

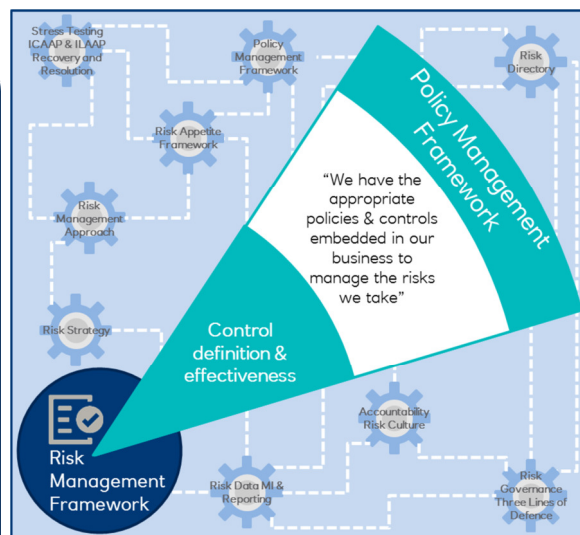
# Policy Management Framework

## UBIDAC Boardroom Inclusion Policy

### Tier 2 Policy

- Setting the Scene: Risk, Risk Appetite, Regulation
- Policy Summary
- Non Compliance
- Key Controls
- Supporting Material

**UBIDAC Nominations & Governance Committee - Approved June 2020**



### 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:

- **Compliance Risk** – The risk of legal or regulatory sanctions, material financial loss or loss to reputation as a result of a failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to UBIDAC banking activities.

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

The Policy meets regulatory requirements and guidelines including:

- 2018 ECB Guide to Fit & Proper Assessments;
- 2017 Joint ESMA & EBA Guidelines on Assessment of Suitability of Management Body & Key Function Holders (EBA-GL-2017-12);
- 2015 CBI Corporate Governance Requirements for Credit Institutions;
- 2015 Basel Committee on Banking Supervision Guidelines Corporate Governance Principles for Banks; and
- 2014 European Union (Capital Requirements) Regulations [SI158].

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

- 2020 EBA Report on Benchmarking of Diversity Practices at European Union Level (EBA/REP/2020/05).2019 CBI Demographic Analysis – Applications for Pre-Approved Control Functions (PCF) roles within regulated firms.

### UBIDAC Boardroom Inclusion Policy

#### Purpose

The Boardroom Inclusion Policy (“the Policy”) sets out the approach to diversity on the Ulster Bank Ireland DAC Board (‘the Board’). The Board is a wholly owned subsidiary of NatWest Holdings Limited. The ultimate holding company is The Royal Bank of Scotland Group plc.

#### Policy Statement

The UBIDAC 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 & Governance Committee (“the Committee”) for recommending suitable candidates for appointment to Board. The Committee works closely with RBS Executive Search (and other 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 Nominations & Governance Committee (“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 Committee will consider diversity benchmarking results published by relevant regulatory bodies and international organisations;
5. The Committee will assess compliance with diversity objectives and targets set. In the event that any diversity target has not been met, the 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 and Governance Committee for approval; the Policy content should comply with relevant legislative and regulatory requirements including CBI Corporate Governance

Requirements for Credit Institutions (2015).

**Diversity Targets**

The Board is committed to promoting diversity in the boardroom and has a target of 33% female balance and meets the target set by the [Hampton-Alexander Report: FTSE100 Women Leaders](#).

Requirement 105 of Joint ESMA and EBA guidelines on the assessment of suitability for members and key function holders (EBA-GL-2017-12) states that: “the target should be defined for the management body collectively, but may be broken down into the management and supervisory functions where a sufficiently large management body exists”.

The Board’s diversity target is to achieve and maintain 33% female representation on the Board. The Executive Committee current diversity target is 30% female representation by 2020.

**Who can I  
contact for  
assistance?**

**Company Secretary, Ulster Bank Ireland DAC, Georges Quay, Dublin 2**