



# Bank of Ireland

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## Court Nomination and Governance Committee

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### Terms of Reference

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| <b>Document Title:</b>  | <b>Court Nomination and Governance Committee Terms of Reference</b> |
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**The Governor and Company of the Bank of Ireland (the “Company” and together with its subsidiaries the “Group”)  
Court Nomination and Governance Committee (the “Committee”)**

**Terms of Reference**

**1. Objectives**

The Committee is established by the Court of Directors of the Governor and Company of the Bank of Ireland (the “Court”), with responsibility for:

- 1.1 leading the process for appointments and renewals for Court and Court Committees as appropriate, and making recommendations in this regard to the Court for its approval;
- 1.2 considering and making recommendations to the Court in respect of the appointment of Key Function Holders;
- 1.3 ensuring plans are in place for orderly succession to both the Court and senior management positions, and oversee the development of a diverse pipeline for succession;
- 1.4 keeping Court governance arrangements under review and making appropriate recommendations to the Court to ensure corporate governance practices are consistent with good practice corporate governance standards;
- 1.5 overseeing subsidiary governance to ensure that appropriate and proportionate governance arrangements are in place for Group subsidiaries.

**2. Membership**

- 2.1 The Committee shall have a minimum of three (3) members, appointed by the Court, all of whom shall be non-Executive Directors with a majority of members being independent non-Executive Directors. The Court Governor and the Deputy Governor 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 Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06) (the “Suitability Guidelines”).
- 2.3 Without prejudice to paragraph 2.2, the Court Governor shall chair the Committee except when it is dealing with the appointment of a successor to the Court Governor role. In that situation the Senior Independent Director (“SID”) (unless he/she wishes to be considered for the role of Governor) 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 Governor are required to absent themselves from the Committee for the duration of the selection process.
- 2.4 The Group Secretary or a senior representative from the Group Secretary’s Office 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 Chair (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 Court.
- 2.8 While there is no fixed term of membership, a minimum of three and no more than five consecutive years’ service would normally be expected of members.

### **3. Collective Knowledge**

- 3.1 In accordance with paragraph 124 of the Suitability Guidelines, members of the Committee should have adequate collective knowledge, expertise and experience relating to the business of the Group to be able to assess the appropriate composition of the Court, including recommending candidates to fill Court vacancies.

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

- 4.1 The Committee shall meet as often as it deems necessary for the discharge of its responsibilities. The Chair of the Committee shall report to the Court on its proceedings after each meeting.
- 4.2 The quorum for meetings shall be three members one of whom should be the Governor or Deputy Governor and two of whom shall be independent Non-Executive Directors.
- 4.3 Any member of the Committee or the Court 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 Court, 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 Chair 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 Court directors, establishing appropriate selection criteria and recommending suitable candidates to the Court for approval. When considering Court appointments, the Committee shall have regard to any regulatory requirements applicable to the assessment of the suitability of holders of such roles and the Court Director Assessment Policy (as in place and agreed annually);
- 6.1.2 consider the appointment of Key Function Holders, proposed by management to ensure they have the appropriate integrity, adequate knowledge, experience, skill and competence for their roles, remaining cognisant of the gender balance and diversity profile of those in senior management and their direct reports, and make recommendations to the Court with regard to such appointments;
- 6.1.3 receive confirmation from the Group Secretary that, on appointment to the Court, 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 Court meetings;
- 6.1.4 receive confirmation from the Group Secretary that, on appointment to the Court, Directors receive a comprehensive and tailored induction programme designed to enable effective contribution from the outset;
- 6.1.5 receive updates from the Group Secretary to ensure that appropriate and timely training provided on an ongoing basis to all Directors;
- 6.1.6 regularly (and at least annually) review the structure, size, composition and succession plans of the Court and Committees of the Court (including consideration of the skills, knowledge, experience and diversity of Directors and their compliance with the relevant fitness and probity ("F&P") standards) bearing in mind the future demands of the business and make recommendations to the Court with regard to any changes it considers desirable;
- 6.1.7 ensure plans are in place for orderly succession to both the Court and senior management positions, and oversee the development of a diverse pipeline for succession;

- 6.1.8 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 Officer;
- 6.1.9 oversee the annual evaluation of the performance of the Court including the arrangements and assessments aimed at ensuring the collective suitability of the Court and the annual evaluation of the performance of individual Court Directors;
- 6.1.10 annually assess the independence status of Non-Executive Directors and recommend to the Court whether the existing determination on independence remains valid;
- 6.1.11 make recommendations to the Court concerning the extension of the terms of office of Non-Executive Directors, the re-election of Directors by shareholders at the Annual General Court and the compliance with the relevant F&P standards;
- 6.1.12 make recommendations to the Court 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 Court 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 Board & Court Diversity Policy, its effectiveness; its linkage to company strategy; and its objectives, including its measurable objectives for achieving Court 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 Court and key function holders. Such policies shall be reviewed annually by the Committee with any recommended changes being reported to the Court for approval;
- 6.2.5 oversee the Group's compliance with the current F&P standards;
- 6.2.6 review the Court's Terms of Reference on an annual basis and recommend any changes to the Court for approval;
- 6.2.7 review the Director Induction, Training & Development Policy and recommend any changes to the Court for approval;
- 6.2.8 review the Group Fitness & Probity and Suitability Policy and recommend any changes to the Court for approval;
- 6.2.9 review the Group Code of Conduct policy that applies to all employees and directors of the Group and recommend any changes to the Court for approval;
- 6.2.10 provide advice to the Court in relation to the appointment, replacement or dismissal of the Group Secretary.

## **6.3 Subsidiary Governance**

- 6.3.1 oversee subsidiary governance to ensure that appropriate and proportionate governance arrangements are in place for Group subsidiaries, 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 Decision making**

- 6.4.1 in performing its duties, the Committee shall, to the extent possible and on an ongoing basis, take account of the need to ensure that Court 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;
- 6.4.2 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 Court 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 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 Court for its approval.