

# Lloyds Banking Group plc, Lloyds Bank plc, Bank of Scotland plc and HBOS plc Audit Committee Terms of Reference

## 1. Purpose

The purpose of each Audit Committee is to monitor and review the formal arrangements established by its Board in respect of:

- 1 the integrity of the financial reporting and narrative reporting of its Group and its Company;
- 2 the independence and effectiveness of the internal and external audit functions;
- 3 the effectiveness of the internal controls and the risk management framework; and
- 4 the adequacy and security of the arrangements for whistleblowing.

Each Committee shall report to its Board on its activities.

## 2. Aligned Board Model

The Audit Committees of Lloyds Banking Group plc, Lloyds Bank plc, Bank of Scotland plc and, to the extent relevant, HBOS plc operate an Aligned Board Model. This includes aligned meetings for the Audit Committees of each entity, where meeting agendas clearly identify which items concern which entity.

## 3. Entities to which these terms of reference apply

These terms of reference apply to each of Lloyds Banking Group plc, Lloyds Bank plc, Bank of Scotland plc and, to the extent relevant, HBOS plc.

- Sections of these terms of reference which apply only to the Audit Committee of the Board of Lloyds Banking Group plc are headed "*Group Committee only*".
- Sections of these terms of reference which apply only to the Audit Committees of the Board of Lloyds Banks plc and Bank of Scotland plc are headed "*Banks' Committees only*".
- HBOS plc will have an Audit Committee and such Audit Committee will undertake the actions set out in paragraph 6 'Responsibilities' only insofar as considered necessary for legal or regulatory purposes.

## 4. Defined terms

Definitions used in these terms of reference are those adopted in the Corporate Governance Framework Board Authorities. In these terms of reference:

- the "Committee" means each Audit Committee;
- the "Banks" means Lloyds Bank plc and Bank of Scotland plc;
- the "Group" in the context of Lloyds Banking Group plc, Lloyds Bank plc, Bank of Scotland plc and HBOS plc should be read as "Lloyds Banking Group plc and its subsidiaries and associates from time to time", "Lloyds Bank plc and its subsidiaries and associates from time to time", "Bank of Scotland plc and its subsidiaries and associates from time to time" and "HBOS plc and its subsidiaries and associates from time to time", respectively;
- the "Group Committee" means the Audit Committee of Lloyds Banking Group plc; and
- the "Banks' Committees" means the Audit Committees of each of Lloyds Bank plc and Bank of Scotland plc.

(Other than as specifically defined above, the following defined terms as set out in the Corporate Governance Framework Board Authorities document are applicable: the "Company" means each of Lloyds Banking Group plc, or where the context needs, Lloyds Bank plc, Bank of Scotland plc and HBOS plc as appropriate; and the "Group" means Lloyds Banking Group plc and its subsidiaries and associates from time to time.)

## 5. Authority

Each Committee has been established by its Board and is authorised to:

- 1 investigate any activity within these terms of reference;
- 2 have such direct access to the resources of the Group as it may reasonably require;

- 3 seek any information that it requires from any employee (and all employees are directed to cooperate with any request made by the Committee);
- 4 secure the attendance of any employee, or third parties with relevant experience and expertise, at meetings of the Committee if it considers this necessary;
- 5 engage outside legal or other independent professional advisers and access appropriate funding for the payment of relevant fees and expenses;
- 6 obtain assurances and, when appropriate, reports from the boards of subsidiary companies which have appointed separate audit committees; and
- 7 delegate all or any of its responsibilities to any person, including any of its members, or to one or more sub-committees which are to report back to the Committee.

Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company it will report its views to its Board. In the event of any disagreement between the Committee and its Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where a disagreement cannot be resolved, the Committee will have the right to report the issue to the Company's shareholders (*which, in the case of the Group Committee only, shall be as part of the report on its activities in the annual report*).

Each Committee shall work and liaise as necessary with all other Committees of its Board, and periodically review interactions between its Board and the other Committees.

