

THE CO-OPERATIVE BANK PLC MATTERS RESERVED TO THE BOARD

(as approved by the board of the Bank (the '**Board**') on 24 February 2025)

The Co-operative Bank p.l.c. (the '**Bank**') and its subsidiaries are wholly owned by The Co-operative Bank Finance p.l.c. which is wholly owned by The Co-operative Bank Holdings p.l.c. which is in turn wholly owned by Coventry Building Society (the '**Society**', together with its subsidiaries, the '**Group**' and the Bank's **ultimate sole shareholder**).

The Society Board (the '**Group Board**') is the ultimate decision-making body for the Group and for certain Bank matters which are material to the Group, representing the Bank's ultimate sole shareholder.

MATTERS RESERVED TO THE BOARD

1. STRUCTURE AND CAPITAL

- 1.1 In alignment with the Group position, approval of any changes relating to the Bank's capital structure (both shares and debt) including listing of the Bank's debt, reduction of capital, share issues and buy backs.
- 1.2 In alignment with the Group position, any changes to the Bank's corporate structure, including the acquisition or disposal of interests in any business, takeover, transfer or merger offer.

2. FINANCIAL REPORTING AND CONTROLS

- 2.1 On the recommendation of the Audit Committee of the Bank, approval of the annual report and accounts (including the corporate governance statement and other statutory requirements), half-yearly report, interim management statements and any preliminary announcement of the final results and Pillar III Disclosure.
- 2.2 On the recommendation of the Remuneration Committee of the Bank, approval of the Directors' Remuneration report.
- 2.3 Declaration of any interim dividend and recommendation of any final dividend.
- 2.4 On the recommendation of the Audit Committee of the Bank, approval of any significant changes in accounting policies or practices.
- 2.5 On the recommendation of the Audit Committee of the Bank and the Group Board, recommendation to the shareholder of the appointment, re-appointment or removal of the external auditors.

3. STRATEGY AND MANAGEMENT

- 3.1 Provide overall leadership of the Bank within a framework of prudent and effective controls which enables risk and customer outcomes to be assessed and managed; setting the Bank's corporate culture, purpose and values, in alignment with the Group position set by the Group Board.
- 3.2 Monitor and assess the Bank's culture and, where appropriate, seek assurance that management has taken corrective action to ensure that policy, practices and behaviours are aligned to the agreed purpose, values and culture.

- 3.3 Approval of the Bank's strategy and objectives, in alignment with the Group strategy set by the Group Board, and review of delivery of the strategy.
- 3.4 Approval of the Bank's business plan and the annual budget, in alignment with the Group position as set by the Group Board, and review performance against plan and budget, ensuring that any corrective action is taken.
- 3.5 Recommend to the Group Board for approval entry by the Bank into new business activities including new product categories (or significant changes to existing product categories).
- 3.6 Recommend to the Group Board any activity which would require a change to regulatory permissions.
- 3.7 Recommend to the Group Board any decision to cease to operate all or any material part of the Bank's business.
- 3.8 Approval of any material transactions relating to the Bank requiring more than £5 million of aggregate project spend over the life of the transaction. Examples of material transactions include but are not limited to acquisitions, disposals, investments, corporate restructures, change or transformation programmes and any other relevant strategic activity.

Any material transaction in excess of £10 million shall be reviewed by the Bank Board and recommended to the Group Board for approval.

- 3.9 Approval of significant third-party commitments with a total value, over a minimum of three years of:
 - i) £10 million or more (incl VAT) if budgeted; or
 - ii) £5 million or more (incl VAT) if unbudgeted.

This includes contracts for goods, services and asset acquisition or disposal (including freehold and leasehold of property) but excludes employment or HR service contracts.

Any significant third party commitment in excess of £25 million shall be reviewed by the Bank Board and recommended to the Group Board for approval.

- 3.10 On the recommendation of the Values & Ethics and Nomination Committee, approval of the Bank's Ethical Policy and, in alignment with the Group, approval of any reporting on the Ethical Policy which is to be published outside of the half yearly report, interim management statements, preliminary announcements and the annual report and accounts.

4. **COMMUNICATION**

- 4.1 Approval of announcements or press releases concerning matters reserved to the Board.
- 4.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.

5. RISK MANAGEMENT AND INTERNAL CONTROLS

- 5.1 Approval of the Bank's Recovery Plan and Resolvability Assessment Framework self-assessment, ensuring consistency with the Group's Recovery Plan and Resolvability Assessment Framework.
- 5.2 In the event of Recovery and Resolution for the Bank, approval of any decision to commence Resolution activity once recovery indicators have been breached or as indicated via regulatory engagements, subject to approval from the Group Board.
- 5.3 On the recommendation of the Risk Committee of the Bank and in alignment with the Group position as set by the Group Board, approval of the Bank's Principal Risks and Risk Appetite.
- 5.4 On the recommendation of the Risk Committee of the Bank and in alignment with the Group position as set by the Group Board, approval of the Bank's Risk Management Framework.
- 5.5 Approval of the Internal Capital Adequacy Assessment Process (ICAAP) and the Individual Liquidity Adequacy Assessment Process (ILAAP) (on the recommendation of the Risk Committee of the Bank) and such other submissions to competent authorities which regulation requires are to be approved by resolution of the Board.
- 5.6 Approval of the initiation and response to any litigation or proceedings regarding the Bank's business in relation to potential claims of £500,000 or over, or where there is reasonable expectation of significant reputational or financial impact.

