



## AIB Group plc Notice of Annual General Meeting 2018

**This document and the accompanying Form of Proxy are important and require your immediate attention.**

If you are in any doubt as to the action to be taken, you are recommended to seek your own personal financial and taxation advice from your stockbroker, solicitor, accountant, fund manager or other appropriate independent financial adviser being, in the case of shareholders resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2017 or the Investment Intermediaries Act 1995 (as amended) or, in the case of shareholders resident in the United Kingdom, a firm authorised under the Financial Services and Markets Act 2000 ("FSMA"), or from another appropriately authorised independent financial adviser if you are resident in a territory outside Ireland or the United Kingdom.

If you have sold or otherwise transferred all of your shares in AIB Group plc, please pass this document and accompanying Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or the transferee.

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# Letter from the Chairman of AIB Group plc



## Dear Shareholder

I am pleased to invite you to attend the Annual General Meeting (“AGM”) of AIB Group plc (the “Company”), which will be held at the R.D.S. Concert Hall, Ballsbridge, Dublin 4 on Wednesday, 25 April 2018 at 11.00 a.m.

This is the first AGM since the establishment of the Company as the ultimate parent and holding company of Allied Irish Banks, p.l.c. and its subsidiary entities (the “AIB Group”), which became effective on 8 December 2017. The Company’s establishment as the holding company of the AIB Group was in response to direction from the European Single Resolution Board under the Bank Recovery and Resolution Directive.

2017 was a very successful year for the AIB Group, with many accomplishments including delivery of the largest Initial Public Offering (IPO) in Europe.

The AGM is always a valuable opportunity for shareholders to express their views directly to the Board and I hope you will take the opportunity to do so.

The Notice of AGM is set out on pages 4 to 5 of this document.

## Your Vote

If you cannot attend, I strongly encourage you to exercise your right to vote by appointing a proxy to vote at the AGM on your behalf. You can appoint a proxy electronically, by logging on to the website of the Company’s Registrar, Computershare Investor Services (Ireland) Limited (“Computershare”): [www.eproxyappointment.com](http://www.eproxyappointment.com). To log in, you will require your unique PIN (which will expire at the end of the voting period), your Shareholder Reference Number (SRN) and the Control Number, all of which are printed on the face of the accompanying Form of Proxy.

Alternatively you can appoint a proxy using the enclosed Form of Proxy. A completed form should be sent to Computershare, in the envelope provided with this Letter. For more information on appointing a proxy, please refer to the Form of Proxy. Proxy appointments must be received by Computershare no later than 11.00 a.m. on Monday, 23 April 2018.

## Your Dividend

The Board is recommending the declaration of a final dividend payment of €0.12 per ordinary share in respect of the financial year ended 31 December 2017. You will recall that, in 2017 Allied Irish Banks, p.l.c. paid its first dividend to shareholders in many years and so we are delighted to be recommending a payment again this year.

As of 12 March 2018, the default dividend currency of the Company changed from domicile-based to Euro. Should you wish to receive your dividend in Sterling (GBP), please contact Computershare for further information.

## ShareGift

At the 2017 AGM of Allied Irish Banks, p.l.c. I advised that we hoped to start working with a charitable organisation called ShareGift, to facilitate shareholders who wished to gift their shares or dividends to charity. During the year, many shareholders expressed an interest in this initiative, and I am happy to report that shareholders will shortly receive a mailing with details on how to donate their shares or future dividends to a number of charities should they wish to do so.

## Directors’ Remuneration Report and changes to Remuneration Policy

As you will see from the Notice of AGM and the Annual Financial Report, we are proposing to make changes to our Remuneration Policy with the proposed introduction of a Deferred Annual Share Plan (“Plan”) as described below. The proposed changes to the Policy, including details of the Plan, are being put to the shareholders for a non-binding advisory vote at the AGM. The Directors’ Remuneration Report for the financial year ended 31 December 2017 is also being put to a non-binding advisory vote.

The key objective of the Plan is the creation of long term sustainable value for customers and shareholders, while also facilitating the retention of key executives considered critical to the delivery of AIB Group’s strategic objectives and safeguarding AIB Group’s capital, liquidity and risk positions. Under current agreements with the Irish State, Ministerial permission will be required for the introduction of the Plan.

## Board of Directors

The 12 Directors of Allied Irish Banks, p.l.c. were co-opted to the Board of the Company on 21 September 2017. Dr. Michael Somers, our Deputy Chairman, retired on 31 December 2017 having served on the Board since 2010 as a State Nominated Director. The Deputy Chair position is now held by Catherine Woods, who also holds the role of Senior Independent Director.