## **6. Responsibilities**

The responsibilities of each Committee will be to:

### **A. Financial statements and reporting of the Group**

- 1 Monitor, and submit recommendations and proposals as necessary on, the integrity of the financial reporting process and the financial and narrative statements of the Company and its Group, including annual and half-yearly reports, interim management statements and other formal announcements relating to the Company and its Group's financial performance, reviewing significant financial reporting issues and the judgements which they contain. In particular, review and challenge where necessary:
  - a. significant accounting policies and practices, and any changes in them;
  - b. whether the Group has adopted appropriate accounting policies and where necessary, has made appropriate estimates and judgements, taking into account the views of the external auditor on the financial statements;
  - c. the extent to which the financial statements are affected by any unusual transactions in the year, the methods used to account for any significant or unusual transactions where different approaches are possible, and how such transactions are disclosed;
  - d. the clarity and completeness of disclosures and whether such disclosures are properly set in context;
  - e. compliance with accounting standards;
  - f. compliance with legal and regulatory requirements relating to financial reporting;
  - g. the going concern assumption and the viability statement; and
  - h. all material information presented with the financial statements including the strategic report and corporate governance statements relating to the audit and risk management.
- 2 Report its views to its Board if it is not satisfied with any aspect of the proposed financial reporting by the Group.
- 3 Review other statements containing financial information and which require approval by its Board, before such statement is considered by its Board, where to do so is practicable and consistent with any reporting obligation under any law or regulation.
- 4 Review any significant adjustments to financial reporting resulting from the audit and resolve any disagreements between management and the external auditors regarding financial reporting.
- 5 Review the content of the annual report and accounts and advise its Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy to support its Board's statement in the annual report on these matters. The review undertaken by the Committee should assess whether the narrative is consistent with the accounting information and how the statutory audit contributed to the integrity of the financial reporting.
- 6 In connection with the Bank for International Settlements Basel Accord - Basel II - Pillar 3, review and recommend to its Board for approval for publication the Group's (in the case of the Group Committee) or Bank's (in the case of each of the Banks' Committees) periodic Pillar 3 reporting.
- 7 Group Committee only: *The annual report and accounts should include a separate section describing the work of the Committee in discharging its responsibilities, signed by the Chair of the Committee.*

## B. Whistleblowing (Speak Up)

- 1 Review the adequacy and security of the Group's arrangements for its employees, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters, including the consideration of the procedures for:
  - a. the receipt, retention and treatment of complaints received by the Company regarding the accounting, internal accounting controls or auditing matters; and
  - b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.

- 2 Ensure that its Board's Whistleblowing (or Speak Up) Champion oversees and, before its submission, reviews the reports on whistleblowing matters made to the Committee and its Board.

## C. Internal controls and the Risk Management Framework

- 1 Review the Group's internal financial controls (including the systems to identify, manage and monitor financial risks).
- 2 Review reports received from management and Group Internal Audit on the effectiveness of systems for internal control over financial reporting and the conclusions of any testing carried out by management so far as relevant to the Company or its Group.
- 3 Review reports received from management on material control issues that have an impact on financial reporting.
- 4 Consider the level of assurance the Committee receives on risk management and internal control systems, in particular as they relate to internal financial controls, and whether this is enough to help its Board in satisfying itself that they are operating effectively.
- 5 With a particular focus on financial reporting and controls, review reports from management, the Chief Risk Officer and, where appropriate, the Banks' Risk Officer on the effectiveness of systems for risk management.
- 6 Review the Group's (in the case of the Group Committee) and Bank's (in the case of each of the Banks' Committees) statement on internal control and risk management systems for the purposes of the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, before approval by its Board.

## D. Fraud

- 1 Review the Group's procedures and systems and controls for detecting financial reporting fraud.
- 2 Consider the major findings of any relevant internal investigations into control weaknesses, fraud or misconduct and management's response (in the absence of management where appropriate).

