

TERMS OF REFERENCE OF THE NOMINATIONS AND CORPORATE GOVERNANCE COMMITTEE

Title	Terms of Reference of the Nominations and Corporate Governance Committee
Revision Number	10
Classification	Internal Use
Applicability	Group Nominations and Corporate Governance Committee
Owner	Compliance Division
Reviewer(s)	Human Resources Division, Chairman’s and Company Secretary’s Office
Approved by	Board of Directors
Related Policies and Circulars	Corporate Governance Policy and Framework, Group Policy on the Suitability of Members of the Management Body and Key Function Holders

Revision Table

Version	Approval Date	Initiator	Approver	Description / Changes
1.	2016	Compliance Division	Board of Directors	Revision
2.	2017	Compliance Division	Board of Directors	Revision
3.	2018	Compliance Division	Board of Directors	Revision
4.	2019	Compliance Division	Board of Directors	Revision
5.	2020	Compliance Division	Board of Directors	Revision
6.	2021	Compliance Division	Board of Directors	Revision
7.	2022	Compliance Division	Board of Directors	Revision
8.	2023	Compliance Division	Board of Directors	Revision
9.	June 2024	Compliance Division	Board of Directors	Revision
10.	February 2025	Compliance Division	Board of Directors	Revision

List of Abbreviations

Abbreviation	Explanation
AC	Audit Committee.
Bank	Bank of Cyprus Holdings Public Limited Company (BOCH) and its subsidiary Bank of Cyprus PCL.
Board	The Board of Directors of the Bank.
CBC	Central Bank of Cyprus.
CBC Governance Directive	The Internal Governance of Credit Institutions Directives of 2021 and 2024.
CD	Compliance Division.
CEO	Chief Executive Officer.
Chairperson	The chair of the Board of Directors.
CCO	Chief Compliance Officer.
CGCO	Corporate Governance Compliance Officer.
Committee	Nominations and Corporate Governance Committee
Director	Member of the Board of the Bank.
Group	Bank and all its subsidiaries.
HRRC	Human Resources & Remuneration Committee.
IAD	Internal Audit Division.
KFH	Key Function Holders.
Invitees	A person who is not a committee member but is formally invited to attend for a specific item(s) on the agenda; any such person is present only for the presentation of the specific item and leaves the meeting room immediately afterwards, without any participation in the discussion/decision-making process.
RC	Risk Committee.
TC	Technology Committee.

1. AUTHORITY

- 1.1. The Committee is a statutory Committee of the Board of the Bank from which it obtains its authority and to which it regularly reports.
- 1.2. The Committee has been delegated authority by the Board in respect of the functions and powers in these Terms of Reference.
- 1.3. 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.
- 1.4. 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 any member of the Group. It shall have access to adequate funding to enable it to discharge its duties.

- 1.5. 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.
- 1.6. For expenditure within the approved budget, regarding services, CD requests the approval of the Committee provided that the Bank's applicable procurement guidelines have been followed. The Chairperson is authorised to provide approval up to €100.000, with the requirement that all Committee members are notified (through an e-mail) and the majority provides their positive confirmation.
- 1.7. The Committee reviews annually the Terms of Reference and recommends necessary changes to the Board.

2. ROLE OF THE COMMITTEE

The role of the Committee is to support and advise the Board in relation to the below:

- 2.1. Board recruitment (including regularly reviewing, reporting on, and taking into account when making further appointments the composition and effectiveness of the Board).
- 2.2. Ensure that there is a rigorous, formal, and transparent procedure for appointments of Directors of the Board.
- 2.3. Consider and make recommendations to the Board in respect of the appointment of KFH.
- 2.4. The Committee leads the process for appointments and make recommendations to the Board.
- 2.5. The Committee reviews succession planning for Directors and senior management and overseeing the development of a diverse pipeline for succession.
- 2.6. The Committee keeps the Board's governance arrangements under review and makes appropriate recommendations to the Board to ensure that such arrangements are consistent with best corporate governance standards and practices in place.
- 2.7. The Committee oversees subsidiary governance to ensure that appropriate and proportionate governance arrangements are in place for Group subsidiaries.
- 2.8. The Committee provides oversight to the Group's ESG and climate strategy aimed at achieving present and future economic prosperity, environmental integrity and social equity for the Group and its stakeholders.
- 2.9. The Committee supports the Board in fulfilling its oversight responsibilities relating to the Bank's strategy and supports the development and implementation of the Strategic Plan.

- 2.10. The Committee assists the Board in ensuring its composition is regularly reviewed taking into account the length of service and collective suitability of the Board as a whole so that it is effective and able to operate in the best interest of shareholders.

