

**TERMS OF REFERENCE OF THE TECHNOLOGY COMMITTEE**

**Title** Terms of Reference of the Technology Committee

**Revision Number** 5

**Classification** Internal Use

**Applicability** Technology Committee

**Owner** Compliance Division

**Reviewer(s)** Technology Committee

**Approved by** Board of Directors

**Related Policies and Circulars** Corporate Governance Policy and Framework

**Revision Table**

Version	Approval Date	Initiator	Approver	Description / Changes
1.0	27/11/2020	Technology Committee	Board of Directors	Revision
2.0	24/01/2022	Technology Committee	Board of Directors	Annual Revision
3.0	28/04/2022	Technology Committee	Board of Directors	The ToR were revised to include ESG criteria
4.0	28/11/2022	Technology Committee	Board of Directors	Annual Revision
5.0	28/11/2023	Technology Committee	Board of Directors	Annual Revision

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## 1. ABBREVIATIONS

Within this document, the following abbreviations are used:

Abbreviation	Explanation
AC	Audit Committee.
Bank	Bank of Cyprus Holdings Public Limited Company (BOCH) and its subsidiary Bank of Cyprus PCL.
Board	Board of Directors of the Bank.
CBC	Central Bank of Cyprus.
CBC Governance Directive	Internal Governance of Credit Institutions Directive of 2021 and 2023.
CEO	Chief Executive Officer.
Committee	Technology Committee.
CRO	Chief Risk Officer.
EDTO	Executive Director Technology & Operations.
ESG	Environmental, Social and Governance.
IAD	Internal Audit Division.
Group	The Bank and all its subsidiaries.
HRRC	Human Resources & Remuneration Committee.
NCGC	Nominations & Corporate Governance Committee.
Observer by invitation	A person who is not a committee member and does not have voting rights. He/she attends a meeting because he/she has some contribution to make to the meeting. For example, he/she may submit a report or make a presentation. The person may be a regular (“standing”) invitee or simply an invitee for particular item/s.
Observer in attendance	A person who is not a committee member, does not have voting rights and does not normally have speaking rights. He/she attends a meeting because of the position he/she holds, normally to be kept informed and/or to provide information and he/she may be invited by the Chair to speak in appropriate circumstances.
Observer-Visitor External	A person outside the organisation(external) who attends a committee for a specific topic following invitation by the Chair.
RC	Risk Committee.
TC	Technology Committee.

## 2. AUTHORITY

- 2.1. The Board Technology Committee ("**the Committee**") is a non-statutory Committee of the Board of the Bank from which it obtains its authority and to which it regularly reports.
- 2.2. The Committee has been delegated authority by the Board in respect of the functions and powers in these Terms of Reference.
- 2.3. The Committee is concerned with the business of the Bank, its business units, and subsidiaries and accordingly its authority extends to all relevant matters relating to the Group.

- 2.4. The Committee has authority to investigate any matters within its terms of reference calling on whatever resources (including external professional or legal services) and to obtain such information as it may require from any director, officer, or employee of the Group. It shall have access to adequate funding to enable it to discharge its duties.
- 2.5. The Chairperson is authorised to provide to this respect approval of expenditure up to a maximum of €20.000 and he/she is required to inform the Committee at the next meeting.
- 2.6. The Committee reviews annually the Terms of Reference and recommends necessary changes to the Board.

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### **3. ROLE OF THE COMMITTEE**

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The purpose of the Technology Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the overall role of technology, in executing the business strategy of the Group including, but not limited to, major technology investment, technology strategy, operational performance, information security and technology trends that may affect the Group's client portfolio and/or affairs in general. It is hereby clarified that the Board Risk Committee has the responsibility for the oversight of Operational and Information Security risks.

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### **4. COMMITTEE COMPOSITION**

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- 4.1. The Committee has a minimum of 3 members. The majority of the members must be independent non-executive Directors.
- 4.2. The Board appoints the members of the Committee annually on the recommendation of the NCGC in consultation with the Chairperson of the Committee.
- 4.3. The Board appoints a Chairperson of the Committee for a maximum period of six years whether consecutive or not.
- 4.4. The Chairperson of the Committee is a non-executive independent director.
- 4.5. The Committee may form subcommittees or working groups with the participation of other members of the Group by delegating to them such power and authority as it deems appropriate, provided, that such delegated powers do not exclusively form part of the duties of the members of the Board.

