

Transformation Committee Terms of Reference

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1. Purpose

- 1.1 The Transformation committee is responsible for:
- (a) providing oversight of the company's Significant Technology Change; and
 - (b) approving investments, contracts and changes that fall within the scope of matters delegated to the Committee by the Board, and making recommendations to the Board in relation to matters that are reserved to the Board.
- 1.2 Significant Technology Change means any significant technology change that the Board, in conjunction with the Committee, has determined will have a high impact on the business, and therefore requires oversight by the Committee, taking into account the impact on other technology change/programmes, resource demand, the potential for reputational risk and the cost and complexity of the change/programme.
- 1.3 In fulfilling its duties, the committee is authorised by the Board to carry out the duties set in these Terms of Reference.

2. Proceedings of the Committee

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| Chair | The Board shall appoint the Chair of the committee. In the absence of the Chair, the remaining members present shall elect one of themselves to chair the meeting. |
| Secretary | The company secretary or their nominee shall act as the secretary of the committee. Minutes of each meeting will be kept and filed by the secretary. |
| Membership | The committee shall comprise at least three members, all of which shall be independent Non-Executive Directors. |
| Quorum | Two directors. |
| Attendees | Only members of the committee have the right to attend meetings. However, the Chief Executive Officer, the Chief Operating Officer and the Finance Director shall normally attend all meetings of the committee. The committee may invite other non-members to attend. |
| Frequency | The committee shall meet no less than four times per annum. Outside of the formal meeting programme, the committee Chair and other committee members will maintain a dialogue with key individuals involved in the Digitalisation Programme. |
| Notice | Unless otherwise agreed, the agenda and papers should be circulated at least five days prior to the meeting. |
| Authority | The committee is authorised by the Board to investigate any activity within these terms of reference and, within its scope of responsibilities, to |

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| | <p>seek any information it requires and to ensure the attendance of management representatives at meetings as appropriate.</p> <p>The committee has the authority to obtain outside legal or independent professional advice, including, for the avoidance of doubt, independent assurance reports.</p> |
| Reporting | <p>The Chair of the committee will provide a verbal report on the activities of the Committee to the Board following each meeting of the committee.</p> <p>The committee will include a report of its activities in the Annual Report.</p> <p>The committee shall, at least once a year, review its own performance and regularly review its terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.</p> |
| Documentation | <p>Minutes to be kept and filed by the secretary to the committee.</p> |

3. Duties

3.1 The committee shall:

Significant Technology Change Oversight

- 3.1.1 Monitor delivery of the Significant Technology Changes including as regards cost, time, quality and outcomes.
- 3.1.2 Be satisfied that all Significant Technology Change activity is appropriately budgeted for, having regard to the Annual Business Plan and the relevant programme roadmaps.
- 3.1.3 Be satisfied that the impact of Significant Technology Changes on the company's operating and delivery models are understood, including areas where capability is being enhanced, and appropriate actions are taken where necessary.
- 3.1.4 Provide oversight of the interdependencies between Significant Technology Changes and the Company's sourcing strategy.
- 3.1.5 Be satisfied that the capabilities delivered by Significant Technology Changes is consistent with the company's strategic goals.
- 3.1.6 Provide oversight to ensure that the impact of Significant Technology Changes are understood in the context of the company's risk appetite and that risk mitigation is in place where appropriate. However, overall responsibility for the oversight of risk shall remain with the Audit and Risk Committee and the Board.
- 3.1.7 Ensure that any interdependencies and impacts between Significant Technology Changes and industry change initiatives are understood and controlled.
- 3.1.8 Be able to commission and shall receive regular assurance reports in relation to Significant Technology Changes ensuring that an appropriate level of assurance is in place (including in particular independent third party assurance reports).
- 3.1.9 Ensure that appropriate action is being taken to maintain the on-going engagement of key internal and external stakeholders, whilst ensuring that the voice of industry stakeholders is being considered within the design and delivery of Significant Technology Changes.

Approval of investments and contracts

- 3.1.10 Approve technology and IT changes that fall within the scope of the Board's reserved matters, including approval of investments, contracts or contract amendments, provided that the costs and risk associated with such approvals are within parameters approved by the Board. The committee is further authorised by the Board to approve matters that fall within the scope of the contingency arrangements approved by the Board from time to time.
- 3.1.11 Make recommendations to the Board in relation to items that fall within the Board's reserved matters.

4. Efficient Decision Making

- 4.1 Any matter that these Terms of Reference require to be recommended to the Board for its approval may be decided by a meeting of the committee where any remaining (non-conflicted) directors of the company are in attendance and are invited to vote on such matter.