

BOARD TECHNOLOGY OVERSIGHT COMMITTEE TERMS OF REFERENCE

1. Authority

The Board has established a committee to be known as the Board Technology Oversight Committee (the '**Committee**') to assist it in fulfilling its oversight responsibilities with respect to the overall role of technology in relation to executing the Society's Strategy, including but not limited to, to the Society's Technology Strategy, Technology investment, strategic architectural direction, Cyber Security and strategy on data transformation, for the Board.

The Committee has the delegated authority of the Board in respect of the functions and powers set out in these Terms of Reference and is authorised by the Board to obtain, at the Society's expense, external legal or other professional advice on any matters within its Terms of Reference.

2. Purpose

The role of the Committee is to:

- Provide oversight and advice to the board on matters relating to the Society's Technology strategy, Technology investment, strategic architectural direction, Cyber Security and strategy on data transformation. This includes oversight of the delivery and performance in respect of each of these matters.
 - Receive reports from management concerning the performance of the Society's key transformational projects.
 - Approve drawdown of funds in line with the annual budget for transformational change projects.
 - Monitor and evaluate existing and future trends in technology that may affect the Society's strategic plans, including monitoring of overall industry trends.
3. Notwithstanding anything in these Terms of Reference, responsibility for the oversight of risks associated with Technology, Cyber Security, Data and transformational change, including, but not limited to, risk assessment and risk management, shall remain with the Board Risk Committee.

Meetings and membership

Chair	The Committee will be chaired by a Non-Executive Director (other than the Chair of the Board) as appointed from time to time by the Board.
Membership	The Committee shall consist of four Non-Executive Directors including the Chair of the Board Audit Committee, the Chair of the Board Risk Committee and two other Non-Executive Directors. The Committee may operate with a vacancy. Members of the Committee shall be appointed by the Board, on the recommendation of the Nominations & Governance Committee.
Attendance	The Chief Executive, Chief Financial Officer, Chief Risk Officer and Chief Information and Digital Officer will attend meetings of the Committee. Any other employee of the Society may be asked to attend meetings as required. Directors (both Executive and Non-Executive) who are not members or regular attendees of the Committee may also attend meetings, upon prior agreement with the Chair of the Committee.
Frequency	The Committee will meet four times a year as a minimum and otherwise as required. The Chair of the Committee may convene meetings of the Committee at any time to consider any matters falling within these Terms of Reference.
Quorum	Meetings of the Committee will be quorate if there are present at least three Committee members. If the Chair of the Committee is absent the remaining members shall elect one of their number to chair the meeting. A duly convened

meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Secretary The Society Secretary or their nominee will be secretary to the Committee.

Meeting Preparation The Chief Information and Digital Officer, with assistance from the Secretary shall draft the agenda for each meeting and provide this to the Chair of the Committee for approval in advance of the meeting. The Secretary shall collate and circulate the papers to members and attendees at least six calendar days prior to the meeting.

Minutes Formal minutes of the meetings of the Committee will be taken and circulated to members and other regular attendees for the relevant meeting. A summary of each meeting will be made available to the Board of Directors in the month following the meeting. The Committee Chair will be available at the Society's AGM to answer questions from members falling within the Committee's remit.

4. Duties

The Committee shall have the following responsibilities:

4.1. Technology

- 4.1.1. Review and oversee, the Society's Technology Strategy, and the associated Technology investment budget having regard to technology resilience and the Society's strategic architectural direction.
- 4.1.2. For clarity, the Board Risk Committee has responsibility for the oversight of operational resilience.
- 4.1.3. Oversee the development and implementation of the Society's Technology Strategy ensuring this supports the wider business strategy and meets the changing needs of the business.
- 4.1.4. Appraise the feasibility of and delivery against the Society's Technology Strategy during the year.
- 4.1.5. Receive regular reports on the performance of key transformational projects, assessing delivery against defined business benefits. The Committee shall ensure appropriate action is taken in the event of significant underperformance or adverse trends, considering escalation to the Board, where required.
- 4.1.6. Review and, if thought appropriate, approve, on a quarterly basis, drawdown of funds in line with the annual budget for transformational change projects as approved by the Board.
- 4.1.7. With regards to any request for drawdown of funds, the Committee should note that:
 - 4.1.7.1. Any request for funding which exceeds the annual change portfolio budget by £5 million or more must be referred to the Board for consideration and approval.
 - 4.1.7.2. Any requests for funding in respect of the Society's transformational change agenda that do not align with the Society's strategic objectives should be referred to the Board for consideration.

4.2. Cybersecurity

- 4.2.1. Review and oversee the Society's Cyber Security strategy.
- 4.2.2. Appraise the delivery of the Society's Cyber Security Strategy during the year.

4.3. Data

- 4.3.1. Review and oversee the Society's strategy in relation to data transformation and appraise the delivery of such strategy during the year.

4.4. Regulatory Oversight

Review and endorse to the Board, if requested, key technology and cyber security-related

FCA and PRA correspondence and ensure that management's responses to such communications are appropriate and consistent with the Society's risk appetite.

4.5. Reporting and Disclosures

- 4.5.1. The Committee shall compile a report detailing how it discharged its responsibilities for inclusion in the Society's Annual Report & Accounts, including a description of the significant issues dealt with by the Committee and other matters required to be disclosed under the UK Corporate Governance Code.
- 4.5.2. The Committee Chair will report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 4.5.3. Where there is a perceived overlap of responsibilities between the Committee, the Board Audit Committee and the Board Risk Committee, the respective Committee Chairs, in conjunction with the Chair of the Board, shall have discretion to agree the most appropriate Committee to fulfil any obligation.

4.6. Performance Review

- 4.6.1. Arrange annual assessments of Committee effectiveness including a review of whether the Committee's annual cycle of activity remains appropriate to the Society's needs and report the output of this activity to the Board; and
- 4.6.2. Review these Terms of Reference annually and recommend any changes to the Board for approval.

These Terms of Reference were approved by the Board at its meeting on 25 January 2023.