

Transformation Oversight Committee

Terms of Reference

1. Purpose

The Transformation Oversight Committee (TOC) has been established by the Society Board to support the Board in overseeing, supporting, and challenging the actions being taken by Management in relation to the execution of the Society's strategic transformation, focused on technology related change. The Committee is a committee of the Board and has delegated authority from the Board in respect of the powers and responsibilities set out in these Terms of Reference.

The Transformation Oversight Committee is responsible for:

- providing oversight of the Society's Significant Technology Change; and
- approving investments, contracts and changes that fall within the scope of matters delegated to the Committee by the Board, and making recommendations to the Board in relation to matters that are reserved to the Board.

1.1 Significant Technology Change means any significant technology change that is classed at Tier 1 change as defined within the Society's Change Management Framework and is therefore determined as having a high impact on the business, and therefore requires oversight by the Committee, taking into account the impact on other technology change/programmes, resource demand, the potential for reputational risk and the cost and complexity of the change/programme.

1.2 In Fulfilling its duties, the committee is authorised by the Board to carry out the duties set in these Terms of Reference.

2. Membership

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

2.1 Membership of the Committee will be reviewed by the Nominations 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.

2.1.1 The current members of the committee are:

- James Greenwood – Chair
- Liz McKenzie – Member
- Roger Turner – Member

2.2 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:

- Chief Executive Officer – Will Carroll
- Chief Risk Officer – Julian Bill
- Chief Strategy and Transformation Officer – Steven Phillips

In the absence of named members, fully empowered deputies must attend with prior approval of the Chair. Deputies not named as members of Transformation Oversight Committee would not have approval or voting rights.

3. Secretary

The Company Secretary, or their nominee, shall act as the secretary of the Committee and, will support the Chair to ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

4. Quorum

The quorum necessary for the transaction of business shall be at two committee members.

5. Frequency of Meetings

The committee shall meet no less than four times per annum. Outside of the formal meeting programme, the committee Chair and other committee members will maintain a dialogue with key individuals involved in the Transformation Programme.

6. Notice of meetings

- 6.1** Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair or any of its members.
- 6.2** Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend no later than five 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.

7. Minutes of meetings

- 6.1** The secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.
- 6.2** The Secretary shall circulate the draft Minutes of meetings to the members of the Committee within ten working days of the meeting.

7. Engagement with stakeholders

- 7.1** The Committee Chair should seek engagement with any relevant stakeholders On significant matters related to the Committee's areas of responsibility.

8. Role and Responsibilities

To consider all matters relating to the Society's Significant Technology Change, specifically:

- 8.1** Oversee the delivery execution of the Society's Tier 1 strategic systems transformation and programmes with high dependency on technology change, ensuring alignment with the Group's strategic goals and objectives.
- 8.2** Review and challenge management on the strategic systems transformation and programmes with high dependency on technology change. In particular the Committee will focus on:
- 8.2.1** Society change and execution capabilities and capacity to execute to the requisite standards and within risk appetite.
- 8.2.2** Ensuring that there is an appropriate balance of ambition and capability, and that sufficient focus is given to developing sustainable capability.
- 8.3** Review and challenge management on the effectiveness of the Society's technology delivery performance. Provide oversight to ensure that the impact of any lessons learned from significant incidents is considered in the Society's strategic plans.
- 8.4** Monitor, the key digital threats and opportunities arising from new or disruptive technologies, major industry developments including but not limited to developments in fintech, data and artificial intelligence, cyber, cloud.
- 8.5** Challenge management to ensure the Society has appropriate plans in place to take advantage of opportunities, manage strategic threats, and innovate where necessary.
- 8.6** Review and challenge the effectiveness of the Society's Cyber Risk defences and Data Management strategy and associated execution plans in light of technical transformation delivery.
- 8.7** Ensure that any interdependencies and impacts between Significant Technology Changes and industry change initiatives are understood and controlled.
- 8.8** Ensure that appropriate action is being taken to maintain the on-going engagement of key internal and external stakeholders, whilst ensuring that the voice of industry stakeholders is being considered within the design and delivery of Significant Technology Changes.
- 8.9** Approve technology and IT changes that fall within the scope of the Board's reserved matters, including approval of investments, contracts or contract amendments, provided that the costs and risk associated with such approvals are within parameters approved by the Board. The committee is further authorised by the Board to approve matters that fall within the scope of the

contingency arrangements approved by the Board from time to time.

- 8.13 Carry out annual reviews of its own performance and at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Risk Committee for approval.

9 Reporting responsibilities

The Chair of the committee will provide a verbal report on the activities of the Committee to the Board following each meeting of the committee.

The committee will include a report of its activities in the Annual Report.

The committee shall, at least once a year, review its own performance and regularly review its terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

10. Other matters

The Committee shall:

- 10.1 Have access to sufficient resources in order to carry out its duties, including access To the Governance team for advice and support as required.
- 10.2 Be provided with appropriate and timely training, this may be in the form of an Induction programme for new members and on an ongoing basis for all members.
- 10.3 Give due consideration to all relevant laws and regulations, and any other applicable rules, as appropriate.
- 10.4 Oversee any investigation of activities which are within its terms of reference.

11. Authority

- 11.1 Request the attendance of any colleague at a meeting of the Committee and/or seek any information it requires from any colleague of the Society in order to perform its duties.
- 11.2 Delegate any matter or matters to another committee or person(s) as it deems appropriate.
- 11.3 Obtain, at the expense of the Society, independent legal or other professional advice on any matter within its terms of reference if it believes it necessary to do so.