

PRIVATE AND CONFIDENTIAL

Permanent TSB Group Holdings plc

Terms of Reference

Nomination, Culture and Ethics Committee

12 December 2023

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Nomination, Culture and Ethics Committee Terms of Reference

<p>1. Authority</p>	<p>The Board Nomination, Culture and Ethics Committee (the “Committee”) is a committee of the Board of Permanent TSB Group Holdings plc (the “Company”) established in accordance with section 81 of the Company’s Articles of Association (power to delegate) with authority to operate and make decisions in accordance with the terms of reference set out below.</p>
<p>2. Overview</p>	<p>2.1 The purpose of the Committee is to ensure that the nomination, appointment, ethical and conduct policies, practices and decisions of the Company are carried out appropriately, and are properly aligned to Company strategy and the interests of its shareholders, while operating within applicable regulatory and legal requirements. The Committee supports the Board in providing leadership and oversight on the development of, and embedding a positive ethical culture, conduct standards, corporate reputation, employee engagement and wellbeing, stakeholder management and diversity and inclusion within the Bank.</p> <p>2.2 In meeting this purpose, the Committee will consider in particular:</p> <p>The Company’s Purpose, Ambition and Values, and the long-term interests of the Company;</p> <p>The Company’s attitude to and appetite for risk;</p> <p>The relevant regulatory requirements within which the Company and its subsidiaries operate, including the Central Bank of Ireland (“CBI”) Corporate Governance Requirements for Credit Institutions, the Capital Requirements Directive IV (“CRD IV”) as transposed into Irish law, the Central Bank (Individual Accountability Framework) Act, as well as other relevant regulation and legislation;</p> <p>The UK Corporate Governance Code and Irish Corporate Governance Annex;</p> <p>The State Agreements between the Company and the Minister for Finance; and</p>

	The wider interests of stakeholders other than shareholders.
3. Responsibilities	<p>3.1 Appointments and Terminations</p> <p>3.1.1 Establishing appropriate selection criteria, and having regard to any regulatory requirements applicable to the membership of the Board, make recommendations to the Board in respect of the appointment and dismissal/termination of Directors (including the Chairperson and Executive Office holders) and the Company Secretary and evaluate the ongoing collective suitability of the members of the Board; and</p> <p>3.1.2 To make recommendations to the Board on the appointment of Group Executive Committee members, and/or any Pre-Approval Controlled Function (PCF) holders¹.</p> <p>3.1.3 To notify the Board of the cessation of any member of the Group Executive Committee and/or any Pre-Approval Controlled Function (PCF) holders.</p> <p>3.1.4 The removal from office of the Head of a Control Function² shall be subject to prior approval of the Board.</p> <p>3.2 Performance Evaluation of Individuals</p> <p>3.2.1 To review the performance of the Chief Executive against their objectives as set by the Chairperson and without the Chief Executive present;</p> <p>3.2.2 To review the performance of the Executive Directors (as presented by the Group CEO to the Committee);</p>

¹ The Chair of the Board Audit Committee shall be consulted on the appointment/removal of the Group Head of Internal Audit (PR8). The Chair of the Board Risk and Compliance Committee shall be consulted on the appointment/removal of the Head of Compliance (PR9) and the Group Chief Risk Officer (PR10).

² Head of Internal Audit, Head of Compliance, Chief Risk Officer

	<p>3.2.3 To review the Group CEO’s assessment of the performance of Executive Committee members;³</p> <p>3.2.4 To report on the above performance evaluations to the Board Remuneration Committee; and</p> <p>3.2.5 Oversight of the application of Fitness and Probity and IAF Conduct Standard requirements including approval of relevant policies⁴,and support the breach management process in relation to members of the Board, Executive Committee and/or any Pre-Approval Controlled Function (PCF) holders.</p> <p>3.3 Board and Committee Oversight and Composition</p> <p>3.3.1 To ensure that the Board consists of a minimum of seven Directors at all times and in any event to ensure that the Board is of sufficient size that the requirements of the business can be met, that changes to the Board’s composition and that of its committees can be managed without undue disruption, but should not be so large as to be unwieldy;</p> <p>3.3.2 Taking into account the assessment of collective suitability of the Board, to annually review the performance and effectiveness of the Board’s operations, including the Chairperson position and composition of Board Committees;</p> <p>3.3.3 To manage Board and cross-Committee membership to ensure that no one individual or small group of individuals exercises excessive influence or control;</p> <p>3.3.4 To review and consider the composition and membership of the Board where ongoing conflicts of interest arise in line with the Board approved Conflicts of Interest Policy;</p>
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³ Following discussion at Board Audit Committee, the Chairperson of the Board Audit Committee, with input from the Group CEO, reviews the performance of the Head of Group Internal Audit.