## E. Group Internal Audit

- 1 Review and approve the role and mandate of the Group Internal Audit function and monitor, review and conclude upon the effectiveness of the Group Internal Audit function in the context of the Group's (in the case of the Group Committee) and the Bank's (in the case of each of the Banks' Committees) overall risk management system.
- 2 Approve the appointment or removal of each of the Chief Internal Auditor, as the head of Group Internal Audit, and (in the case of each of the Banks' Committees), the Chief Internal Auditor, as the head of the Banks' internal audit function.
- 3 ***Banks' Committees only:*** Provide oversight of the Banks' Chief Internal Auditor.
- 4 Approve the Group's (in the case of the Group Committee) and Bank's (in the case of each of the Banks' Committees) Internal Audit Annual Plan, ensuring it is aligned with the key risks of the business, and any material changes to the Internal Audit Plan, setting audit priorities (on a risk-based approach) and ensuring that it is appropriate for the Group's (in the case of the Group Committee) and the Bank's (in the case of each of the Banks' Committees) needs.
- 5 Ensure that the Group Internal Audit function has the necessary resources and access to information to enable it to perform its mandate and in accordance with the relevant professional standards for internal auditors.
- 6 Ensure that there is open communication between the different risk functions and that the Group Internal Audit function evaluates the effectiveness of the risk, compliance and finance functions as part of its Internal Audit Plan.
- 7 Review on a quarterly basis reports for the Group (in the case of the Group Committee) and Bank (in the case of each of the Banks' Committees) on the results of the internal auditors' work and in particular consider reporting, including audit reports, progress against the Internal Audit plan, major findings, quality assurance reports and findings, and management's response to any significant internal audit escalated to the Committee by the Chief Internal Auditor of the Group (in the case of the Group Committee) or the Banks' Internal Auditor (in the case of each of the Banks' Committees).
- 8 Review, for the Group (in the case of the Group Committee) and the Bank (in the case of each of the Banks' Committees), on an annual basis, the Chief Internal Auditor's annual opinion on control environment.
- 9 Where the tenure of the Chief Internal Auditor exceeds seven years, the Committee should explicitly discuss annually the Chair's assessment of the Chief Internal Auditor's independence and objectivity.
- 10 Undertake an annual assessment of the effectiveness of the Group Internal Audit function, including:

- a. monitoring and assessing the independence of the Group's Internal Audit function;
  - b. meeting with the Chief Internal Auditor without the presence of management to discuss the effectiveness of the function and any issues arising from the internal audits being carried out;
  - c. receiving a report on the results of the Group Internal Audit function's work;
  - d. reviewing whether the quality, experience and expertise of the Group Internal Audit function is appropriate for the business;
  - e. reviewing the actions management has taken to implement the recommendations of the Group Internal Audit function and whether these properly support the effective working of the Group Internal Audit function;
  - f. monitoring and assessing the role and effectiveness of the Group Internal Audit function in the overall context of the Group's risk management system; and
  - g. considering whether an independent, third party review of the Group Internal Audit function's effectiveness and processes is appropriate.
- 11 Obtain an independent external assessment of the Group Internal Audit function, in line with the Chartered Institute of Internal Auditors' Standards, at least once every five years.

#### **F. Relationship with external auditors**

- 1 Make recommendations to its Board, to be put to shareholders for approval at the AGM, on the appointment, reappointment and removal of the external auditor. The Committee will develop and oversee the process for selecting the external auditor, ensuring that all tendering firms have such access as is necessary to information and individuals during that process.
- 2 Oversee the relationship with the external auditor, including:
  - a. approving the terms of engagement of the external auditor, including any engagement letter issued at the start of each audit and the scope of the audit;
  - b. agreeing the remuneration to be paid to the external auditor, monitoring the fee compared to the fee income of the firm, office and partner, considering the fee in the context of relevant legal, professional and regulatory requirements and guidance and satisfying itself that the level of fee payable is appropriate and that an effective, high quality audit can be conducted for such a fee;
  - c. assessing in accordance with best practice, including considering any findings and conclusions of the Financial Reporting Council, the external auditor's effectiveness, independence and objectivity, ensuring that key partners are rotated at appropriate intervals; and
  - d. agreeing with the Board a policy on the employment of former employees of the Group's auditor and monitoring the implementation of this policy.
- 3 Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement and coordinated with the activities of Group Internal Audit.
- 4 Discuss with the external auditor, before the audit commences, the nature and scope of the audit and review the auditor's quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements.
- 5 Review the findings of the audit with the external auditor, including reviewing any reports prepared by the external auditor, the external auditor's management letter and management's responses to the auditor's findings and recommendations.
- 6 Review annually and report to its Board on the qualification, expertise, resources, independence and objectivity of the external auditors and the effectiveness of the audit process taking account of relevant legal, professional and regulatory requirements and guidance (including contribution to the integrity of the financial reporting), with a recommendation on whether to propose to the shareholders that the external auditor be reappointed. The assessment should cover all aspects of the audit service provided by the audit firm and include obtaining a report on the audit firm's own internal quality control procedures and consideration of the audit firm's annual transparency report where available.
- 7 Satisfy itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Group (other than in the ordinary course of business) which could adversely affect the external auditor's independence and objectivity.
- 8 Ensure that the Committee section of the annual report includes an explanation of how the Committee has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, including length of tenure, when the tender was last conducted and advance notice of any retendering plans.
- 9 Agree the policy for and, where needed by that policy, approve the provision of, non-audit services by the external auditor and the related remuneration, taking into account applicable law, regulation and other relevant ethical and professional guidance and considering in particular:
  - a. whether the skills and experience of the audit firm make it the most suitable supplier of the non-audit services;
  - b. whether there are any safeguards in place to eliminate or reduce to an acceptable level any threat to objectivity and independence in the conduct of the external audit resulting from the provision of such non-audit services by the external auditor;

