

**TSB BANKING GROUP PLC (THE 'COMPANY')**  
**TECHNOLOGY STRATEGY COMMITTEE**  
**TERMS OF REFERENCE**

In these Terms of Reference:

'**TSB**' means the Company together with its subsidiaries and subsidiary undertakings from time to time (as defined in the Companies Acts 2006).

'**Sabadell Group**' means Banco de Sabadell S.A. (the '**Parent**') together with its subsidiaries and subsidiary undertakings from time to time (as defined in the Companies Act 2006).

## **1. PURPOSE**

**1.1** The Technology Strategy Committee (the '**Committee**') is responsible for providing guidance, challenge and advice to the Board on TSB's vision and strategy for technology.

**1.2** Specifically, the Committee is authorised by the Board of the Company (the '**Board**') to:

- a) Oversee the development and implementation of the strategy for technology required to deliver TSB's overall business strategy.
- b) Consider and report to the Board on the matters within the remit of the Committee, identifying any matters where it considers that action, improvement or approval is needed, and make recommendations as to the adequacy of delivery and management action plans.
- c) Commission, receive and consider reports on any technology and technology related matters related to its remit.

**1.3** The Committee is a committee of the Board and as such is authorised by the Board to:

- a) delegate some of its responsibilities to a sub-committee including one established solely for that purpose whilst maintaining accountability. Any such instances of delegation shall be reported to the Board;
- b) seek any information that it requires or request attendance at a meeting from any employee or director of the Company or any other member of TSB, and all employees and directors are directed to co-operate with any requests made by the Committee; and
- c) obtain outside legal or other independent professional advice in relation to matters falling within its responsibilities as set out below and to approve the fees and other terms of any such retainer.

## **2 RESPONSIBILITIES**

**2.1** The Committee shall carry out the duties below for TSB as appropriate:

### **2.1.1 Strategy for Technology**

- a) Oversee on behalf of the Board the setting and delivery of the strategy for technology and ensuring this supports the wider TSB strategy and meets the changing needs of the business. In doing so, the Committee shall agree with management the areas in scope for the strategy. Upon completion, the strategy will be recommended to the Board for approval, with further approval sought periodically thereafter (at a frequency to be agreed by the Chair in consultation with the Chief Information Officer, but suggested not less than once every two years) of any material refresh of the strategy.

b) Oversee the effectiveness of the technology and technology related elements of TSB's Operating Model, including organisational structure, performance and resources.

c) Oversee the monitoring of future industry trends and opportunities in technology that may affect TSB's strategy.

### **2.1.2 Technology Strategy**

a) Oversee and review regular reports on management plans, covering delivery and governance as well as the adequacy and effectiveness, of the following elements of the Technology Strategy:

- Application Strategy
- Modern Desktop Strategy
- Data Strategy
- Cyber Strategy
- Cloud Strategy
- Services Strategy
- People, Capability and Resourcing Strategy

b) Consider the adequacy of management action taken in response to significant underperformance or adverse trends.

c) Receive assurance reports, as appropriate, and consider the adequacy of management actions in place to address the findings and issues raised.

**2.1.3** Facilitate the effective contribution and involvement of Non-executive Directors and aid their understanding of the strategy for technology.

**2.1.4** At least annually, or at the request of the Board at any time, review the Terms of Reference of the Committee, to ensure that they remain appropriate and fit for purpose, and recommend to the Board any changes considered necessary or desirable.

**2.1.5** At least annually, review the effectiveness of the Committee and report to the Board thereon.

## **3 MEMBERSHIP AND OPERATION OF THE COMMITTEE**

**3.1** The Committee shall comprise at least three directors, all of whom shall be Non-executive Directors. Members of the Committee shall be appointed by the Board, on the recommendation of the Board Nomination Committee in consultation with the Committee Chair. The Chair of the Board shall not be appointed to the Committee. The Committee may be supported by one or more Independent Advisors, who shall be appointed by the Committee but shall not be a member of the Committee.

**3.2** Appointments to the Committee shall be for a period of up to three years, which may extend for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.

**3.3** The Board shall appoint the Committee chair, on the recommendation of the Board Nomination Committee, who should be an independent Non-executive Director. In the absence of the Committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.