All 11 remaining Directors are being put forward for re-appointment at the AGM. Biographical details of each Director are set out in the Shareholders Report and the Annual Financial Report.

## Recommendation

The Board believes that all of the resolutions in the Notice of AGM are in the best interests of the Company and its shareholders as a whole, and recommends unanimously that you vote in favour of them.

Yours faithfully

Richard Pym  
Chairman  
22 March 2018

# Notice of Annual General Meeting

The Annual General Meeting (“AGM”) of AIB Group plc (the “Company”) will be held at the R.D.S. Concert Hall, Ballsbridge, Dublin 4 on Wednesday, 25 April 2018 at 11.00 a.m.

Resolutions 1 to 8 (inclusive) are proposed as Ordinary Resolutions. For each of these to be passed, more than half of the votes cast must be in favour of the Resolution.

Resolutions 9 to 12 (inclusive) are proposed as Special Resolutions. For each of these to be passed, at least three-quarters of the votes cast must be in favour of the Resolution.

The Board recommends that you vote in favour of all Resolutions.

## Ordinary Business

### Resolution 1. Report and Accounts

Following a review of the Company’s affairs, to receive and consider the financial statements for the year ended 31 December 2017, together with the reports of the Directors and the Auditor thereon.

### Resolution 2. Dividend

To declare a final dividend of €0.12 per ordinary share for the year ended 31 December 2017 payable (if approved) on 4 May 2018 to holders of the ordinary shares on the register of members at close of business on 23 March 2018.

### Resolution 3. Appointment of Directors

By separate resolutions, to re-appoint the following Directors:

- (a) Mr. Simon Ball
- (b) Mr. Thomas (Tom) Foley
- (c) Mr. Peter Hagan
- (d) Ms. Carolan Lennon
- (e) Mr. Brendan McDonagh
- (f) Ms. Helen Normoyle
- (g) Mr. James (Jim) O’Hara
- (h) Mr. Richard Pym
- (i) Ms. Catherine Woods
- (j) Mr. Bernard Byrne
- (k) Mr. Mark Bourke

### Resolution 4. Remuneration of the Auditor

To authorise the Directors to fix the remuneration of the Auditor.

### Resolution 5. Continuation in office of the Auditor

To consider the continuation in office of Deloitte as Auditor of the Company until the conclusion of the next annual general meeting of the Company.

## Special Business

### Resolution 6. Directors’ Remuneration Report

To consider the Directors’ Remuneration Report as set out on pages 220 to 222 of the 2017 Annual Financial Report.

### Resolution 7. Remuneration Policy

To consider the revised Remuneration Policy as set out on pages 210 to 219 of the 2017 Annual Financial Report.

### Resolution 8. Authority to allot shares

That the Directors be and are hereby authorised pursuant

to and in accordance with sub-paragraph (b)(i) of Article 9 of the Articles of Association of the Company to allot relevant securities (within the meaning of Section 1021 of the Companies Act 2014) during the period commencing on the date of the passing of this Resolution and expiring at the conclusion of the annual general meeting of the Company in 2019 or 24 July 2019 (whichever shall be earlier) and for that purpose “the Section 1021 Amount” (as defined in the Articles of Association of the Company) shall be €565,496,091.04.

### Resolution 9. Disapplication of statutory pre-emption rights in certain circumstances

As separate resolutions:

- (a) That, subject to the passing of Resolution 8, the Directors be and are hereby empowered pursuant to and in accordance with sub-paragraph 9(b)(ii) of Article 9 of the Articles of Association of the Company to allot equity securities (within the meaning of Section 1023 of the Companies Act 2014) for cash under the authority given by Resolution 8 during the period commencing on the date of the passing of this Resolution and expiring on the conclusion of the annual general meeting of the Company in 2019 or 24 July 2019 (whichever shall be earlier) and for that purpose “the Section 1022 Amount” (as defined in the Articles of Association of the Company) shall be €84,824,413.66.

- (b) That, subject to the passing of Resolution 8, the Directors be and are hereby empowered pursuant to and in accordance sub-paragraph 9(b)(ii) of the Articles of Association of the Company (and in addition to any authority granted under Resolution 9(a) to allot equity securities (within the meaning of Section 1023 of the Companies Act 2014) for cash under the authority given by Resolution 8 during the period commencing on the date of the passing of this Resolution and expiring on the conclusion of the annual general meeting of the Company in 2019 or 24 July 2019 (whichever shall be earlier) and for that purpose “the Section 1022 Amount” (as defined in the Articles of Association of the Company) shall be €84,824,413.66, provided that the powers conferred by this Resolution shall be used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a

kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice.