The Board should receive regular updates on the status of any such proceedings.

- 5.7 Approval of any undertaking not in the ordinary course of business under which a material contingent liability is assumed by the Bank e.g. guarantee or letter of comfort or support which is less than the threshold set in the Bank matters reserved, with approval from the Group board where required.

6. BOARD MEMBERSHIP AND OTHER APPOINTMENTS

- 6.1 Following recommendations from the Values & Ethics and Nomination Committee of the Bank and subject to approval by the Group Nominations and Governance Committee and Group Board, approval of:
 - 6.1.1. Changes to the structure, size and composition of the Bank Board.
 - 6.1.2. Appointments to the Board to fill a vacancy.
 - 6.1.3. Appointment and removal of the Chair of the Board.
 - 6.1.4. Appointment and removal of the Bank Company Secretary.
 - 6.1.5. Appointment and removal of the Bank Chief Executive Officer.
 - 6.1.6. Appointment and removal of the Bank Chief Financial Officer.
 - 6.1.7. Appointment and removal of the Bank Chief Risk Officer (on the recommendation of the Risk Committee of the Bank).
 - 6.1.8. Appointment and removal of Bank Directors (Executive and Non-Executive), including the suspension or termination of service of an Executive Director.
 - 6.1.9. The continuation in office of any Bank Director at any time, including the suspension or termination of service of any Executive Director as an

employee of the Bank or any of its subsidiaries, subject to applicable law and their service contract.

- 6.1.10. Appointments to membership of the Board Committees and appointment of their Chairs.
- 6.2 Approval of the division of responsibilities between the Chair of the Bank and Bank Chief Executive Officer.
- 6.3 Determination of the independence of non-executive directors including, if appropriate, approval of the conflicts of interest register.
- 6.4 Ensure, following recommendations from the Values & Ethics and Nomination Committee of the Bank adequate succession arrangements are in place for Bank Board members and senior management, so as to maintain an appropriate balance of skills and experience within the Bank. The Board will ensure each succession plan promotes diversity of gender, social and ethnic background, cognitive and personal strengths, in line with the Board's diversity goals.
- 6.5 Establishment of Board Committees and approval of their terms of reference, including any material changes to such terms of reference and any delegation of authority to these Committees.

7. REMUNERATION

- 7.1 On the recommendation of the Remuneration Committee and subject to applicable law and regulation and any applicable Group-wide policy, approval of any material changes to the Bank's remuneration policy for the Directors, Executive Committee members and Senior Management Function role holders.
- 7.2 On the recommendation of the Remuneration Committee and (where applicable) the Group Remuneration Committee, and subject to any applicable Group-wide Remuneration Policy, approval of the remuneration of the Executive and Non-Executive Directors, including any changes to the Chair of the Board's fees.
- 7.3 On the recommendation of the Remuneration Committee and (where applicable) the Group Remuneration Committee, review and recommend to the Group Board the introduction of new share incentive plans or major changes to existing plans.
- 7.4 Approval of the establishment or cessation of Bank pension schemes and material changes to the rules, funding or management arrangements of any such pension schemes.

8. CORPORATE GOVERNANCE

- 8.1 Following recommendations from the Values & Ethics and Nomination Committee of the Bank, review and recommend to the Group Board any material changes to the Bank's corporate governance framework and arrangements, ensuring that these are consistent with relevant corporate governance standards.
- 8.2 Undertake a formal review on an annual basis, and ensure periodic commission of a third party review, of its own performance, that of its Committees and individual Directors. Periodically review progress against the findings and recommendations of the review as required.

- 8.3 Consider and, as appropriate, authorise any potential or actual conflicts of interest as permitted by the Group Conflict of Interest Policy, escalating any matters to the Group Board as required under the Policy.
- 8.4 Approval of the Code of Conduct (on the recommendation of the Risk Committee of the Bank).
- 8.5 Following recommendations from the Group Board, review and approve key Group policies approved by the Group Board to take effect within the Bank.
- 8.6 Receive reports from the Board Committees on their activities.
- 8.7 Ensure compliance with the obligations of the Consumer Duty regulations (the Duty), and review and approve an assessment of whether the Bank is delivering good outcomes for its customers which are consistent with the Duty at least annually.
9. **OTHER**
- 9.1 Oversee the Bank's progress against contribution towards achieving the Group's goals and targets for addressing climate related issues, the Group's Climate Action Plan and Sustainability Strategy.
- 9.2 Ensure appropriate and effective arrangements for engagement with the Bank's stakeholder groups (customers, employees, suppliers, investors, community and the environment).
- 9.3 Ensure appropriate overall levels of insurance are maintained for the Bank including directors' & officers' liability insurance and indemnification of directors, in liaison with the Group Board.
- 9.4 Approval of any matter likely to have a material impact on the Bank or its subsidiaries from any perspective, including, but not limited to, financial, operational, strategic or reputational, and with escalation to the Group Board in relation to any matters which have or may have a material or significant Group-wide impact.
- 9.5 Ensure appropriate oversight of the Bank's integration with the Group, ensuring alignment with strategic objectives and effective risk management.