

## **THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND (the Bank)**

### **Delegations and Matters reserved for Court decision**

The Court of Directors of the Bank ("Court") may delegate authority to management to act on behalf of the Court in respect of certain matters but, where the Court does so, it shall have mechanisms in place for documenting the delegation and monitoring the exercise of delegated functions. The Court cannot abrogate its responsibility for functions delegated. Subject always to the requirement for Court approval for the matters reserved to the Court set out below, the Court delegates authority to the Chief Executive Officer for the execution of the agreed strategy of the Bank and all operational matters of the Bank that are not the subject of specific delegations. The Chief Executive Officer may further sub-delegate and may specify internal guidelines or policies for establishing the extent and levels of approval for such further sub-delegation.

The Chief Executive, who is also the Group Chief Executive, appoints a Group Executive Committee to assist in the execution of his delegated functions.

The Court reserves the following matters for its decision:

- Determination of strategy.
- Determination of risk appetite within the parameters of the Group's Risk Appetite Statement.
- Approval of the Group's Internal Capital Adequacy Assessment Process (ICAAP).
- Establishing the Bank's purpose, values and strategy, and satisfying itself that these and its culture are aligned.
- Overseeing the management of the business.
- Overseeing the internal control, compliance, and risk management systems of the Bank.
- Approval of dividend policy, the declaration of any interim dividend and any decision to recommend a final dividend to the shareholder.
- Approval of the Bank's business plans and budgets.
- Overseeing corporate governance and succession planning.
- Establishing any sub-committees of the Court and approving their terms of reference.
- Approving the appointment of Directors and specified senior management appointments, including people having a material impact on the risk profile of the Bank and approving the appointment and removal of Heads of Control Functions.
- Overseeing remuneration framework.
- Acquisitions or divestments of companies involving a third party or management buyout except for credit management purposes.
- Approval of Common Equity Tier 1 capital investments of greater than €20m in a regulated subsidiary and €40m in any other subsidiary.
- Capital expenditure (in excess of €40m) \*.
- Guarantees including those in respect of subsidiary companies, entered into by the Bank, other than in the normal course of business.
- Pension scheme funding/benefits - all changes to the funding of pension schemes in the Bank and/or benefits of same.
- The approval of equity underwriting sums of greater than €20m.

The Bank is a member of the Bank of Ireland Group plc Group (BOIG PLC) and the Court will have regard to Group policies and requirements including matters which are reserved by the Board of BOIG PLC for its decision from time to time. The Court will also ensure that where approval by BOIG plc is required in addition to the approval of the Court such approval will be sought.

\* *This authority is delegated to the CEO (and is exercised on the CEO's behalf by the Group Executive Committee (GEC)) and applies in the case of investments which are clearly consistent with approved strategy. All investments greater than €20m, approved by the CEO/GEC, will be reported to the Court and the Board of BoIG PLC.*