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### **5. COMMITTEE MEETINGS**

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- 5.1.1 The Committee holds regular meetings, at least 4 per year and additionally, ad-hoc meetings whenever called by the Chairperson of the Committee.
- 5.1.2 Notice of meetings together with the agenda and support material of the items to be discussed shall be forwarded to each member of the Committee or any other person required or invited to attend no later than 5 working days before the date of the meeting.
- 5.1.3 The Company Secretary or his/her nominee shall record and maintain detailed minutes of the meetings of the Committee. Draft minutes must be finalised no later than fifteen (15) business days following the meeting, formally approved at the next meeting, and at the same time be submitted to the Board for noting.
- 5.1.4 The quorum for a meeting is 2 members or 50% rounded up, whichever is the highest.

- 5.1.5 Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairperson shall have a second or casting vote.
- 5.1.6 The Board's directions for minimum annual attendance requirements for Committees of the Board require Committee members to participate in at least 3/4 of all meetings (regular and extraordinary) and that any continuous absences not to exceed 2 in number.
- 5.1.7 The CEO and the EDTO are observers by invitation at the invitation of the Committee withdrawing if required to do so by the Chairperson.
- 5.1.8 No person other than a member of the Committee is entitled to attend meetings of the Committee, although others may attend as observers by invitation. The Chairperson of the Committee is entitled to invite other Directors that are not members of the Committee, members of the management of the Group or external parties to participate in a meeting, to advise or inform the Committee on the issues discussed at the meeting. Any such persons are present *only* during the discussion of the specific items and leave the meeting room immediately after, without any participations in the decision-making processes.
- 5.1.9 Decisions beyond this Committee's authority and matters which any member of the Committee deems necessary for escalation will be escalated by the Chair of the Committee to the Board as appropriate.

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## 6. RESPONSIBILITIES

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### 6.1. Duties:

The Committee has delegated authority by the Board of Directors and is responsible to:

- 6.1.1. Review and approve the Group's technology planning and digitisation strategy within the overall strategy framework approved by the Board.
- 6.1.2. Review and approve significant technology investments and expenditures as per the Committee and limit structures approved by the Board, provided they do not fall within the limits that are reserved for the Board.
- 6.1.3. Monitor and evaluate existing and future trends in technology that may affect the Group's strategic plans, including monitoring of overall industry, and ESG trends.
- 6.1.4. Be updated on the performance of the Group's technology operations including, among other things, project delivery, technical operations technology architecture and the effectiveness of significant technology investments.
- 6.1.5. Be informed on the application of Information Security policies.
- 6.1.6. Perform any other activities consistent with these terms of reference, the Group's compliance framework, the Group's ESG Strategy, and other delegated authorities by the Board of Directors.
- 6.1.7. Oversee delivery of ESG accountabilities of the IT Division as defined in the Group's ESG Strategy.

Notwithstanding anything in this document, responsibility for the oversight of risks associated with technology, including risk assessment and risk management, will remain with the Board Risk Committee. The Committee will have access to the relevant resources of the Group and appropriate authority to discharge responsibilities including authority to initiate, retain and terminate engagements with various external consultants. All such authorities shall be delegated by the Board of Directors provided that they do not fall within a category of authorities reserved for the Board.

### 6.2. Communication and Reporting

- 6.2.1. Respond, through the Chairperson of the Committee, to shareholder questions at the Annual General Meeting.
- 6.2.2. Report to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities and make appropriate recommendations.
- 6.2.3. Conduct an annual self-assessment and report its conclusions and recommendations for improvements and changes to the Board.
- 6.2.4. Ensure that the Committee's Terms of Reference are available on the official website of the Bank.

### **6.3. Regulatory framework**

The CBC Governance Directive and the Corporate Governance Policy and Framework.