

## APPENDIX B

## Model board resolution

The bracketed terms are illustrations. The law requires a good-faith effort at a reasonable system and a response to what it reports; the frequencies, thresholds and reviews below are what makes that effort provable, and a board should set them to fit its own program. The resolution records what the Board has elected to oversee and how. It does not record a legal conclusion, and it does not define "mission critical"; the General Counsel's memorandum (Exhibit B) does.

### RESOLUTION OF THE BOARD OF DIRECTORS REGARDING OVERSIGHT OF ARTIFICIAL INTELLIGENCE

**WHEREAS** management has presented, and the Board has reviewed, an inventory of the Company's material uses of artificial intelligence, attached as Exhibit A, grouped as (a) uses that make or materially inform decisions about individuals subject to regulation; (b) uses that control a physical system or a safety function; (c) uses that perform a compliance or monitoring function; (d) uses that depend on third-party data, content or models, or are supplied by a vendor or affiliate; (e) statements about AI made to investors and customers; (f) uses the Company's revenue or operations cannot run without; and (g) other enterprise uses;

**WHEREAS** the General Counsel has presented a memorandum, attached as Exhibit B, applying to each such use the questions the Board has adopted for classifying risk: (i) whether a failure of the use would be a failure to meet a legal or regulatory requirement, or a commercial outcome; (ii) whether the activity the use performs or informs is the Company's core product, service or purpose, including whether the activity could be withdrawn without stopping that business; (iii) which statute, regulation, consent order or established common-law duty governs the use, and which regulator or authority enforces it; (iv) what harm would follow a failure, to whom, at what scale, and whether it could be reversed; and (v) what the Company has stated publicly about the use and about the Board's oversight of it; and recording for each use the three determinations the Board has adopted for placing it: whether the use presents a compliance risk or a business risk; whether any compliance risk is central to the Company's business or peripheral; and whether any central compliance risk is mission critical;

**NOW, THEREFORE, BE IT RESOLVED** that oversight of the Company's use of artificial intelligence is assigned to the [Audit / Risk / Technology] Committee, and that the Committee's charter is amended as set out in Exhibit C to name that responsibility and the uses identified in Exhibit A as mission-critical;

**RESOLVED FURTHER** that the Board elects to oversee the uses identified in Exhibit A as [list] as mission-critical risks; to oversee the uses identified as [list] as central compliance risks within the Audit Committee's compliance mandate; and to address the uses identified as [list] as business risks through the Board's ordinary decision-making, and, for any such use the Company's revenue or operations cannot run without, directs management to report to the Committee [semi-annually] on its performance, resilience and alternatives and to escalate any failure or material degradation to the Committee chair within [ ] days;

**RESOLVED FURTHER** that management shall report to the Committee no less than [quarterly] on each mission-critical use, by system and by population affected, including performance against the tolerances ratified by the Board, [adverse-determination, appeal and reversal rates by system,] incidents, complaints, remediation status and any regulator contact; that [name, title] is the executive accountable for such reporting; that any breach of a ratified tolerance, incident affecting persons outside the Company, whistleblower report or regulator inquiry concerning a mission-critical use shall be escalated to the Committee chair within [ ] days; and that the Committee shall report to the full Board at each regular meeting;

**RESOLVED FURTHER** that the Board ratifies the tolerances set out in Exhibit D for each mission-critical use, and directs that any proposal to operate outside them be brought to the Board;

**RESOLVED FURTHER** that the Chief Risk Officer shall maintain the inventory in Exhibit A, carry each determination into the Company's enterprise risk taxonomy and risk appetite statement, and report to the Committee any new use, material change in an existing use, or change in applicable law that may alter a determination;

**RESOLVED FURTHER** that, for each mission-critical use supplied by a vendor or affiliate, management shall secure and maintain contractual rights to the performance data, validation and audit access necessary to report against the ratified tolerances, and shall name an internal owner for the use;

**RESOLVED FURTHER** that Internal Audit shall review [annually], and report to the Audit Committee on, the completeness of Exhibit A, the application of the questions and determinations in Exhibit B, and the operation of the reporting required by this resolution;

**RESOLVED FURTHER** that the Disclosure Committee and the Audit Committee shall review all statements about AI, and about the Board's oversight of AI, in periodic reports, proxy statements, earnings materials and marketing for consistency with Exhibit A and with this resolution; and

**RESOLVED FURTHER** that the Board shall revisit these determinations upon any new material AI use, any change in applicable law, any incident or escalation concerning a mission-critical use, any material public statement about AI, and in any event annually, and that Exhibits A through D and the materials supporting these determinations shall be retained with the minutes.