⁴ *The Remuneration Committee has responsibility to monitor on an ongoing basis the appropriateness of Material Risk Takers (whose performance evaluation is not set out above) in their respective roles;*

	<p>3.3.5 To assess the knowledge, experience and skills required to competently discharge the Board’s duties, having regard to the agreed strategic direction and risk profile of the Company and in this regard to prepare and recommended for approval to the Board a documented Board Suitability Matrix;</p> <p>3.3.6 To review the Committee’s Terms of Reference and its own effectiveness each year and recommend any changes considered necessary to the Board; and</p> <p>3.3.7 To review the skills, knowledge and experience of individual Board members and the structure, size and composition (including the skills, knowledge and experience) of the Board as a whole, and having considered the balance of skills, knowledge experience and independence sought, to make recommendations to the Board with regard to any changes..</p> <p>3.4 Board and Committee Recruitment and Selection</p> <p>3.4.1 Review and recommend to the Board the design and implementation of the Board Assessment and Suitability Policy and monitor the effectiveness of the Policy;</p> <p>3.4.2 To establish processes for the appointment, development and rotation of Non-Executive Directors and Chairperson, including, where appropriate, the use of external recruiters or open advertising;</p> <p>3.4.3 To evaluate the balance of skills, experience, independence and knowledge on the Board and, in the light of this evaluation, prepare a description of the role and statement of responsibilities⁵ and capabilities required for a particular appointment, taking into account the anticipated time commitment, including in times of increased activity, that is required;</p> <p>3.4.4 To be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise in line with the Board Assessment and Suitability Policy and Board Diversity Policy.</p>
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⁵ in line with IAF once the SEAR Regulations are implemented for Non-Executive Directors.

	<p>3.4.5 To develop and recommend to the Board a policy for promoting diversity on the Board, and in particular in relation to engaging a broad range of qualities and competences on recruitment and also the setting of target levels of gender representation on the Board over time and preparing a policy on how to meet that target, in addition to other diversity metrics;</p> <p>3.4.6 To satisfy itself as to a candidate’s independence prior to his or her nomination for approval to the Board (for Independent Non-Executive Director nominations) and to undertake an annual assessment of director independence;</p> <p>3.4.7 To assess and document the Committee’s consideration of possible conflicts of interest, including, but not limited to personal relationships, business relationships and common Directorships (appointments should not be recommended where possible conflicts of interest may emerge which are significant to the overall work of the Board);</p> <p>3.4.8 To 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, and that on appointment new Directors receive a comprehensive and tailored induction including, where appropriate, a handover from a departing role holder;</p> <p>3.4.9 To lead the development and monitoring effective implementation of policies and procedures for the ongoing training and professional development of Board members and recommend to the Board the design and implementation of a Board Induction, Training and Professional Development Policy;</p> <p>3.4.10 To make recommendations to the Board as regards the re-appointment of any Non-Executive Director at the conclusion of his/her specified term of office or concerning the re-election by shareholders of any Director under the retirement by rotation provision of the Articles of Association; and</p> <p>3.4.11 To review annually the membership of the Board of any person who is a member for six years or more and to document the rationale for any continuance.</p>
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	<p>The Central Bank of Ireland shall be notified of instances of Board membership in excess of nine years.</p> <p>3.5 Succession Planning - Leadership Capability and Pipeline</p> <p>3.5.1 To keep under review the leadership needs of the Company both Executive and Non-Executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;</p> <p>3.5.2 To lead the development and monitoring implementation of effective plans, policies and procedures for the succession of the Chairperson, Board of Directors, Group Chief Executive, Executive Committee members and all other PCF holders, and oversee the development of a diverse pipeline for succession;</p> <p>3.5.3 To periodically review the Company’s recruitment process related to all Board or Board Committee approved positions; and</p> <p>3.5.4 The Board Chairperson will not Chair meetings in which Board Chair succession is discussed.</p> <p>3.6 Culture and Citizenship.</p> <p>3.6.1 To support the Board in the of the review the design, implementation and effectiveness of the Bank’s:</p> <ul style="list-style-type: none"> • Purpose, Ambition and Values; • Culture and Conduct Pillars of Focus and associated programmes; • Diversity and Inclusion strategies, practices and behaviours; • Brand positioning and reputation management • Colleague engagement mechanisms and conduct. <p>3.6.2 Where the Committee is not satisfied that any policy, practices or behaviour throughout the Bank is consistent with Bank’s Purpose, Ambition and Values,</p>
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	<p>including consideration of the customer in decision making, it will seek assurance that management has taken corrective action.</p> <p>3.6.3 To review the arrangements that ensure colleagues can raise matters of concern in confidence.</p> <p>3.6.4 To oversee the approach by which the Bank maintains and protects its good standing and reputation and to consider all matters that may have a material impact on same.</p>
<p>4. Interaction with Other Committees or Forums</p>	<p>4.1 The Committee and the Board Remuneration Committee will have at least one shared member;</p> <p>4.2 The Chairperson of the Board will chair the Committee;</p> <p>4.3 The Board Remuneration Committee leads on matters relating to top management remuneration. However, it is expected that there will be effective communication and coordination on matters relevant to both committees and that the Committee shall report on all performance evaluations for which the Committee is responsible for to the Board Remuneration Committee; and</p> <p>4.4 The Chairperson of the Committee should seek regular engagement with shareholders on significant matters related to the Committee’s responsibilities.</p>
<p>5. Membership</p>	<p>5.1 The Committee shall have a minimum of three and ideally four/five Non-Executive Directors with an appropriate mix of skills and experience, a majority of whom are considered by the Board to be independent.</p> <p>5.2 The Board may also appoint additional Non-Executive Directors to the Committee as it considers appropriate to ensure that the Committee collectively has the adequate knowledge, expertise and experience to execute its responsibilities under this terms of reference.</p>
<p>6. Regular Attendees</p>	<p>6.1 Attendance at Committee meetings by persons other than the members of the Committee shall be managed and the committee shall operate at all times in a</p>

