



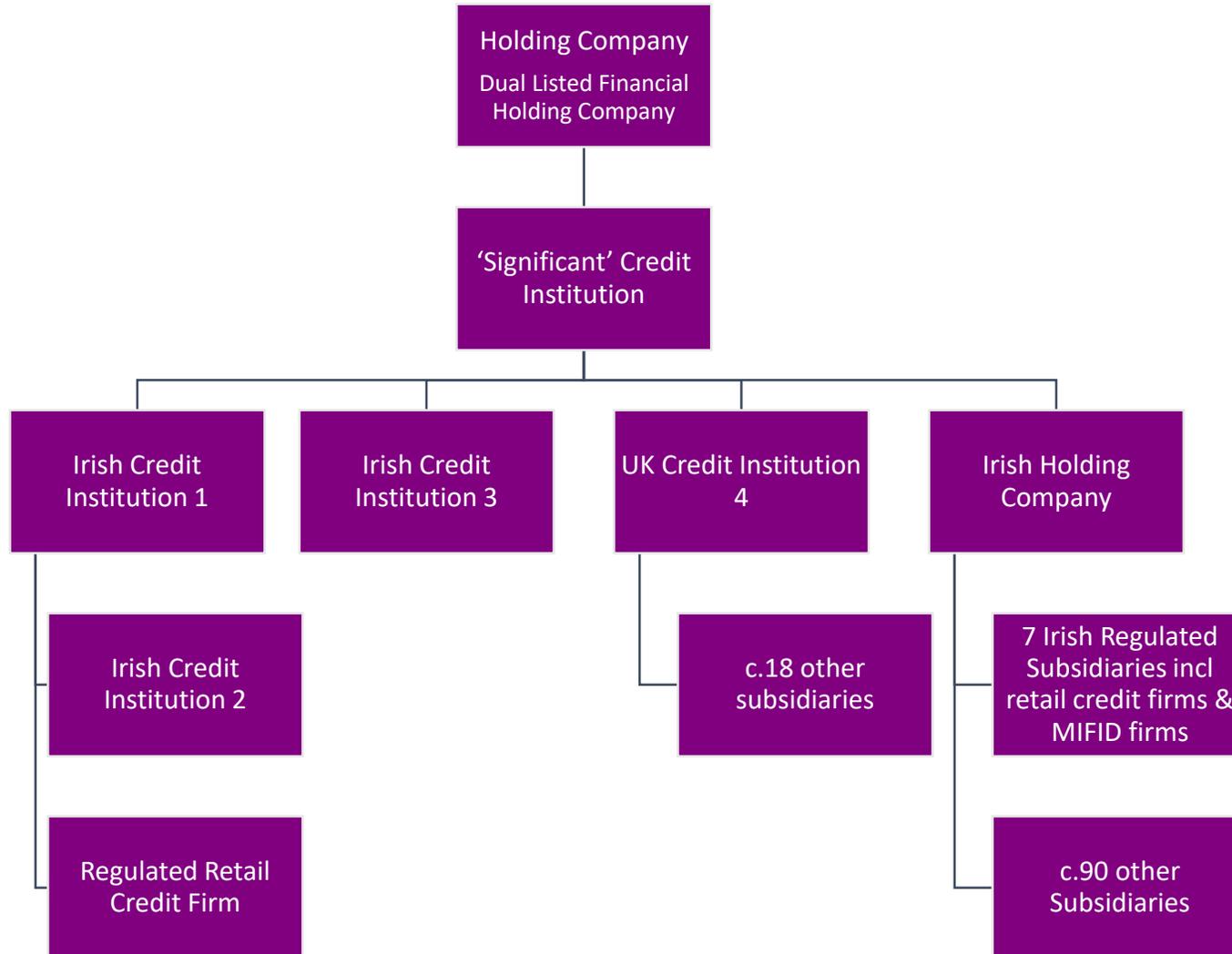
The Board Secretary: An enabler of Board Performance

IPA Governance Forum

Sarah McLaughlin, Group Company Secretary, AIB Group

Thursday, 6 September 2018

AIB's Corporate Structure



Numerous external requirements applicable across many of the entities including:

- Capital Requirements Directive
- UK Corporate Governance Code
- CBI Corporate Governance Requirements
- EBA Guidelines on Internal Governance
- ESMA & EBA Guidelines on the assessment of the suitability of members

