

DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIRMAN, CHIEF EXECUTIVE OFFICER AND SENIOR INDEPENDENT DIRECTOR

The UK Corporate Governance Code (the "Code") sets out as a main principle that there should be a "clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business". Code provision A.2.1 states that the division of responsibilities between the Chairman and the Chief Executive Officer (the "CEO") should be clearly established, set out in writing and agreed by the board of directors (the "Board") of TBC Bank Group PLC (the "Company").

In addition, Code provision A.4.1 states that the Board should appoint one of the independent Nonexecutive Directors to be the Senior Independent Director (the "SID") and the primary responsibilities of the SID are set out at the end of this document.

Statement of Division of Responsibilities between the Chairman and the CEO

1. Reporting Lines	
Chairman	Chief Executive Officer
1.1 The Chairman reports to the Board of the Company.	1.1 The CEO reports to the Chairman (acting on behalf of the Board) and to the Board directly.
1.2 The Chairman is not responsible for executive matters regarding the Group's business. Other than the CEO and the Company Secretary, no executive has a direct reporting line to the Chairman, other than through the Board.	1.2 The CEO is responsible for all executive management matters affecting the TBC Group (the "Group"). All members of executive management report, either directly or indirectly, to him/her.
2. Key Responsibilities	
Chairman	CEO
2.1 The Chairman's principal responsibility is the effective running of the Board.	2.1 The CEO's principal responsibility is running the Group's business.
2.2 The Chairman is responsible for ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives.	2.2 The CEO is responsible for proposing, developing and supervising the Group's strategy and overall commercial objectives, which he does in close consultation with the Chairman and the Board.
2.3 The Chairman is the guardian of the Board's decision-making processes.	2.3 The CEO is responsible, with the executive team, for implementing the decisions of the Board and its Committees.
3. Other Responsibilities	
Chairman	CEO
3.1 Running the Board and setting its agenda.	3.1 Providing input to the Board's agenda, both from himself and the executive team.
3.2 Ensuring that Board agendas take full account of the important issues facing the Group and the concerns of all Board members. There should be an emphasis on strategic, rather than routine, issues.	3.2 Ensuring that a dialogue is maintained with the Chairman on the important and strategic issues facing the Group, and proposing Board agendas to the Chairman which reflect these.

<p>3.3 Ensuring that the Board receives accurate, timely and clear information on:</p> <ul style="list-style-type: none"> (a) the Group's performance; (b) the issues, challenges and opportunities facing the Group; and (c) matters reserved to it for decision. <p>Directing the Company Secretary to ensure good information flows with the Board and its Committees and between senior management and Non-Executive Directors</p>	<p>3.3 Ensuring that the executive team gives appropriate priority to providing reports to the Board which contains accurate, timely and clear information.</p>
<p>3.4 Ensuring, with the advice of the Company Secretary where appropriate, compliance with the Board's approved procedures, including the Schedule of Matters Reserved to the Board for its decision and each Committee's Terms of Reference.</p>	<p>3.4 Ensuring, in consultation with the Chairman the Company Secretary as appropriate, that h and the executive team comply with the Board's approved procedures, including the Schedule of Matters Reserved to the Board for its decision and each Committee's Terms of Reference.</p>
<p>3.5 Arranging informal meetings of the Directors, including meetings of the Nonexecutive Director(s) at which the Executive Directors are not present, as required to ensure that sufficient time and consideration is given to complex, contentious or sensitive issues.</p>	<p>3.5 Ensuring that the Chairman is alerted to forthcoming complex, contentious or sensitive issues affecting the Group of which he might not otherwise be aware.</p>
<p>3.6 Proposing to the Board, in consultation with the CEO, Company Secretary and Committee Chairmen as appropriate:</p> <ul style="list-style-type: none"> (a) a Schedule of Matters Reserved to the Board for its decision; (b) Terms of Reference for each Board Committee; and (c) other Board policies and procedures. 	<p>3.6 Providing input to the Chairman and Company Secretary on appropriate changes to the Schedule of Matters Reserved to the Board and Committee Terms of Reference.</p>
<p>Being a member of the Corporate Governance and Nomination Committee and, in that role in conjunction with the Chairman of that Committee, initiating change and succession planning in board appointments to retain and build an effective and complementary board, and to facilitate the appointment of effective and suitable members and chairmen of board committees</p>	<p>Providing information and advice on succession planning, to the Chairman, the Corporate Governance and Nomination Committee, and other members of the Board, particularly in respect of executive directors</p>

