



# Bank of Ireland

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## Group Transformation Oversight Committee

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### Terms of Reference

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# Bank of Ireland Group plc (the “Company”)

## Group Transformation Oversight Committee

### Terms of Reference

#### 1. Purpose

The Group Transformation Oversight Committee (“GTOC” or “the Committee”) was established by the Board of the Bank of Ireland Group plc (“the Board”) to support the Board in overseeing, supporting, and challenging the actions being taken by Management in relation to the execution of the Group’s strategic transformation, focused on technology related change.

As the Group pivots towards a more customer-focused, digital banking model, with greater levels of customer digital engagement and automation of servicing and processes, the Committee shall oversee the step change required in the Group’s business and technology practices alongside changes required to optimise digital skills, organisational model, and ways of working in order to deliver the right customer experience, systems, and processes to deliver the desired outcomes.

Committee members will ensure that due consideration is given to the Group’s Purpose in Committee discussions, recommendations and decisions and that a ‘customer outcomes’ focus is applied to all deliberations related to systems transformation.

#### 2. Membership

2.1 The Committee shall have a minimum of three (3) members, appointed by the Board, all of whom will be Non-Executive Directors, the majority of whom shall be independent. The Committee as a whole shall have an appropriate mix of skills and relevant experience.

2.2 Membership of the Committee will be reviewed by the Group Nomination, Governance, & Responsible Business Committee 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.

2.3 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.

2.4 Depending on the subject matter under review, the Committee may invite any other director, officer, employee or external adviser to attend any meetings of the Committee. The following will usually be expected to be in regular attendance:

- The Group Chief Executive Officer;
- The Group Chief Financial Officer;
- The Chief Operating Officer; <sup>1</sup>
- The Group Chief Risk Officer;
- The Chief Strategy and Transformation Officer;
- The Deputy Group Chief Internal Auditor;
- The Head of Operational Risk.

2.5 External experts will provide fresh insights, external challenge and forward-looking market perspectives on a regular basis.

#### 3. Meetings and Quorum

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<sup>1</sup> Replacing the Chief Technology and Payments Officer (CTPO) role in 2024

- 3.1 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.
- 3.2 The quorum for meetings shall be two (2) members to include the Chairman or alternate Chairman. A duly convened meeting of the Committee at which quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in, or exercisable, by the Committee.
- 3.3 Meetings will be formal, with members attending in person or by video conference / conference call.
- 3.4 Any member of the Committee or the Board who has a personal interest in the matters to be considered by the 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.
- 3.5 Secretarial services to the Committee will be provided by the Group Secretary or his/her nominee. Minutes of Committee meetings shall be circulated to relevant stakeholders for review within five (5) working days. Following this, they will be agreed with the Chair as soon as possible and submitted to a subsequent Committee meeting for approval. Copies of the approved minutes are submitted to the Board as soon as possible for review and consideration.

#### 4. 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. Dissensions and negative votes shall be documented in the minutes in terms acceptable to the dissenting person or negative voter.

#### 5. Duties

In performing its duties the members will comply with all applicable legal and regulatory requirements, including the Common and Additional Conduct Standards under the Central Bank of Ireland's Individual Accountability Framework. Without limiting the generality of the Committee's purpose, it shall:

- 5.1 Oversee the delivery execution of the Group's **major strategic systems transformation and programmes with high dependency on technology change**, ensuring alignment with the Group's strategic goals and objectives.
- 5.2 Oversee the Group's **transformation investment** budget. Review and challenge management on the delivery of financial outcomes, efficiency and value for money across all areas of the investment spend.
- 5.3 Review and challenge management on the Group's **change and execution capabilities and capacity** to execute, to the requisite standards and within risk appetite, the Group's strategic systems transformation and programmes with high dependency on technology change. Ensure that there is an appropriate balance of ambition and capability, and that sufficient focus is given to developing sustainable capability. Working with the Board Risk Committee<sup>2</sup>, ensure the Transformation Risk framework effectively captures key transformation risks.
- 5.4 Review and recommend for approval, on an annual basis by the Board, the Group's **IT and Digital Strategy** and associated investment and programme roadmap and related capabilities to ensure its effective execution.

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<sup>2</sup> The Board Risk Committee retains overall responsibility for Board oversight of all risks and the delivery of key regulatory programmes, and the recommendation and monitoring of Board Risk Appetite metrics for all risk categories, including IT-related risk categories.

- 5.5 Review and challenge management on the effectiveness of their plans to implement the IT and Digital strategy and to ensure there is a sufficient focus on the sustainability of delivery against the Group's strategic customer and financial goals. Specific focus to be given to the effectiveness of the IT and digital operating model, the role of vendors and partners, the Group's capabilities and skills in digital, design, data, technology, architecture, and vendor management.
- 5.6 Review and challenge management on the effectiveness of the Group's **technology delivery performance**. Provide oversight to ensure that the impact of any lessons learned from significant incidents is considered in the Group's strategic plans.
- 5.7 Monitor, with the support of external experts and market perspectives, the key **digital threats and opportunities** arising from new or disruptive technologies, products, commercial operating models, major industry developments including but not limited to developments in fintech, data and artificial intelligence, cyber, cloud. Challenge management to ensure the Group has appropriate plans in place to take advantage of opportunities, manage strategic threats, and innovate where necessary.
- 5.8 Review and challenge the effectiveness of the Group's **Cyber Risk** defences and **Data Management** strategy and associated execution plans.
- 5.9 Review and approve management's '**digital and transformation**' Objectives and Key Results ('OKR's). Monitor performance against these objectives and provide an annual assessment of management's performance for approval by Remuneration Committee and the Board.
- 5.10 To assess the adequacy of the technology Infrastructure supporting the risk management framework and effective Market Insights (MI) across the Group, with adequacy measured by assessing the infrastructure supporting an appropriate level of risk management from identification, management and mitigation to reporting and escalation.
- 5.11 The Chairman of the Committee will report formally on the key aspects of the proceedings of the Committee to the subsequent full meeting of the Board.

## 6. Operations

At the discretion of the Committee Chair, the Committee shall review the following standing items at each Committee meeting:

- i. Chief Strategy and Transformation Officer Update on the broader transformation agenda across systems, culture and business model;
- ii. Enterprise Transformation Update to include assessment on performance versus Objectives and Key Results (OKRs), highlighting specific challenges and issues;
- iii. Systems Transformation Strategy and Key Technology Programmes update;
- iv. Financial Performance update related to systems transformation;
- v. Capability Focus Topics focusing on, *inter alia*, the Group's Simplification and Data Delivery Strategies;
- vi. Digital Relationship Bank Update;
- vii. Business Transformation focus topics including an annual review of business divisions transformation/IT end state strategies;
- viii. Deep dive on specific programmes on rotation, as agreed with the Chairperson;
- ix. Key items for escalation; and
- x. External Insights on specific market technology trends, as agreed with the Chairperson.

## 7. Authority

- 7.1 The Committee is a committee of the Board, 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 is authorised to seek any information it requires from any employee of the Group to enable it to discharge its responsibilities.

## **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 approval.

The Committee may undertake interim reviews of its own performance and provide a report of such review to the Committee for its consideration.