#### **Resolution 10. Authority to make market purchases of the Company's ordinary shares**

That the Company and/or any of its subsidiaries (as defined by Section 7 of the Companies Act 2014) be and they are hereby generally authorised to make market purchases or overseas market purchases (each term as defined in Section 1072 of the Companies Act 2014), of shares of any class of the Company (the 'Share' or 'Shares') on such terms and conditions and in such manner as the Directors may from time to time determine but subject to the provisions of the Companies Act 2014 and to the following restrictions and provisions:

- (a) the maximum number of Shares authorised to be acquired pursuant to the terms of this Resolution shall be such number of Shares whose aggregate nominal value shall equal 10 per cent of the aggregate nominal value of the issued share capital of the Company as at the close of business on the date of the passing of this Resolution;
- (b) the minimum price which may be paid for any Share shall be the nominal value of the Share;
- (c) the maximum price (excluding expenses) which may be paid for any Share in the Company (a 'Relevant Share') shall be the higher of:
  - (i) 5 per cent above the average of the closing quotation prices of a Relevant Share on the Irish Stock Exchange for the five business days immediately preceding the day of purchase (and, in respect of any business day on which there shall be no dealing in such shares on the Irish Stock Exchange, the price which is equal to (A) the mid-point between the high and low market guide prices in respect of such shares for that business day, or (B) if there shall be only one such market guide price so published, the market guide price so published; such prices shall be as published in the Irish Stock Exchange Daily Official List (or any successor publication thereto); and
  - (ii) the amount stipulated by Article 5(6) of the of the Market Abuse Regulation (No. 596/2014) or any corresponding provision of any replacement legislation, being the value of a Relevant Share calculated on the basis of the higher of the price for:
    - (a) the last independent trade of; and
    - (b) the highest current independent bid for;

any number of Relevant Shares on the trading venue where the purchase pursuant to the authority conferred by this Resolution will be carried out.

If the means of providing the foregoing information as to dealings and prices by reference to which the maximum price is to be determined is altered or is replaced by some other means, then a maximum price shall be determined on the basis of the equivalent information published by the relevant authority in relation to dealings on the Irish Stock Exchange or its equivalent; and

- (d) the authority hereby granted shall commence on the date of the passing of this Resolution and expire at the conclusion of the annual general meeting of the Company in 2019 or 24 July 2019 (whichever shall be earlier). The Company or any such subsidiary may before such expiry enter into a contract for the purchase of Shares which would or might be executed wholly or partly after such expiry and may complete any such contract as if the authority conferred hereby had not expired.

#### **Resolution 11. Authority to re-issue treasury shares**

That, subject to the passing of Resolution 10, for the purposes of Sections 109 and/or 1078 of the Companies Act 2014 the re-issue price range at which any treasury shares for the time being held by the Company may be re-issued (including by way of re-issue off market) shall be determined in accordance with Article 54 of the Articles of Association of the Company. The authority hereby conferred shall commence on the date of the passing of this Resolution and expire at the conclusion of the annual general meeting of the Company in 2019 or 24 July 2019 (whichever shall be earlier) and is without prejudice or limitation to any other authority of the Company to re-issue treasury shares on-market.

#### **Resolution 12. Notice of general meetings**

That in accordance with Section 1102 of the Companies Act 2014 and Article 58 of the Articles of Association of the Company, the Directors of the Company be and are unconditionally authorised to call a general meeting, other than an annual general meeting or a meeting for the passing of a special resolution or the appointment of a Director, on not less than 14 clear days' notice. The authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company held after the passing of this resolution unless previously renewed, varied or revoked by the Company in general meeting.

By order of the Board

**Sarah McLaughlin**  
Group Company Secretary  
AIB Group plc  
Bankcentre  
Ballsbridge  
Dublin 4

22 March 2018

# Explanatory Notes on Resolutions

## Ordinary Business

### Resolution 1. Report and Accounts

Resolution 1 proposes, following a review of the Company's affairs, to receive and consider the financial statements for the year ended 31 December 2017, together with the reports of the Directors and the Auditor thereon.

