

**Bank of Ireland (UK) plc (BOIUK or the Company)**  
**Board Risk Committee Terms of Reference**

**Section 1 – Objectives**

The Bank of Ireland (UK) plc Board Risk Committee (“BRC”) is established to monitor risk governance and to assist the Board in discharging its responsibilities in ensuring that risks are properly identified, assessed, and reported on; that risks are properly managed and controlled to support delivery of good customer outcomes and to avoid foreseeable harm to customers and to BOIUK; and that strategy is cognisant of the Company’s risk appetite within the overall risk appetite of the Bank of Ireland Group (BOIG).

**Section 2 – Key Responsibilities and Functions**

The Committee should carry out the responsibilities set out below for the Company and the BOIUK Group as a whole:

1. Review, discuss and approve the recommendations of executive committees including the Executive Risk Committee, where relevant, the Asset and Liability Committee, and the UK Liquidity and Capital Committee (for the BOIUK Recovery Plan) on the following:
  - a. The Company’s Risk Management Framework.
  - b. Company Credit Policy and Framework (including any revisions thereto) annually, or more frequently if required.
  - c. Company Treasury (Capital and Funding) Strategy.
  - d. Conduct Risk Policy.
  - e. Data Protection and Privacy Policy.
  - f. Operational Risk Policy.
  - g. The appropriateness of the Company’s risk assessment systems.
  - h. Ensuring that the Risk Function has adequate resources to discharge its responsibilities.
  - i. Monthly Risk Report.
2. Review the recommendations of executive committees, including the Executive Risk Committee for onward recommendation to the Board on:
  - a. The Company’s Risk Appetite statement, which encompasses core and supporting risk appetite measures and calibrations.
  - b. The Company’s Risk Strategy.
  - c. The Company’s Internal Capital Adequacy Assessment Process (ICAAP), reverse stress testing and capital plans.
  - d. The Company’s Individual Liquidity Adequacy Assessment Process (ILAAP).
  - e. Recovery and Resolution Plan.
3. Monitor and review the Company’s nine key risks; including the following:
  - a. Risk Profile vs Risk Appetite
  - b. Risk trends
  - c. Risk concentrations
  - d. Key Performance Indicators for risk
  - e. Early Warning Indicators for risk
  - f. Risk Policy exceptions
4. Approve material risk policies as recommended by the Executive Risk Committee. Undertake deep dive risk reviews into key business areas as appropriate.
5. Review and challenge red residual risks and Paths to Target to bring those risks to within appetite.
6. Review and recommend to the Board for approval “Board Approved Personal Lending Discretions”.
7. Oversee management’s role in fostering and maintaining a sound risk culture.

8. Review and recommend to the Board for approval changes to the risk strategy resulting from, changes in the business model, market developments or recommendations made by the risk management function.
9. Monitor the risk elements of a due diligence appraisal of any merger, acquisition, disposal or significant transactions by the Company and advise the Board on their findings.
10. Provide advice to the Board in relation to the appointment, replacement or dismissal of the Company CRO.
11. Delegate as appropriate matters to the Company's Executive Risk Committee, Asset and Liability Committee and UK Liquidity and Capital Committee in accordance with the BOIUK Recovery Plan.
12. Review all breaches of the Company approved risk limits and advise the Board of any material breaches that are not, in its view, appropriately mitigated or where the frequency of breaches is a cause for concern.
13. Receive and consider the implications on the Board's risk governance and management framework of the findings of Group Internal Audit (including Group Credit Review) in respect of risk management to the extent that they impact on the Company's risk profile.
14. Note and discuss management's assessment of risk in the Company, including its view on likelihood of occurrence and the mitigations available.
15. Review and approve the BOIUK Impairment Policy (including any revisions thereto) annually, or more frequently if required.
16. Receive and note the Company's compliance assurance plan.
17. Approve the minutes of previous meetings.
18. Review and recommend the BRC's Terms of Reference or amendments thereto to the Board.
19. Review and approve the Company's Executive Risk Committee's Terms of Reference.
20. Provide the Company's Remuneration Committee with appropriate risk related input to its annual review of the Company's remuneration policy, and note the Material Risk Taker list.
21. Oversee the Company's plan for managing the financial risks from climate change in relation to its overall business strategy and risk appetite, through regular risk reporting and other related exercises where financial risks from climate change are assessed, such as ICAAP, ILAAP, Risk Management Framework, Business Model Assessment and other relevant external disclosures.
22. Oversee the Company's plan for managing data protection and information governance through regular reporting.
23. Review matters escalated by the Executive Risk Committee or CRO.