3. COMMITTEE COMPOSITION

- 3.1. The Committee has a minimum of three (3) members. The Committee must consist entirely of non-executive Directors of whom the majority must be independent Directors.
- 3.2. Members of the Committee should have adequate individual and collective knowledge, expertise and experience relating to the business of the Group to be able to assess the appropriate composition of the Board, including recommending candidates to fill Board vacancies.
- 3.3. The Chairperson of the Board will chair the Committee, except when it meets to discuss his/her succession or performance.
- 3.4. The Board appoints the Directors of the Committee annually. Membership of the Committee is reviewed annually by the Chair to include consideration of rotation of its members and to ensure an optimal mix of expertise, competencies, and experience.
- 3.5. The Board appoints a Chairperson of the Committee for a maximum period of six years whether consecutive or not.

4. COMMITTEE MEETINGS

- 4.1. The Committee holds regular meetings, at least twice (2) per year and additionally, ad hoc meetings whenever called by the Chairperson of the Committee.
- 4.2. 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.
- 4.3. 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 (unless in the opinion of the Committee Chairperson it would be inappropriate to do so).
- 4.4. The quorum for a meeting is two (2) members or 50% rounded up, whichever is the highest.
- 4.5. 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.
- 4.6. 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.

- 4.7. No person other than a Committee member is entitled to attend meetings of the Committee. Invitees are formally invited to committee meetings only for a specific item(s) on the agenda and leave the meeting immediately afterwards, without any participation in the discussion/decision-making process.
- 4.8. The Committee shall annually establish a schedule of major topics to be discussed during the year.
- 4.9. Decisions beyond this Committee’s authority and matters which any member of the Committee deems necessary for escalation will be escalated by the Chair to the Board as appropriate.

5. DUTIES/RESPONSIBILITIES

The responsibilities of the Committee are outlined in detail below:

5.1. Composition of the Board:

5.1.1. Assess regularly, at least annually, the structure, size, composition, and succession plan of the Board (including consideration of the skills, knowledge, experience and diversity of Directors and their compliance with the relevant suitability standards bearing in mind the challenges and opportunities facing the Group and of each Board Committee and make recommendations to the Board with regard to any changes it considers desirable.

5.1.2. Ensure to the extent possible and on an ongoing basis, that the Board's decision-making process is not dominated by any one individual or small group of individuals in a manner that is detrimental to the interests of the Group as a whole. Ensure that cross committee memberships do not allow individuals to exercise excessive influence or control. No Director can be a member of more than two of the regulated Committees of the Board.

5.1.3. When considering an appointment to the Board:

5.1.3.1. prepare a description of the role and capabilities required for each appointment (including, in the case of a non-executive Director, the time commitment expected, recognising the need for availability in the event of a crisis), including in relation to appropriate commercial and functional experience and in the light of the assessments of the Board referred to above and the Board succession planning referred to below.

5.1.3.2. engage a broad set of qualities and competences as per the Board Nominations and Diversity Policy as well as the Group Policy on the Suitability of Members of the Management Body and KFHS.

5.1.3.3. conduct searches for Board candidates, and make appointments, on merit against objective criteria and with due regard to the benefits of diversity on the Board, including gender (recognising that diversity of psychological type, background and gender is important to ensure that the Board is not composed solely of like-minded individuals).

5.1.3.4. in the case of the appointment of a non-executive Director, take into account the necessary skills and knowledge required in relation to relevant Committees of the Board.