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- c. the nature and extent of the non-audit services;
  - d. the fees incurred, or to be incurred, for non-audit services both for individual services and in aggregate, relative to the audit fee; and
  - e. the criteria which govern the compensation of the individuals performing the audit.
- 10 Keep the policy for the provision of non-audit services under review in order to ensure that the provision of such services does not impair the external auditor's independence or objectivity; and report to its Board on the implementation of the policy.
  - 11 Ensure that, if the external auditor provides non-audit services, an explanation is provided for the shareholders in the annual report on how the external auditor's objectivity and independence is safeguarded, setting out the Committee's policy on the provision of non-audit services and disclosing the details set out in the Financial Reporting Council's Guidance on Audit Committees in relation to each significant engagement.
  - 12 Review the audit representation letters before signature, considering any non-standard issues within the representations.
  - 13 If the external auditor resigns, investigate the issues giving rise to such resignation and assess whether any action is needed.

### G. Remuneration

- 1 **Group Committee only** - The Chair (on behalf of the Committee) will recommend to the Group Remuneration Committee the outcome of performance assessment of in-scope individuals within the Group Internal Audit function, as determined by that function, and the outcome of individual risk adjustment for the Group Chief Internal Auditor and persons reporting directly to them who work within the Group Internal Audit function.
- 2 **Group Committee only** - The Chair will separately recommend to the LBCM Remuneration Committee the outcome of individual risk adjustment for persons reporting directly to the Group Chief Internal Auditor performing a Chief Internal Auditor role that work within LBCM.
- 3 **Banks' Committees only** - The Chair (on behalf of the Committee) will recommend to the Bank's Remuneration Committee the outcome of individual risk adjustment for the Bank's Internal Auditor.

### H. Other matters

- 1 Undertake similar duties for all subsidiary companies where a legal or regulatory provision creates a requirement for audit committee involvement, except where the subsidiary company's board has appointed a separate audit committee.
- 2 Review any other matters referred to it by the Chair or the Board.
- 3 Review periodically the Recovery and Resolution Plans, including noting the nominated Executive Director responsible for each of these plans.
- 4 Give due consideration to all relevant laws and regulations including the provisions of the UK Corporate Governance Code and associated guidance, the FCA and PRA rules, guidance and sourcebooks and any other rules or regulation as applicable.
- 5 Work and liaise as necessary with the Board and all other Board Committees ensuring such interaction is reviewed regularly, taking account of the impact of risk management and internal controls being delegated to Board Committees.