The financial statements for the year ended 31 December 2017 are included in the 2017 Annual Financial Report and in the 2017 Shareholders Report. Copies of both reports will be available at the AGM. Shareholder information, including the aforementioned financial statements, is available on AIB's website at [www.aib.ie/investorrelations](http://www.aib.ie/investorrelations).

### Resolution 2. Dividend

Resolution 2 is an ordinary resolution to declare a final dividend of €0.12 per ordinary share for the year ended 31 December 2017. If approved, the dividend will be paid on 4 May 2018 to holders of ordinary shares on the Company's register of members at close of business on 23 March 2018.

### Resolution 3. Re-appointment of Directors

Resolution 3 relates to the re-appointment of the Directors of the Company. As this is the Company's first AGM, under the Company's Articles of Association each of the current Directors is required to retire at the conclusion of the AGM. However, each current Director, being eligible, offers themselves for re-appointment. The resolutions will be proposed separately, as ordinary resolutions, in respect of each Director.

All Directors are experienced and knowledgeable and the Board is confident that they each bring valuable skills to the Board and provide an objective perspective. The performance of the Directors has been formally evaluated and each is considered to be effective and to demonstrate commitment to the role. The Board is pleased to recommend the re-appointment of each Director.

Biographical information in respect of each Director is provided on pages 28 to 29 of the 2017 Annual Financial Report and on pages 22 to 23 of the 2017 Shareholders Report.

Resolutions 3(a) to 3(i) relate to the election of Simon Ball, Thomas (Tom) Foley, Peter Hagan, Carolan Lennon, Brendan McDonagh, Helen Normoyle, James (Jim) O'Hara, Richard Pym and Catherine Woods who are the Directors that the Board has determined to be independent Directors under the UK Corporate Governance Code (together, the "**Independent Directors**").

The Company is required to comply with provisions of the Listing Rules of the Irish Stock Exchange plc (the

"**Irish Listing Rules**") and the Listing Rules of the Financial Conduct Authority (the "**UK Listing Rules**" and, together with the Irish Listing Rules, the "**Listing Rules**") relating to controlling shareholders and the election or re-election of the independent non-executive Directors.

As at the date of the Notice of AGM, the Minister for Finance, through the Ireland Strategic Investment Fund, is a controlling shareholder (that is, it exercises or controls more than 30% of the voting rights of the Company) for the purposes of the Listing Rules. Under Irish Listing Rule 6.2.2E and UK Listing Rule 9.2.2E, because the Minister for Finance is a controlling shareholder of the Company, the election or re-election of any Independent Director must be approved by a majority vote of both: (1) the shareholders of the Company; and (2) the independent shareholders of the Company as defined by the Listing Rules (that is, the shareholders of the Company entitled to vote on the election of Directors who are not controlling shareholders of the Company).

Resolutions 3(a) to 3(i) are therefore being proposed as separate ordinary resolutions, which all shareholders may vote on, but in addition the Company will separately count the number of votes cast by independent shareholders in favour of each resolution (as a proportion of the total votes of independent shareholders cast on the resolution) to determine whether the threshold referred to at (2) in the preceding paragraph has been met. When the Company announces the results of the votes on these resolutions, it will disclose the level of support received for each Independent Director from shareholders and also from independent shareholders. Under Irish Listing Rule 6.2.2F and UK Listing Rule 9.2.2F, if a resolution to elect an Independent Director is not approved at the AGM by a majority vote of both the shareholders as a whole and the independent shareholders of the Company, a further resolution may be put forward to be approved by the shareholders as a whole at a meeting which must be held more than 90 days after the date of the first vote but within 120 days of the first vote.

Accordingly, if any of Resolutions 3(a) to 3(i) is approved by shareholders as a whole, but the separate approval of independent shareholders is not obtained, the relevant Director(s) will be treated as having been elected only for the period from the date of the AGM until the earlier of: (i) the close of any general meeting of the Company, convened for a date more than 90 days after the AGM but within 120 days of the AGM, to propose a further resolution to re-elect him or her; (ii) the date which is 120 days after the AGM; and (iii) the date of any announcement by the Board that it does not intend to hold a second vote. In the event that the Director's election is approved by a majority vote of all shareholders at a second meeting, the Director will then be re-elected until the next AGM.

Under the Listing Rules, the Company is also required to provide details of: (i) any previous or existing relationship, transaction or arrangement between an Independent Director and the Company, its Directors, any controlling shareholder or any associate of a controlling shareholder; (ii) why the Company considers the proposed independent Director to be an effective Director; (iii) how the Company has determined that the proposed Director is an independent Director; and (iv) the process by which the Company has selected each Independent Director.