	<p>manner consistent with ensuring its independence; and</p> <p>6.2 At the invitation of the Chairperson, the Group CEO, Group HR Director or any other individual may be invited to attend all or part of a meeting of the Committee. Based on the items of business under consideration, the Chairperson of the Committee may ask any invited attendee to step out of the meeting for some or all items on the agenda.</p>
<p>7. Chairperson</p>	<p>The Chairperson of the Board will chair the Committee, lead and oversee the Committee's performance.</p>
<p>8. Interaction with Board Manual</p>	<p>While this Terms of Reference sets out the Board delegated responsibilities of the Committee, they are additionally supported/complimented by Section 12 of the Board Manual which provides supplemental detail on the individual documents/issues that are required to be submitted to the Committee for Discussion, Noting, Recommendation (to the Board or other Board Committee) or Approval.</p>
<p>9. Quorum and Decision Making</p>	<p>9.1 The quorum for meetings of the Committee will be three members (to include the Chairperson of the Committee);</p> <p>9.2 Where the Chairperson of the Committee is unable to attend, the remaining members present shall elect one of their number to chair that particular meeting, and perform such functions as would be expected of the Chairperson of the Committee;</p> <p>9.3 The Committee will endeavour to make its decisions through achieving consensus amongst its members following constructive review and challenge. Any member of the Committee may call for a vote on any matter that is before the Committee and any dissention or negative vote will be recorded in the minutes and subsequently notified to the Board by the Committee Chairperson; and</p> <p>9.4 Where a vote is held, each member of the Committee has one equal vote.</p>

	<p>Decisions of the Committee shall be made by a majority of votes cast in person at the meeting. No votes can be cast on behalf of another Committee member who is absent from the meeting. In the case of equality of votes, the Chairperson of the Committee (or, in their absence, the Chairperson of the meeting) shall have a second or casting vote.</p>
<p>10. Meeting Procedures</p>	<p>10.1 The Committee will meet with such frequency as it may consider appropriate having regard to its responsibilities. Committee meetings should be scheduled to facilitate timely and considered reporting of the Committee’s activities to the Board;</p> <p>10.2 Meetings of the Committee shall be called by the Company Secretary at the request of the Chairperson of the Committee;</p> <p>10.3 The Committee will work, at minimum, to a forward looking calendar as agreed by the Chairperson of the Committee with input from the HR Director;</p> <p>10.4 Unless otherwise agreed by the Company Secretary, Agendas and all relevant material for the meeting shall be uploaded to the Board Portal at least five business days in advance of the meeting date; and</p> <p>10.5 The members of the Committee will meet by themselves at the beginning and/or end of scheduled Committee meetings.</p>
<p>11. Advice/Training/ Information and Data</p>	<p>11.1 The Committee is entitled to both internal and external advice which is independent of advice provided by or to management. Aggregate annual expenditure on advisors exceeding €400,000 or any expenditure exceeding €200,000 per individual party, must be approved in advance by the Board;</p> <p>11.2 The Committee will be provided with appropriate training to ensure that it is able to fulfil its purpose and functions, both when new members are appointed and on an on-going basis for all members. The Committee shall decide on the nature of such training, and work with the HR Director to source it in a timely and cost effective manner;</p>

	<p>11.3 The Committee will have access to all Company information and data that it may require to perform its duties, including information and data from relevant corporate and control functions and other competent internal functions, where necessary; and</p> <p>11.4 The Committee shall periodically review and decide on the content, format and frequency of the information, including information on risk to be reported to them.</p>
<p>12. Board Reporting</p>	<p>12.1 The Chairperson of the Committee will provide a written or verbal report to the next scheduled meeting of the Board on any pertinent issues that should be brought to its attention including any decisions the Committee is recommending to the Board for approval. A copy of the Committee minutes will be shared with the Board once approved by the Committee; and</p> <p>12.2 The Chairperson of the Committee will be available to answer questions that relate to the remit of the Committee at the annual general meeting of the Company.</p>