## 7. Membership

### A. Members

- 1 At all times each Committee shall comprise at least three members. All members of each Committee must be independent Non-Executive Directors (within the meaning of the UK Corporate Governance Code).
- 2 Members of each Committee will be appointed by its Board on the recommendation of its Board's Nomination and Governance Committee in consultation with the Chair of that (Audit) Committee.
- 3 The Chair of the Group will not be a member of the Committee.
- 4 Normally at least one member of the relevant Remuneration Committee will be a member of each Committee.
- 5 Appointments to each Committee will be for a period of up to three years, which may be extended for two further three-year periods, provided the director still meets the criteria for membership of the Committee.
- 6 At least one of the members of each Committee must have recent relevant financial experience, holding a professional qualification from one of the professional accountancy bodies, and each Committee as a whole will have experience of corporate financial matters and competence in the financial sector.
- 7 Each Committee should be provided with appropriate and timely training coordinated by Group Secretariat, both in the form of an induction programme for new members of each Committee and on an ongoing basis for all members. The induction programme shall cover the role of the Committee, including its terms of reference and expected time commitment, and an overview of the Company's business model and strategy identifying the main business and financial dynamics and risks. Ongoing training shall include an understanding of the principles of, and developments in, financial reporting and related company law and any other matters considered appropriate to assist the members in fulfilling their role on the Committee.

- 8 ***Banks' Committees only:*** At least two members of the Committee will be RFB-Only NEDs.
- 9 ***Banks' Committees only:*** Each of the RFB-Only NEDs may appoint any other RFB-Only NED (not already on the Committee) as their alternate to attend a meeting of the Committee. Where no RFB-Only NED who is a member of Committee nor any such alternate can attend, the Chair shall:
  - a. in so far as possible, seek the view of the RFB-Only NEDs on any potential RFB Conflict Matter which is to be considered at that meeting; and
  - b. notify the PRA of the situation.

## B. The Chair

- 1 The Chair of each Committee will be appointed by the members of its Board following the recommendation of its Board's Nomination and Governance Committee.
- 2 The Chair of each Committee must be an independent Non-Executive Director and may not be the Chair of the Board.
- 3 In the Chair's temporary absence, one of the Committee members nominated by the Chair or elected by the other members of the Committee will act as Chair.
- 4 The Chair of each Committee may not perform a similar role for any of the Group's other sub-groups.
- 5 The Chair of each Committee shall report to its Board on the Committee's proceedings.
- 6 The Chair's primary responsibility is chairing and overseeing the performance of the Committee.
- 7 The Chair's other responsibilities in respect of each Committee include:
  - a. ensuring that the Committee meets with suitable frequency;
  - b. fostering an open, inclusive discussion which challenges executives, where appropriate;
  - c. ensuring that the Committee devotes enough time and attention to the matters within its remit;
  - d. helping to ensure that the Committee and its members have the information necessary to discharge its and their duties and tasks;
  - e. reporting to the Board on the Committee's activities;
  - f. facilitating the running of the Committee to assist it in providing independent oversight of executive decisions;
  - g. safeguarding the independence and overseeing the performance of the Committee;
  - h. ensuring that the regulatory requirements in relation to the Committee are satisfied;
  - i. in relation to the Chief Internal Auditor (or equivalent):
    - i. being the primary reporting line for the Chief Internal Auditor (or equivalent);
    - ii. setting the objectives of the Chief Internal Auditor (or equivalent) and appraising their performance in the role; and
    - iii. ***Group Committee only:*** being responsible for recommending the remuneration of the Chief Internal Auditor to the Group Remuneration Committee for approval;
    - iv. ***Bank's Committee only:*** being responsible for recommending the remuneration of the Banks' Chief Internal Auditor to the Banks' Remuneration Committee for approval; and
  - j. engaging with stakeholders, including the PRA, FCA (to the extent appropriate) and principal shareholders, on behalf of the Committee.
- 8 The Chair will be available, wherever possible, at the Group's AGM.
- 9 ***Banks' Committees only:*** The Chair of the Committee (insofar as it considers issues on behalf of or in relation to an SMCR Entity) is a Senior Manager for the purposes of the SMCR. This role needs pre-approval from the PRA/FCA.

## C. Quorum, Voting and Written Resolutions

- 1 ***Group Committee only:*** The quorum for meetings of the Committee shall be any two members, comprising, where possible, at least one member with recent relevant financial experience.
- 2 ***Banks' Committees only:*** The quorum for meetings of the Committee shall be any three members, comprising, where possible, at least one member with recent relevant financial experience.
- 3 If a quorum of members is not available for a particular meeting, a majority of the members (or, if applicable, the sole member) present may co-opt any independent Non-Executive Director of its Company to that Committee for that meeting, if necessary, to constitute a quorum.
- 4 Voting at meetings and the adoption of any written resolutions shall be in accordance with the procedures set out in the Company's Articles of Association.