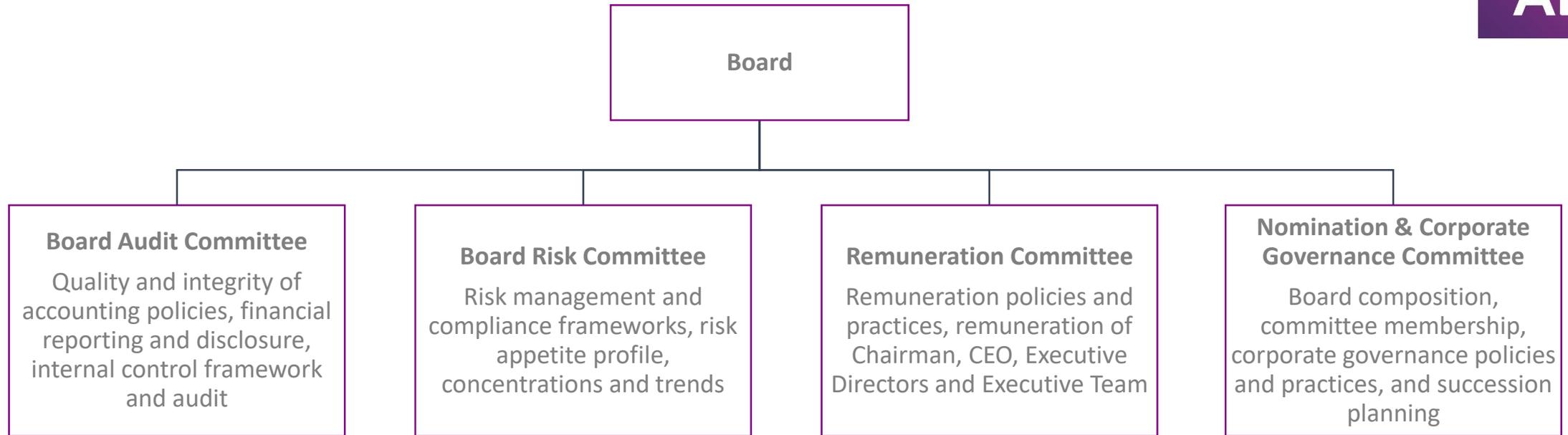
AIB's Corporate Structure



- A robust structure, with **clearly defined roles & responsibilities**,
- **communicated** to all stakeholders...
- with clear processes, controls and **effective oversight mechanisms...**
- supported by **capable professionals** with clear accountabilities

= robust governance practices

Board and Committee System



- Board Committees established to **facilitate** in discharging its responsibilities and monitor key activities in **greater detail** than would otherwise be practicable
- Board Committees composed of Non-Executive Directors and operate under **Board-approved Terms of Reference**
- Certain matters included in a **schedule of matters reserved** for decision by the Board.
- Board retains ultimate responsibility – can delegate but **cannot abrogate responsibility**

Board and Committee System



- Committee Terms of Reference outline **clear roles, responsibilities and operations**
- Committee **composition** considered in context of specific ToR - **reviewed annually** by NomCo
- **Indicative work programmes** established - align with ToR and time for ‘strategic thinking’
- Co Sec engagement with chairs and executives to **determine priority areas & agenda**
- Committee **recommendations to Board** for decision where it relates to a ‘reserved matter’
- Committee chairs **report on committee considerations** at the next scheduled Board meeting
- **Minutes** of committee meetings to Board **for noting**
- Annual committee **effectiveness evaluation** as part of wider review
- Annual review of ToR v **requirements and peers**
- **Annual report** (prepared by Co Sec) to the Board on Committee activities in the preceding year

Board and Committee System



- **Awareness** of Directors' duties, obligations and expectations
- **Regular communications** and presentations from Co Sec
- Internal Board Policies - **compliance** monitored by Co Sec e.g.:
 - Board Governance Handbook
 - Board Code of Conduct & Conflicts of Interest Policy
 - Board Policy for Assessment of Suitability of Members of the Board
- An aligned **executive governance** structure with governance support from Co Sec

Board and Committee performance Appraisals



- **Annual requirement.** External evaluation every 3 years; Internal evaluation in intervening years
- Questionnaires **bespoke to forum /individual. 1-1 meetings** with Chair and each director
- Board meeting excluding the Chair to discuss **Chair effectiveness.** 1-1 meeting with Chair and Senior Independent Director
- NEDs discuss **CEO effectiveness.** 1-1 meeting with Chair and CEO
- Final report to Board, **recommending areas for enhancement** and providing an update on status of actions from previous year
- Board **agree priorities** for the coming period
- Report shared with the **Regulator**
- **Outcome reported** in Annual Financial Report
- **Regular Board updates on progress** in enhancing areas identified

Timely & quality information flows between Executive & Board



- Agreeing and **communicating** Board requirements
- Indicative work programmes and agenda setting process facilitates **advanced notification**
- **Understanding** of audience: non-executive directors v executive
- Executive **accountability** for papers - needs CEO support
- **Paper submission** sufficiently **in advance** of Board / Committee meeting
- Paper templates – **executive summaries** with **clarity of ask** / matters requiring board attention & **key risks** / governance pathway and **recommendation**
- **Matters arising** between Board meetings escalated to Co Sec for consideration
- **Timely notification** of matters to Board, particularly in relation to insider information or market announcements
- Co Sec **available for queries or advice**

The Role of the Company Secretary



- **Understand** the Board and Executive
- **Facilitate communication** between the Board and Executive
- **Trusted advisor** – ‘conscience’ of the Group
- Raise issues promptly and **resolve concerns**
- Regular **‘Go To’** for Executive and Board