- 3.4** The Company Secretary or their nominee shall act as the secretary to the Committee.
- 3.5** The quorum necessary for the transaction of business shall be any two members of the Committee.
- 3.6** Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair.
- 3.7** Unless otherwise agreed, notice of the meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other Non-executive Directors, no later than four working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
- 3.8** Members may attend meetings via teleconference or videoconference if required. Decisions of the Committee may also be taken by way of a unanimous written resolution of all eligible Committee members. Such written resolution is adopted when all eligible members of the Committee have signed one or more copies of it or otherwise indicated their agreement to it in writing (which may include by electronic mail).

## **4 INPUTS**

- 4.1** The Committee will receive regular reports in relation to the responsibilities of the Committee. In addition, the Committee will review relevant ad hoc papers on business and regulatory risks and on emerging risks to and opportunities for TSB in relation to the responsibilities of the Committee.
- 4.2** The Committee will be supported by the Chief Information Office, Risk, Legal, Internal Audit, HR and Finance functions of the Bank and will have access to whatever additional advice or support it requires in the discharge of its duties. This will include but is not limited to:
- a) access to the advice and services of the Chief Information Officer and the Chief Information Office team;
  - b) access to the advice and services of the Chief Risk Officer and the Risk team;
  - c) access to the advice and services of the General Counsel and the Legal/Company Secretarial team;
  - d) access to the advice and services of the Chief Audit Officer and the Internal Audit team;
  - e) access to the advice and services of the Chief Financial Officer and the Finance team;
  - f) access to the advice and services of the Chief People Officer and the HR team; and
  - g) outside independent professional, technical and/or legal advice or other resources, at the Company's expense, as and when it considers this necessary.
- 4.3** The Committee shall have regard to established and evolving best practice corporate governance standards including, where relevant, standards set by voluntary codes. Where departure from the requirements of these standards or codes is required or believed to be appropriate, the Committee shall recommend to the Board the appropriate explanation or justification or use as required, in the Company's external disclosures.

## **5 OUTPUTS**

- 5.1** The secretary of the Committee shall minute the proceedings of all meetings of the Committee, including recording the names of those present and in attendance.

- 5.2** Draft minutes of Committee meetings shall be distributed promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board, unless in the opinion of the Committee chair it would be inappropriate to do so.
- 5.3** Final signed copies of the minutes of the meetings of the Committee should be maintained for the Company's records. These may be signed electronically and held in soft and/or hard copy.
- 5.4** The Committee shall report to the Board on how it has discharged its responsibilities and on any other matters referred to it by the Board. In doing so, the Committee shall identify any matters in respect of which it considers that action or improvement is needed, and make any recommendation it deems appropriate as to the steps to be taken.
- 5.5** The Committee chair shall report formally to the Board on the Committee's proceedings.
- 5.6** The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 5.7** The Committee shall escalate matters relating to risks and controls to the Board Risk Committee and Board Audit Committee, as appropriate. For clarity, the Board Risk Committee remains responsible for the oversight of risks facing the business, including those relating to Technology.
- 5.8** Where there is a perceived overlap of responsibilities between the Committee, the Board Audit Committee or the Board Risk Committee, the respective Committee Chairs shall have discretion to agree the most appropriate Committee to fulfil any obligation.

## **6 NON MEMBERS/OTHER ATTENDEES**

- 6.1** Only members of the Committee have the right to attend Committee meetings. However, all other Non-executive Directors have an open invitation to attend meetings.
- 6.2** The Chief Executive Officer, Chief Information Officer, and Chief Financial Officer shall be expected to attend all meetings. Additionally, the General Counsel, Chief Audit Officer, Chief Risk Officer, and Chief People Officer, appropriate representatives from business functions and external advisors may be invited to attend all or part of meetings as appropriate, together with other attendees at the discretion of the Committee chair.

## **7 FREQUENCY OF MEETINGS**

- 7.1** Meetings shall be held as circumstances require, but at least four times a year to enable responsibilities to be discharged.
- 7.2** Outside the formal meeting programme, the Committee chair will maintain a dialogue with key individuals involved in the governance of TSB, including the Board Chair, Chairs of the Board Audit and Board Risk Committees, the Chief Executive Officer, the Chief Information Officer, Chief Financial Officer, Chief Risk Officer, Chief People Officer and the Chief Audit Officer.

## **8 MISCELLANEOUS**

- 8.1** References in these Terms of Reference to executive positions (including, without limitation, Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Risk Officer, Chief Audit Officer, Chief People Officer and General Counsel) are to the individual holding that position for TSB, whether formally appointed by TSB or otherwise.