#### D. Attendees

- 1 Only members of the Committee have a right to attend meetings.
- 2 The Committee may invite such non-Member attendees as it deems necessary to fulfil its responsibilities. The Chief Financial Officer, the Group Chief Internal Auditor, the Chief Risk Officer and a representative of the external auditors will normally attend meetings and other members of management may be invited for a particular meeting or a particular agenda item as and when the Committee deems it appropriate or necessary.
- 3 *Group Committee only:* Two RFB-Only NEDs will normally attend the meetings.
- 4 The Chair of the Group, the Group Chief Executive and other members of the Board will attend meetings if requested by the Committee.
- 5 *Banks' Committees only:* The Chief Internal Auditor and the Chief Risk Officer of the Banks will normally attend meetings as appropriate.

### 8. Committee management

#### A. Secretary

- 1 The secretary to the Committee shall be the Company Secretary or their nominee.

#### B. Frequency

- 1 Each Committee shall meet as often as is necessary to fulfil its responsibilities, and not less than four times a year. Meetings should coincide with key dates in the relevant Group's financial reporting and audit cycle.
- 2 The Chair, in consultation with the Company Secretary, will decide on the frequency and timing of the Committee meetings, ensuring that enough time is allowed for each meeting to enable the Committee to discuss the agenda items in as much detail as may be required.
- 3 At least once a year, without the presence of executive management, the Committee will meet with the external auditors and with the Chief Internal Auditor to discuss matters relating to its remit and any issues arising from the audit.
- 4 *Banks' Committees only:* At least once a year, to ensure that risks are considered from the perspective of the Banks, the Banks' Committees will hold a private session without the Chief Internal Auditor present to enable the free discussion of any issues on which the Chief Internal Auditor may be conflicted.
- 5 *Banks' Committees only:* In light of the Aligned Board Model, each of the Banks' Committees shall meet at least twice a year to consider matters that relate to its Bank alone.

#### C. Notice, agenda and papers

- 1 The secretary to each Committee shall call meetings of the Committee at the request of any of:
  - a. the Chair of the Committee;
  - b. any member of the Committee;
  - c. the external auditor;
  - d. the Chief Internal Auditor; or
  - e. the Group Internal Audit function.

The external auditors and the Chief Internal Auditor (or equivalent) may also request a meeting with the Chair of the Committee if they consider that one is necessary.

- 2 Group Secretariat shall circulate notice of the meeting (confirming date, time and venue), the agenda and papers to all members of the Committee electronically at least four working days before the meeting (or such shorter period as may be agreed by the Chair of the Committee) to enable full and proper consideration of the relevant issues.

#### D. Minutes and Record of Membership

- 1 The secretary to each Committee shall minute the proceedings of all meetings, including recording the names of those present and in attendance. In light of the Aligned Board Model, the minutes of the meetings of the various Committees will be produced as a composite document but will identify the Committee(s) by which any issue has been considered, so as to make clear the Company to which such issue relates; however, separate minutes will be produced in respect of such meetings of the Banks' Committees as are held (at least twice a year) to consider matters that relate to the Banks alone; and minutes of all meetings will identify any potential RFB Conflict Matter, whether the RFB-Only NEDs elected to exercise their weighted voting rights in respect of any RFB Conflict Matter and any action taken or to be taken in relation to any potential RFB Conflict Matter.
- 2 The secretary to each Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 3 The secretary to each Committee shall circulate minutes of meetings promptly to the Chair for approval in principle and, following confirmation of such approval, shall in due course circulate such minutes to all members of the Committee as part of the materials for the Committee's next meeting.

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- 4 The secretary to each Committee shall keep a record of the membership, and the dates of any changes in such membership, of the Committee.

### E. Review

- 1 Each Committee shall review at least annually these terms of reference and propose any amendments it deems necessary or desirable to its Nomination and Governance Committee for consideration and, if appropriate, recommendation to its Board for approval.
- 2 Each Committee shall review at least annually its performance and effectiveness (and shall be subject to review by its Board's Nomination and Governance Committee) and shall propose any recommendations it deems necessary or desirable to its Board for approval.

**These terms of reference became effective as of 28 March 2024.**