness and probity standards and make recommendations to the Board with regard to any changes it considers desirable;
- 6.1.8 ensure plans are in place for orderly succession to both the board and senior management positions, and oversee the development of a diverse pipeline for succession.
- 6.1.9 meet annually, without any management present, to satisfy itself that plans are in hand for the orderly succession to the position of Group Chief Executive;
- 6.1.10 oversee the annual evaluation of the performance of the Board including the arrangements and assessments aimed at ensuring the collective suitability of the Board and the annual evaluation of the performance of individual Board Directors.
- 6.1.11 annually assess the independence status of non-Executive Directors and recommend to the Board whether the existing determination on independence remains valid;
- 6.1.12 make recommendations to the Board concerning the extension of the terms of office of non-Executive Directors, the re-election by shareholders of Directors retiring by rotation and the compliance with the relevant fitness and probity standards.
- 6.1.13 make recommendations to the Board in respect of the approval of additional external appointments for Directors.

## **6.2 Corporate Governance**

- 6.2.1 monitor developments in corporate governance including regulatory developments which are relevant to the assessment of the suitability of holders of key roles within the Group, assess the implications for the Group and advise the Board accordingly;
- 6.2.2 review and recommend for approval the annual Corporate Governance Statement for inclusion in the Annual Report of the Group;
- 6.2.3 review at least annually the effectiveness of the Board's policy on diversity its linkage to company strategy, and its objectives, including its measurable

objectives for achieving diversity and the extent to which these measurable objectives have been achieved

;

- 6.2.4 be responsible for recommending appropriate internal policies on the selection and assessment of members of the Board and key function holders, within the Company (as more particularly defined in the Key Function Holder Assessment Policy). Such policies shall be reviewed annually by the Committee with any recommended changes being reported to the Board for approval;
- 6.2.5 review the Board's Terms of Reference on an annual basis and recommend any changes to the Board for approval;
- 6.2.6 review the Board conflicts of interest policy on an annual basis and recommend any changes to the Board for approval;
- 6.2.7 oversee the implementation a conflicts of interest policy at institutional level and a conflicts of interest policy for employees and review annually.
- 6.2.8 review the Group Code of Conduct and the Group Speak Up policy that apply to all employees and directors of the Group and recommend any changes to the Board for approval;
- 6.2.9 provide advice to the Board in relation to the appointment, replacement or dismissal of the Group Secretary;
- 6.2.10 provide advice to the Board in relation to the appointment, replacement or dismissal of the Chief Governance and Regulatory Officer;

### **6.3 Subsidiary Governance**

- 6.3.1 oversee subsidiary governance to ensure that appropriate and proportionate governance arrangements are in place for Group subsidiaries and including determination of matters to be reserved/delegated to the subsidiaries;
- 6.3.2 oversee the process for appointments and renewals of the Boards of substantial regulated subsidiaries;
- 6.3.3 review succession plans for the Boards of substantial regulated subsidiaries;
- 6.3.4 consider effectiveness reviews of the Boards of substantial regulated subsidiaries;

### **6.4 Corporate Responsibility**

oversee the Group's Corporate Responsibility Programme encompassing the Group's relationship with each of its key stakeholders including shareholders, customers, staff, Government, regulators and the wider community.

### **6.5 Decision making**

- 6.5.1 in performing its duties, the Committee shall to the extent possible and on an ongoing basis, take account of the need to ensure that Board decision making is not dominated by any one individual or small group of individuals in a manner that is detrimental to the interests of the Group as a whole;
- 6.5.2 the committee chair should seek engagement with shareholders on significant matters related to work of the Committee.

## **7. Authority**

- 7.1 The Committee is a committee of the Board of Directors of the Company from which it derives its authority and to which it regularly reports.
- 7.2 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Group Secretariat for assistance as required. As and when required, the Committee may access professional advice and may commission both informal and formal studies to assist its formulation of policy and its operations.
- 7.3 The Committee may invite any Director, Executive or other person to attend any meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the attainment of its objectives.
- 7.4 The Committee shall have access have access to all necessary information to perform its duties, including information and data from relevant corporate and control functions and be able to involve the relevant internal control functions and other competent internal functions, where necessary.
- 7.5 The Committee shall periodically review and decide on the content, format and frequency of the information on risk to be reported to them.

## **8. Performance Evaluation**

The Committee shall, at least once a year, review its own performance and terms of reference and shall report its conclusions and recommend any changes it considers necessary to the Board for its approval.

**Approved by the Board of Directors of Bank of Ireland Group plc  
on 22 November 2018**