- 5.1.3.5. ensure that the procedure for appointment of Directors to the Board is formal, rigorous, and transparent, and
 - 5.1.3.6. ensure that the potential Director is able to allocate sufficient time to the Group to be able to discharge his or her responsibilities effectively.
 - 5.1.3.7. consider all other directorships of the candidate and ensure they are within regulatory limits and assess as to potential conflict of interest or reputational risk or regulatory restrictions.
- 5.1.4. When considering the appointment of the Board Chairperson: (a) prepare a job specification, including an assessment of the time commitment expected (recognizing the need for availability in the event of a crisis); and (b) ensure that a nominee Director's other significant commitments are disclosed to the Board before appointment.
- 5.1.5. Review the measurable objectives annually in order to determine and recommend whether any new or revised principles should be set for Board diversity (including gender), and, if so, establish targets and/or propose relevant action plans to the Board for consideration.
- 5.1.6. Use the services of an external search consultancy or open advertising to identify qualified individuals as nominees for election, re-election or appointment as Directors of the Board, who will enrich and enhance the strategic direction provided by the Board to executive management. When not using the services of an external search consultancy or open advertising for such appointments an explanation should be provided in the Annual Corporate Governance Report.
- 5.1.7. Prepare a report for submission to the Board and make recommendation for suitable candidates to be appointed as Directors. Where relevant, the NCGC will indicate in its reports the range of candidates considered, the selection process followed, and the key considerations that were relevant for the selection of the proposed candidate/s relative to other candidates. The Chairperson must confirm to the Board that the process included in the Nominations Policy was followed.
- 5.1.8. Under the overall responsibility and supervision of the Chairperson, review periodically, and at least annually, succession plans for the Board and senior management so as to (a) ensure that successions occur smoothly (b) maintain an appropriate balance of diversity, skills, independence, knowledge and experience and (c) ensure the progressive renewal of the Board, and report to the Board accordingly.
- 5.1.9. Review the annual effectiveness of the Non-Executive Directors in office and based on the results of this review recommend to the Board that each Director proposed for re-election continues to be effective and that each one demonstrates the level of commitment required in connection to their role on the Board and the needs of the business.
- 5.1.10. Recommend nomination of members for the material subsidiary¹ boards (Non-material subsidiary boards to be appointed by the CEO).

¹ Material subsidiaries include the following subsidiaries (i) Jinius Ltd, (ii) Eurolife Limited, (iii) Genikes Insurance of Cyprus Ltd.

5.2. Succession Planning:

5.2.1. The Committee ensures plans are in place for orderly succession to the Board based on merit and objective criteria and taking into account the challenges and opportunities facing the Bank, the skills, experience, independence, knowledge and diversity needed on the Board in the future, the length of service of the Board and the need for its membership to be regularly refreshed, and applying the Board Nominations, Diversity and Succession Planning Policy.

5.2.2. The Committee oversees the development of a diverse pipeline for succession, having regard to diversity of gender, knowledge, experience, skills, the absence of any conflicts of interest and independence.

5.2.3. The Committee monitors the 2-year Succession Plan and makes the necessary recommendations to the Board for approval.

5.3. Board Effectiveness-Annual Board Performance Evaluation:

Under the overall responsibility and supervision of the Chairperson, the Committee shall:

5.3.1. Approve the process of at least an annual evaluation of the effectiveness of the Board, of each Board Committee and of each individual member of the Board, to assess the overall and individual performance and effectiveness of the Board and its committees, including consideration of balance of skills, experience, independence and knowledge, its diversity, how the Board works as a unit, the composition of the Board and its committees, the communication with stakeholders, the roles of the Chairman, Company Secretary and the Senior Independent Member of the Board.

5.3.2. Conduct such annual evaluation in coordination with the CGCO of the Group, and

5.3.3. Assess the findings of such an evaluation and make relevant recommendations to the Board.

5.3.4. Approve a plan of action leading to the implementation of the recommendations approved by the Board.

5.3.5. Ensure that the evaluation process is formal and rigorous and covers, as a minimum, items in Appendix A.

5.3.6. Ensure that non-executive members of the Board regularly self-appraise their individual skills, knowledge, and expertise, and determine whether further professional development would help them develop their expertise and fulfil their obligations.

5.3.7. Ensure that the evaluation of the Chairperson of the Board is carried out by the non-executive directors, taking into account the views of the Executive Directors, under the overall supervision and responsibility of the Senior Independent Director.

5.3.8. Ensure that the Chairperson of the Board regularly reviews and agrees with each Director their training and development needs.

5.3.9. Monitor the assignment of the review and evaluation of the composition, efficiency and effectiveness of the Board and its Committees having regards to the provisions of the CBC Governance Directive to an independent external consultant at least once every three (3) years.

5.4. Suitability of members of the Board and KFH:

5.4.1. Define the profile (job description / qualifications) for the position of CEO taking into account the scope of the Group's operations and the need for a clear division between the responsibilities of the CEO and the Chairperson.

5.4.2. Assist the Board in identifying individuals as candidates as per the Group Policy on the suitability of members of the management body and KFH, that fit the profile for the position of CEO, having relevant extensive experience and capable of leading the organisation and effectively implementing its strategy, setting an example to employees, communicating the expectations of the Board in relation to the Group's culture, values and behaviour and supporting the Chairperson in ensuring that appropriate standards of corporate governance permeate through all parts of the Group.

5.4.3. As part of the selection process, the suitability of candidates is discussed during the NCGC meetings. The discussion is based on a candidates list provided internally or by an external company and involves the capabilities for the specific roles and the time commitment and making concrete recommendations to the Board.

5.4.4. Given that the NCGC runs the CEO search process, while the HRRC is responsible for his/her contract & remuneration terms, joint NCGC and HRRC meetings should be scheduled so that any decision taken is agreed by both Committees.