### **Section 3 – Prescribed Responsibilities**

The Committee in its work will aim to assist the Chair in complying with his prescribed responsibilities by:

- Reviewing the independence and overseeing the performance of the Compliance and Conduct Department in accordance with SYSC 6.1.
- Reviewing the independence and overseeing the performance of the Risk function in accordance with SYSC 7.1.21R and 7.1.22R.

### **Section 4 – Authority**

The Committee derives its authority from the Board.

The Committee may investigate any matter falling within its terms of reference or any other area of risk within the Company, BOIG (outsourced arrangements) or external outsource providers and may call on whatever resources (including external professional or legal services) and information it considers necessary to so do. It shall have access to adequate funding to enable it to discharge its duties.

The Committee may invite any Company Director, Company Executive, other person employed by the Company or representatives from BOIG, in their role as outsource provider, or any representative of an external outsource provider 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.

The Committee may seek any information, including documentation, it requires from any employee of the Company to enable it to discharge its responsibilities.

## **Section 5 - Membership**

**Number of Members:** The Committee shall comprise at least three (3) members all of whom will be Non-Executive Directors with an appropriate mix of skills and experience. To ensure co-ordination with the work of the Audit Committee, the Chair of Audit Committee should be a member of the BRC and the Chair of the BRC should be a member of the Audit Committee. At least one member of the Committee will also be a member of the Company's Remuneration Committee. At least one member should have specific risk management expertise and experience.

**Quorum:** The quorum for any meeting shall be two to include the Chair.

**Members:** Membership of the Committee will be reviewed each year by the Company's Nomination Committee in consultation with the Chairman of the BRC and changes as required will be recommended to the Board at that time. While there is no fixed term of membership, a minimum of three consecutive years' service would normally be expected from members. The general aim is to change the membership from time to time to ensure an appropriate balance between continuity and fresh perspectives.

**Chair:** The Chair will be appointed by the Board on the recommendation of the Company Nomination Committee in consultation with the existing Chair of the BRC. In the absence of the Committee Chair the remaining members present shall elect one of themselves to chair the meeting.

The Chair will be responsible for leadership of the Committee and for ensuring its effectiveness in all aspects of its role. The Chair should also facilitate the effective contribution of all members. Where the Chair calls upon members to vote on any issue, decisions will be by way of simple majority. In the event of a split decision, the Chair shall exercise a casting vote to determine the outcome.

**Secretary:** The Company Secretary or their nominee, as agreed with the Chair of the Committee, shall act as secretary to the Committee. They will not be a member of the Committee. The Company Secretary's Office will support the Committee.

**Attendees:** The Company Chief Executive, the Company Chief Risk Officer, the Company Chief Financial Officer and the Head of UK Audit, while not members of the Committee, will normally attend meetings.

**Training:** The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members. The CRO will be responsible for ensuring this training is provided.

**Voting and Conflicts of Interest:** In keeping with the Articles of the Company, decisions arising at any meeting of the Committee shall be determined by a majority of votes. In the case of an equality of votes, the Chair of that meeting shall have a second or casting vote.

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.

The Directors have a duty to act in the best interests of the Company, and must act in accordance with the Articles and the Company's Conflicts of Interest Policy at all times. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company must declare the nature of this interest to the Committee at the earliest opportunity. Directors will not participate in any decision making/ discussion of the Committee where it could be reasonably perceived that conflicts of interest exist.

## **Section 6 – Meetings and Minutes**

Meetings are generally held at least 5 times per year and in advance of relevant Audit Committee meetings, or alternatively, as short a period as practical before a meeting of the Audit Committee to ensure the work of the two committees is appropriately synchronised.

The Chair of the Committee or the Chair of the Board may each request that a meeting be held at any time. Any other member of the Risk Committee or the Company CRO, may each request the Chair to convene a meeting at any time.

Minutes of meetings will be circulated to all Members in advance of their formal adoption by the Committee. Once approved the minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Chair of the BRC.

### **Section 7 – Reporting**

The Chair will report formally on the key aspects of the proceedings of the Committee to the subsequent full meeting of the Board and the approved minutes of the Committee should be tabled at the Board as soon as possible for noting and/or discussion as necessary.

### **Section 8 – Responsibility of Management**

Management will ensure that all information relevant to the discharge by the Committee of its responsibilities, detailed above, is provided to the Committee (as requested by the Committee). Management will also ensure that matters of material concern that are relevant to the Committee's responsibilities are brought to the attention of the Committee promptly.

### **Section 9 – Review of Operations**

On a yearly basis, the Committee will review the effectiveness of its operations and report to the Board on its findings and recommendations.

Approved by the Committee on 19 July 2022 and the Board on 21 July 2022