#### (i) Previous or existing relationship, transaction or arrangement between any Independent Director and the Company

As set out on page 29 of the 2017 Annual Financial Report, one of the Independent Directors, Brendan McDonagh, is a former Director of the National Treasury Management Agency (“**NTMA**”), an entity which would be considered an associate of the controlling shareholder, the Minister for Finance. Having regard to the nature of Mr. McDonagh’s role during his tenure on the NTMA board, and following due consideration as to whether that role was likely to affect, or appear to affect, his judgement and other relevant factors, Mr. McDonagh was determined independent on appointment to the Board and continues to be determined accordingly.

Other than the above, there is no existing or previous relationship, transaction or arrangement that any of the Independent Directors have or have had with the Company, its Directors, any controlling shareholder or any associate of a controlling shareholder. All Directors may from time to time trade with the Company and its subsidiary entities (the “**AIB Group**”) on normal commercial terms and conditions.

#### (ii) Effectiveness

Each of the Independent Directors brings extensive experience to and contributes to the effectiveness of the Board. The Chairman has confirmed that, following completion of the formal annual performance evaluation, each of the Independent Directors make an effective and valuable contribution to the Board and demonstrate commitment, including devoting an appropriate amount of time, to the role.

#### (iii) Independence

During the year, the Board considered the independence of the Independent Directors by reference to the relevant provisions of the UK Corporate Governance Code. The Board is satisfied that each of the Independent Directors is independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement.

#### (iv) Selection

The Nomination and Corporate Governance Committee takes independence into account when recommending

new directors to the Board. The operation of the Nomination and Corporate Governance Committee is set out in more detail on pages 204 and 206 of the 2017 Annual Financial Report.

#### **Resolution 4. Remuneration of the Auditor**

Resolution 4 seeks authority from shareholders to enable the Directors to fix the remuneration of the Company’s Auditor, Deloitte, whose audit and non-audit services are monitored by the Board Audit Committee. This resolution gives the Directors authority to approve fees for 2018.

#### **Resolution 5. Continuation in office of the Auditor**

Section 383 of the Companies Act 2014 provides for the automatic re-appointment of the auditor of an Irish company at a company’s annual general meeting unless the auditor has given notice in writing of his unwillingness to be re-appointed or a resolution has been passed at that meeting appointing someone else or providing expressly that the incumbent auditor shall not be re-appointed. The Company’s Auditor, Deloitte, has indicated a willingness to continue in office. However, the Directors believe that it is important that shareholders are provided with an opportunity to have a say on the continuation in office of Deloitte and have included Resolution 5, which is an advisory non-binding resolution, for this purpose.

### **Special Business**

#### **Resolution 6. Directors’ Remuneration Report**

Resolution 6 is asking shareholders to consider the Directors’ Remuneration Report for the year ended 31 December 2017, which is set out on pages 220 to 222 of the 2017 Annual Financial Report.

This is an advisory non-binding resolution only and is being put to the shareholders in accordance with the Company’s commitment to best corporate governance practice.

#### **Resolution 7. Remuneration Policy**

Resolution 7 is asking shareholders consider the revised Remuneration Policy as set out in the Corporate Governance Remuneration Statement on pages 210 to 219 of the 2017 Annual Financial Report.

As set out in the Corporate Governance Remuneration Statement, the Company is proposing to introduce a Deferred Annual Share Plan (the “**Plan**”) to retain, incentivise and align senior executives with the creation of long term sustainable value and the achievement of other financial and strategic objectives of the AIB Group. It is intended that awards will be 100% deferred into shares with no cash element and that awards will vest over a three to five year (or, for some UK participants, a three to seven year) timeframe. The State’s ability to recover the value of its investment in the AIB Group will act as a final condition prior to any vesting or payout of awards under the proposed Plan.

It is envisaged that awards will be based on prior year performance using a balanced scorecard of financial, non-financial and personal performance measures designed to achieve the strategic priorities of the AIB Group. Eligible participants will include the CEO, Leadership Team Members and other key executives who are considered critical to the delivery of the AIB Group's strategic objectives. Awards will not exceed 100% of fixed pay. All aspects of the Plan will be designed in full compliance with the Capital Requirements Directive IV and associated EBA Guidelines on sound remuneration policies.

Information on the proposed Plan is contained on pages 214 to 219 in the 2017 Annual Financial Report. Under current agreements with the Irish State, Ministerial permission will be required for the introduction of the Plan.