<p>Proposing, in conjunction with the Corporate Governance and Nomination Committee, the membership of board committees and their chairmen</p>	<p>Attending the Corporate Governance and Nomination Committee at the invitation of the Chairman or the Chair of the Corporate Governance & Nomination Committee.</p>
<p>3.7 Ensuring that there is effective communication by the Group with its shareholders, including by the CEO, Chief Financial Officer and other executive management, and ensuring that members of the Board develop an understanding of the views of the major investors in the Group. The Chairman should discuss governance and strategy with major shareholders.</p>	<p>3.7 Leading the communication programme with shareholders.</p>
<p>3.8 Taking the lead in providing a full, formal and tailored induction programmes for new Directors including meeting major shareholders), facilitated by the Company Secretary.</p>	<p>3.8 Commenting on induction programmes for new Directors and ensuring that appropriate management time is made available for the process</p>
<p>3.9 Taking the lead in ensuring that Directors continually update their skills and the knowledge and familiarity with the Company required to fulfil their role both on the Board and on Board Committees. Regularly review and agree with each Director their training and development needs.</p>	<p>3.9 Ensuring that the development needs of the Executive Directors, and other senior management reporting to him, are identified and met</p>
<p>3.10 Ensuring that the performance of the Board as a whole, its Committees, and individual Directors is formally and rigorously evaluated at least once a year and act on the results of the performance evaluation by recognising the strengths and addressing the weaknesses of the Board and, where appropriate, proposing new members be appointed to the Board or seeking the resignation of Directors.</p>	<p>3.10 Ensuring that performance reviews are carried out at least once a year for each of the Executive Directors. Providing input to the wider Board evaluation process.</p>
<p>3.11 Promoting the highest standards of integrity, probity and corporate governance throughout the Group and particularly at Board level.</p>	<p>3.11 Promoting, and conducting the affairs of the Group with the highest standards of integrity, probity and corporate governance</p>

3.12	Ensuring that the Chairmen of Board Committees are available to answer shareholder questions at the AGM and that all Directors attend such meetings.	3.12	Recommending to the Board the annual budget and a three year annual financial plan, and supervising their achievement following Board approval.
3.13	Providing support, advice and a sounding board for the CEO while respecting executive responsibility.	3.13	Identifying and executing new business opportunities outside the current core activities, in line with strategic plans.
3.14	Performing such other duties and exercising such other powers as from time to time may be assigned to him or her by the Board	3.14	Performing such other duties and exercising such other powers as from time to time may be assigned to him or her by the Board.
4 Status of this statement			
4.1	Any amendment to this statement is a matter reserved to the Board.		
4.2 This statement is to be annexed to the CEO's job description. In the event of any conflict between this statement and the CEO's job description, in so far as they may relate to his role as Group CEO, this statement shall take precedence.			

The Role of the Senior Independent Director

The primary responsibilities of the Senior Independent Director of the Company are:

- To provide a sounding board for the Chairman and to serve as an intermediary for the other Directors where necessary;
- To be available to shareholders if they have concerns which contact through the normal channels of Chairman, CEO or Chief Financial Officer has failed to resolve, or for which such contact would be inappropriate;
- To act as chairman of the Corporate Governance and Nomination Committee when it is considering succession to the role of the Chairman of the Board; and
- To meet with the other Non-executive Directors at least once a year to appraise the Chairman's performance and on such other occasions as are deemed appropriate.