5.4.5. Consider the appointment of KFH, proposed by management to ensure they have the appropriate integrity, adequate knowledge, experience, skill, and competence for their roles, remaining cognisant of the gender balance and diversity profile of those in senior management and their direct reports, and make recommendation to the Board with regard to such appointments.

5.4.6. Perform the annual appraisal of the performance of the CEO and other executive Directors against set targets and submit to the Board for approval.

5.4.7. Consider periodically, and at least annually jointly with the HRRC, the adequacy of proposals for the succession, over the longer term, to key positions within the Group, taking into accounts the challenges and opportunities facing the Group and review at least annually a report on the Group's Talent Management program, including any measures being taken to improve the pipeline of talent.

5.4.8. Approve appointments of members of the Management Body to another entity's board so as to ensure that such new engagements do not create a conflict of interest.

5.4.9. Have access to all relevant information and data necessary to perform its role, including information and data from relevant control or other corporate functions (e.g. human resources, IT, legal etc) including information on regulatory compliance, in order to prevent and combat money laundering, including access to aggregate information and risk factors related to preventing and combating money laundering.

5.4.10. Approve major changes to the Group's corporate structure as recommended by the CEO.

5.4.11. Jointly with the HRRC, review and recommend to the Board for approval, the granting of fixed and/or variable remuneration to Executive members of the Board.

5.4.12. Annually review, jointly with the HRRC, the list of Material Risk Takers².

5.5. Re-assessment of the individual and collective suitability of the Board:

5.5.1. As part of the annual Board Performance Evaluation (as per section 5.3. above), which is performed in accordance with Article 16 of the CBC Governance Directive, a re-assessment of the individual and collective suitability of the members of the Board is performed by the CCO.

5.5.2. A report in relation to the re-assessment of each member of the Board and in relation to the collective suitability of the Board is submitted to the NCGC for recommendation (by the NCGC) to the Board for approval.

5.6. Approval of the skills, knowledge, and experience table:

5.6.1. The skills, knowledge, and experience table, which shows a detailed representation of the knowledge, skills and experience of each Director is submitted to the NCGC annually.

5.7. Appointment to the Board:

5.7.1. The Committee is responsible for identifying and nominating for the Board's approval, candidates from diverse backgrounds to fill board vacancies as and when they arise.

5.7.2. Before the Board makes any appointment, evaluate the balance of skills, experience, independence, knowledge and diversity on the board, and the future challenges affecting the Bank, and, in light of this evaluation, prepare a description of the role and capabilities and time commitment required for a particular appointment and set the process to identify, sift and interview suitable candidates. In identifying suitable candidates, the Committee shall:

² Means (a) all staff members and categories of staff of a supervised credit institution whose professional activities have a material impact on the credit institution's risk profile and who are specified in points (a) to (c) of Article 92(3) of Directive 2013/36/EU; and (b) all other staff members and categories of staff who are not expressly specified in points (a) to (c) of Article 92(3) of Directive 2013/36/EU and whose professional activities have an impact on a supervised credit institution's risk profile that is comparably as material as that of the staff members or categories of staff identified in accordance with Article 4 of Delegated Regulation (EU) 2021/923.

5.7.2.1. use such methods as it deems appropriate, including the use of open advertising or the services of external advisers to facilitate the search.

5.7.2.2. consider candidates from diverse backgrounds.

5.7.2.3. consider candidates on merit, against objective criteria and with due regard for promoting the benefits of diversity on the board, including of gender, social and ethnic backgrounds, and cognitive and personal strengths, taking care that appointees have enough time available to devote to the position.

5.8. **Corporate Governance:**

5.8.1. The Committee reviews and recommends to the Board for approval the Corporate Governance Policy and Framework of the Group. It reviews the effectiveness and adequacy of the corporate governance framework in coordination with the CGCO of the Group.

5.8.2. The Committee reviews and approves the ESG and climate-related & environmental (C&E) policies and reports in Section 6 and ensure they place a focus on ESG and C&E matters.

5.8.3. The Committee develops a strategy for ESG including C&E matters focusing on Environmental, Climate, Ethical, Social, and Economic pillars and ensure it is embedded throughout the operations of the Bank.

5.8.4. The Committee monitors developments in corporate governance including regulatory developments which are relevant to the assessment of the suitability of holders of key roles within the Group, assess the implications for the Group and advises the Board accordingly.

5.8.5. The Committee reviews and approves changes to the Terms of Reference of all the Committees of the Board at least annually, in coordination with each Committee and with the CGCO of the Group.

