

Bank of Ireland (UK) plc (BOIUK or the Company)
Remuneration Committee Terms of Reference

1. Objectives

This is the Committee of the Board responsible for:

1.1 Considering and making recommendations to the Board in respect of remuneration strategy and policy for Executive Directors, senior management (members of the Executive Committee) and BOI UK plc appointed Senior Management Functions (as defined by the PRA/FCA Individual Accountability Regime) in the Company. In their deliberations, the Committee will have regard to the ongoing appropriateness and relevance of the remuneration strategy, policy, relevant market comparisons and practice, together with any other relevant guidance. The Committee's deliberations will also, where appropriate, be informed by a reasonable assessment of the Company's risk profile, financial situation and future prospects based on input from the Board Risk Committee.

1.2. In framing remuneration strategy, frameworks and policies, the Committee will give full consideration to the principles and provisions of the UK Corporate Governance Code (including Schedule A to that Code) and shall take into account the long-term interests of stockholders, investors and other stakeholders in the Company and the public interest;

1.3. The Committee will be responsible for ensuring that the Company operates remuneration policies and practices which are, where possible, in line with relevant legal and regulatory requirements. Due consideration shall be given to laws, regulations and any published guidelines or recommendations. Certain restrictions arise under the Transaction Agreement between the Irish Government and the Bank of Ireland Group which constrain the Company's ability to be fully in line with these principles and guidance;

1.4 In addition, the Committee is responsible for ensuring that the remuneration frameworks, policies and practices for the Company's Senior Management Team and BOIUK appointed Senior Management Functions (as defined by the PRA/FCA Individual Accountability Regime) supports the objectives of the Transaction Agreement and associated letter from the Irish Minister for Finance or any other relevant agreements to which the Company is a party; and

1.5. Performing duties or responsibilities relating to remuneration issues delegated to the Committee by the Board from time to time, including reviewing and approving the remuneration disclosures for accuracy and transparency prior to their publication in the Annual Financial Statements and Pillar III Reports.

2. Membership

2.1 The Committee will comprise a minimum of three non-Executive Directors who have the knowledge, skills and experience to reach an independent judgement on the suitability of the frameworks, policies and practices including implications for risk and risk management. At least one member of the Committee will also be a member of the Board Risk Committee.



2.2 Directors who perform an executive function shall not be members of the Committee. The Chief Executive shall however be in attendance as required.

2.3 The Company Secretary or his / her nominee shall be secretary of the Committee.

2.4 The Head of Bank of Ireland Group Human Resources and the BOIUK HR Director (and / or their representative(s) as deemed appropriate) shall be in attendance as required.

2.5 Membership of the Committee will be reviewed by the Board regularly on the recommendation of the Nomination Committee in consultation with the Chairman of the Remuneration Committee. While there is no fixed term of membership, no more than three consecutive years would be expected from members, other than the Chairman. The general aim is to refresh the membership from time to time to ensure an appropriate balance between continuity and fresh perspectives.

2.6 The Chairman of the Board may serve as Chair of the Committee in exceptional circumstances and if he or she was considered independent on appointment as Chairman of the Board.

3. Meetings and Quorum

3.1 The Committee will meet as often as it deems necessary for the discharge of its responsibilities.

3.2 The quorum for meetings will usually be two, one of whom should usually be the Chairman of the Committee, unless there are exceptional circumstances, in which case the quorum for meetings will be two.

4. Voting and Conflicts of Interest

4.1 In keeping with the Articles of the Company, questions arising at any meeting of the Committee shall be determined by a majority of votes. In the event of a tie of votes, the Committee will escalate the matter to the Board for decision.

4.2 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.

5. Duties

Without limiting the generality of the Committee's objectives and given that neither the members of the Board nor the Committee participate in discussions or decisions relating to their own remuneration, the Committee shall:



- 5.1. Establish a remuneration policy that complies with the PRA and FCA Remuneration Codes for the Company. The Bank of Ireland Group will set overall remuneration policy and the Remuneration Committee shall operate within that Policy.
- 5.2. Oversee the annual review of the BOIUK Remuneration Policy with input from the relevant risk management functions, the Board Risk Committee Bank of Ireland (UK) plc HR and Bank of Ireland Group HR, as appropriate.
- 5.3 Note the remuneration of BOIG remunerated employees who are recommended for appointment to BOIUK Senior Management Functions (SMF) roles i.e. the UK Managing Partner of Internal Audit and Group Entity Senior Manager.
- 5.4 Approve the remuneration of heads of independent control functions of BOIUK.
- 5.5 Note the remuneration of Code Role Holders each year.
- 5.6 Note the overall remuneration of the top earners in BOIUK each year
- 5.7 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 5.8 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 5.9 Review, on an annual basis, the Committee's Terms of Reference and recommend to the Board any amendments thereto.

6. Authority

- 6.1. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required. As and when required, the Committee may access professional advice. Where remuneration consultants are appointed the Committee should consider whether they have any other connection with the Company.
- 6.2. The Committee will seek relevant advice from the Board Risk Committee where appropriate, for example, in considering incentives which are based on future revenues whose timing and likelihood are uncertain. The Company's Chief Risk Officer will be invited to attend at least one Committee meeting per year to report on the Company's risk profile, its financial condition and future prospects, and to consider the implications of remuneration policies for risk and risk management within the Company.
- 6.3. The Committee may invite any Company Director, Company Executive or other person employed by the Company 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.



6.4. The Committee is authorised to seek any information it requires from any employee of the Company to enable it discharge its responsibilities.

7. Performance Evaluation

7.1. 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 its approval.

Approved by the Committee on 5 July 2018