



# **BOARD TECHNOLOGY COMMITTEE TERMS OF REFERENCE**

**April 2022**

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### List of Abbreviations

Abbreviation	Explanation
AC	Audit Committee
CBC	Central Bank of Cyprus
CEO	Chief Executive Officer
CRO	Chief Risk Officer
EDTO	Executive Director Technology & Operations
ESG	Environmental, Social and Governance
IAD	Internal Audit Division
Group	Company and all of its subsidiaries (including the Bank)
HRRC	Human Resources & Remuneration Committee
NCGC	Nominations & Corporate Governance Committee
RC	Risk Committee
TC	Technology Committee

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## A. AUTHORITY

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1. The Board Technology Committee ("**the Committee**") is a Committee of the Board of Directors ("**the Board**") of the Bank of Cyprus Holdings Plc ("**the Company**") from which it obtains its authority and to which it regularly reports.
2. The Committee has been delegated authority by the Board in respect of the functions and powers in these Terms of Reference.
3. The Committee is concerned with the business of the Company, its business units and subsidiaries (the Company and its subsidiaries being "**the Group**") and accordingly its authority extends to all relevant matters relating to the Group.
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.
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.
6. The Committee reviews annually the Terms of Reference and recommends necessary changes to the Board.

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## B. ROLE OF THE COMMITTEE

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The purpose of the Technology Committee (the "Committee") is to assist the Board of Directors 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 clarified that the Board Risk Committee has the responsibility for the oversight of Operational and Information Security risks.

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## C. COMMITTEE COMPOSITION

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1. The Committee has a minimum of 3 members. The majority of the members must be independent non-executive Directors.
2. The Board appoints the members of the Committee annually on the recommendation of the NCGC in consultation with the Chairperson of the Committee.
3. The Board appoints a Chairperson of the Committee for a maximum period of six years whether consecutive or not.

5. The Committee shall be provided with sufficient resources to effectively undertake its duties.
6. 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 of Directors.
7. The Secretary of the Committee, under the overall responsibility and supervision of the Chairperson of the Committee shall ensure that training is provided to members of the Committee on an induction, ongoing and timely basis. The induction programme shall cover the role of the Committee (including its Terms of Reference and expected time commitment of its members).

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#### **D. COMMITTEE MEETINGS**

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1. The Committee holds regular meetings, at least 4 per year and additionally, ad hoc meetings whenever called by the Chairperson of the Committee.
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.
3. The Chairperson of the Committee (using the services of the Company Secretary to the extent necessary and appropriate) ensures that:
  - (a) the Agenda appropriately addresses the issues that require the Committee's attention and is proactive;
  - (b) the Committee members are provided with information in a timely manner in order to effectively consider and decide on the agenda issues and to keep the Committee focused on its primary oversight responsibilities;
4. The Committee shall have access to the services of the Company Secretary, who has the responsibility of ensuring that the Committee receives information and papers in a timely manner. 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. The quorum for a meeting is 2 members or 50% rounded up, whichever is the highest.
6. 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.
7. 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.

8. The CEO and the EDTO are expected to regularly attend meetings at the invitation of the Committee withdrawing if required to do so by the Chairperson
9. No person other than a Committee member is entitled to attend meetings of the Committee, although others may attend at the invitation of the Committee. 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, in order 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.
10. Each member/attendee is personally responsible / liable to declare any conflicts of interest and abstain from the meeting during which the conflicted issue is under discussion. The Secretary of the Committee maintains a relevant section in the Committee minutes.
11. Decisions beyond this Committee's authority and matters which any member of the Committee deems necessary for escalation will be escalated by the Chair to the Board as appropriate.

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## **E. RESPONSIBILITIES**

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### **1. Duties**

The Committee will have delegated authority by the Board of Directors and will be responsible to:

- Review and approve the Group's technology planning and digitisation strategy within the overall strategy framework approved by the Board.
- 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.
- 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.
- 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.
- Be informed on the application of Information Security policies.
- 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.
- 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.

### **2. Communication and Reporting**

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

### **3. Regulatory framework**

As per *Section R of the Board Manual*