5.8.6. The Committee considers and authorises a situation in which a Director has, or could have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Group, providing that the situation cannot reasonably be regarded as likely to give rise to a conflict of interest at the time that authorization is sought.

5.9. **Strategy Oversight:**

5.9.1. The Committee advises, supports, and guides the CEO and Executive Team in formulating and implementing a business strategy geared to the sustainable development of the Bank taking into account ESG including C&E impacts. It oversees the Sustainability Committee's implementation and progress regarding the ESG working plan.

5.9.2. The Committee reviews the institution's response and plan of action to the objectives set out under international agreements.

5.9.3. The Committee reviews and approves the ESG, including C&E, targets and KPIs and monitors their performance.

5.9.4. The Committee monitors the establishment of processes for planning, implementing, assessing, and adjusting the business strategy.

5.9.5. The Committee oversees the Executive Team's implementation of the strategic plan and the execution progress against strategic milestones and goals.

5.9.6. The Committee reviews the strategic plan and its strategic initiatives and make appropriate recommendations to the Board.

5.9.7. The Committee discusses with and advises the Executive Team:

5.9.7.1. as to whether the governance, risk appetite, financial and capital planning, liquidity and funding management control environment and resources can support the Bank's strategic objectives.

5.9.7.2. on divesture and merger and acquisition strategy including post transaction performance tracking on the impact of changes in the competitive environment.

5.10. **Communication and Reporting:**

5.10.1. The Committee formulate the annual NCGC Report included in the Annual Corporate Governance Report describing the work of the Committee, including:

5.10.1.1. the process it has used in relation to board appointments (including an explanation if neither an external search consultancy nor open advertising has been used in the appointment of the Chairperson or a non-executive Director).

5.10.1.2. a description of the Board's policy on diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives, and

5.10.1.3. where an external search consultancy or performance review facilitator has been used, it should be identified, and a statement made as to whether it has any other connection with the Group.

5.10.2. The Committee responds, through the Chairperson, to shareholder questions regarding Director development and succession, and/or Corporate Governance Policy of the Group at the Annual General Meeting.

5.10.3. The Committee annually receives reports from Directors who from time to time participate in meetings with shareholders which are organised by the Bank's IR team and in accordance with the Terms of Reference of the NCGC.

5.10.4. The Committee reports to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities.

5.10.5. The Committee conducts an annual self-assessment and report its conclusions and recommendations for improvements and changes to the Board.

5.10.6. The Committee ensures that the Committee's Terms of Reference are available on the Group's official website.

Appendix A - Annual Board Performance Evaluation process

The Annual Board Performance Evaluation process is formal and rigorous and covers, as a minimum the following:

1. performance of the Board as a whole, including the balance of skills, experience, independence and knowledge, its diversity (including gender), how the Board works together as a unit and other factors relevant to its effectiveness.
2. performance of Committees and individual members.
3. in relation to the Board as a whole and Board Committees, as well as individual members of the Board, the ability:
 - a) to develop the Group's business objectives, risk appetite and strategies.
 - b) to set and oversee the risk and compliance management frameworks, and
 - c) to establish and maintain consistent organisational and operational arrangements and internal control mechanisms.
4. composition (including diversity) of the Board and its Committees.
5. in the case of individual evaluation, an assessment as to whether each member continues to contribute effectively and demonstrates commitment to the role (including commitment of time for Board or Committee meetings and other duties).
6. communication with shareholders, including steps taken to understand major shareholders' issues and concerns and to ensure that the whole Board is aware of these issues and concerns.
7. communication with management and competent authorities.
8. effectiveness and clarity of the roles of Chairperson of the Board, Company Secretary and Senior Independent member of the Board, including as required by the Group Corporate Governance Policy and Framework.
9. relationship between the Chief Executive Officer and the Chairperson of the Board.
10. time commitment of non-executive members and capacity to critically review information and challenge the executive members, including their ability to constructively challenge and help develop proposals on strategy.
11. evaluation of the suitability of each member of the Board and particularly the independence of each independent member.
12. clarity of, and the leadership given to, the purpose, direction, and values of the Group.
13. quality of papers and presentations to the Board.
14. quality of discussions around key issues.
15. quality of the decision-making process, including the extent of involvement of non-executive members and obtaining expert opinions, time for debate and challenge, timely closure, and clarity of course of action, timescale, and responsibilities.
16. succession planning.
17. processes for identifying and reviewing risks.
18. Board training.
19. interviews with each Director of the Board are also conducted.
20. a thorough search on various financial crime databases is conducted to ensure that the reputation of the members of the management body remains intact.