

Policy Management Framework

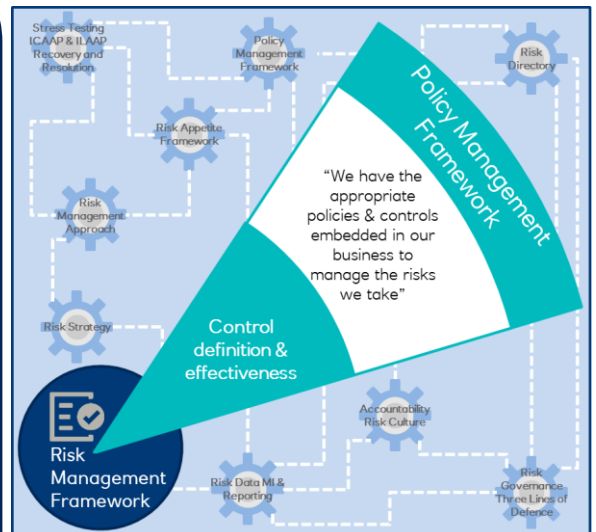
UBIDAC Boardroom Inclusion Policy

Tier 2 Policy

- Setting the Scene:
Purpose, Risk, Risk Appetite, Regulation
- Policy Requirements
- Applicability
- Implementation Awareness
- Non Compliance
- Policy Key Controls
- Supporting Material
- Governance

UBIDAC Nominations Committee

April 2023



Purpose –

Why do we have this policy?

Policies are a key mechanism for managing and mitigating risk. Policies must be consistent with ensuring UBIDAC operates within its approved risk appetite.

The Ulster Bank Ireland DAC Boardroom Inclusion Policy (“the Policy”) aims to promote diversity and inclusion in the composition of the Board when identifying suitable candidates for the Board through the nominations/appointment process, when reviewing Board & Committee Composition and when planning Board succession. The Board understands the need for a diverse mix of talented directors to support effective decision-making. A diverse Board composition improves the quality of decision making, increases the level of challenge, reduces the likelihood of ‘group think’ resulting in improved corporate governance and risk management.

This Policy provides a framework to ensure that the Board attracts, motivates, and retains the best talent and avoids limiting potential caused by bias, prejudice, or discrimination.

What risk(s) is this policy mitigating?

This policy addresses the following material risks:

- **Regulatory Compliance Risk** – the failure to observe the letter and spirit of all relevant laws, codes, rules, regulations, and standards of good market practice.

What Risk Appetite is this policy mitigating?

A summary of UBIDAC's risk appetite statement for these risks can be accessed here:

[Regulatory Compliance Risk](#)

What regulation(s) is this policy supporting compliance with?

The Policy meets the relevant regulatory requirements included in:

- CBI Corporate Governance Requirements for Credit Institutions (2015)
- ECB Guide to Fit & Proper Assessments (May 2021)
- Joint ESMA & EBA Guidelines on the assessment of suitability of members of the management body & key function holders (July 2021)
- Basel Committee on Banking Supervision - Guidelines Corporate Governance Principles for Banks (2015)
- European Union (Capital Requirements) Regulations (2014).

When reviewing diversity targets, consideration is given to relevant regulatory reports including, but not limited to:

- EBA Report on Benchmarking of Diversity Practices at European Union Level (EBA/REP/2020/05).
- CBI Demographic Analysis Report 2021 – Applications for Pre-Approval Controlled Functions (“PCF”) roles within Regulated Firms (March 2022)

Policy Requirements

UBIDAC Boardroom Inclusion Policy

Purpose

The Boardroom Inclusion Policy (“the Policy”) sets out the approach to diversity on the Board.

Policy Statement

The Boardroom Inclusion Policy (“the Policy”) has been designed to promote diversity on the Board by recruiting new Board members with a broad set of qualities and competencies. The Board seeks to achieve a variety of views and experiences and encourages independent opinions and constructive challenge in the process of decision making.

The Board has delegated authority to the Nominations Committee for recommending suitable candidates for appointment to the Board. The Committee works closely with third parties (where required) to identify a diverse pool of candidates.

Policy Measurable Objectives

The Policy Measurable Objectives exist to ensure that the Board and the Nominations Committee follow an inclusive process when making nominations /appointments decisions:

1. The Board nominations/appointments process will be based on the principles of fairness, respect, diversity and inclusion;
2. All Board nominations/appointments will be made on the basis of individual competence, skills and expertise measured against identified objective criteria (as outlined in the suitability and fitness & probity assessments);
3. The search for Board candidates will be conducted and nominations/appointments made with due regard to the benefits of diversity including educational and professional background, gender, age and geographical provenance of candidates;
4. When setting diversity targets, the Nominations Committee will consider diversity benchmarking results published by relevant regulatory bodies and international organisations;
5. The Nominations Committee will assess compliance with diversity objectives and targets set. In the event that any diversity target has not been met, the Nominations Committee will document the reason why, the measures to be taken and associated timeframes in order to ensure diversity targets are met;
6. The collective Board suitability assessment will assess if the Board is comprised of individuals with a balance of skills, diversity and expertise, who collectively

possess the necessary qualifications commensurate with the size, complexity and risk profile of the bank;

7. Board Succession Plans will include any relevant interim arrangements and take account of diversity objectives and targets; and

8. The Policy and any future material updates will be presented to the Nominations Committee for approval; the Policy content should comply with relevant legislative and regulatory requirements.

Diversity Targets

UBIDAC should at all times maintain a gender balance on its Board of Directors and the Board should comprise a minimum of 33 per cent of directors of each gender.

**Who can I
contact for
assistance?**

Company Secretary, Ulster Bank, Central Park, Leopardstown, Dublin D18 N153