This is an advisory non-binding resolution only and is being put to the shareholders in accordance with the Company's commitment to best corporate governance practice and as an acknowledgment of shareholders' right to have a say on these matters. The Company intends to put its Remuneration Policy to an advisory non-binding shareholder vote every three years or earlier if there are changes to the Remuneration Policy.

#### **Resolution 8. Authority to allot shares**

Resolution 8 is an ordinary resolution to authorise the Directors, until the earlier of the date of the Company's AGM in 2019 or 24 July 2019, to allot and issue new shares up to an aggregate nominal value of €565,496,091.04, being equal to approximately one third of the nominal value of the issued ordinary share capital of the Company as at the date of this document.

The Directors currently have no intention to issue shares pursuant to this authority.

#### **Resolution 9. Disapplication of statutory pre-emption rights in certain circumstances**

Resolution 9(a) is a special resolution to empower the Directors to allot equity securities for cash otherwise than in accordance with statutory pre-emption rights. The disapplication will be limited to the allotment of equity securities for cash (i) in connection with any rights issue (or other pro rata offer) to shareholders and (ii) otherwise in an amount up to an aggregate nominal value of €84,824,413.66 (being 5% of the nominal value of the issued ordinary share capital of the Company as at the date of this document).

Resolution 9(b) is a special resolution to empower the Directors, in addition to the authority granted under Resolution 9(a), to allot equity securities for cash otherwise than in accordance with statutory pre-emption rights in an amount up to an aggregate nominal value of €84,824,413.66 (being 5% of the nominal value of the issued ordinary share capital of the Company at the date of this document) for the purposes of what the Directors determine to be an acquisition or other specified capital investment.

The expressions "acquisition" and "specified capital investment" are defined by the Statement of Principles published in March 2015 by the Pre-Emption Group as one or more specific capital investment related uses for the proceeds of an issuance of equity securities, in respect of which sufficient information regarding the effect of the transaction on the company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return. Items that are regarded as operating expenditure rather than capital expenditure will not typically be regarded as falling within the term "specified capital investment".

The division of the authorisation to allot equity securities into two resolutions is in conformity with the Pre-Emption Group's Monitoring Report and consistent with the good practice template resolutions as published in May 2016.

The Directors currently have no intention to issue shares pursuant to these powers, which will expire on the earlier of the date of the Company's AGM in 2019 or 24 July 2019.

#### **Resolution 10. Authority to make market purchases of the Company's ordinary shares**

Resolution 10 is being proposed as a special resolution. Shareholders are being asked to authorise the Company (or any subsidiary) to make market purchases of up to 10% of the Company's issued shares at the date of passing of the resolution, subject to the provisions of the Companies Act 2014 and the restrictions and provisions set out in the resolution.

The Directors do not have any current intention to exercise the authority to purchase the Company's own shares, which will expire on the earlier of the date of the AGM in 2019 or 24 July 2019.

Furthermore, such purchases would be made only at price levels which the Directors consider to be in the best interests of the shareholders generally, after taking into account the Company's overall financial position. In addition, the authority being sought from shareholders will provide that the minimum price that may be paid for such shares shall not be less than the nominal value of the shares and the maximum price will be the higher of 105% of the average market price of such shares and the amount stipulated by Article 5(6) of the EU Market Abuse Regulation 2003 (No. 596/2014).

There were outstanding at 15 March 2018, being the latest practicable date prior to publication of the Notice of AGM, warrants to subscribe for 271,166,685 ordinary shares in the Company, representing approximately 9.99% of the Company's issued share capital (excluding treasury shares). There were no options to subscribe for ordinary shares in the Company at such date. If the repurchase authority were to be exercised in full, the ordinary shares subject to the warrants would represent approximately 11.1% of the Company's issued share capital (excluding treasury shares).

**Resolution 11. Authority to re-issue treasury shares**

Resolution 11 is a special resolution authorising the Company to re-issue shares purchased by it and not cancelled as treasury shares. If granted, the minimum and maximum prices at which treasury shares may be re-issued shall be determined in accordance with the Company's Articles of Association. This authority will expire on the earlier of the date of the AGM in 2019 or 24 July 2019.

As at 15 March 2018, being the latest practicable date prior to publication of the Notice of AGM, the Company does not hold any treasury shares.

**Resolution 12. Notice of general meetings**

Resolution 12 is being proposed as a special resolution. Shareholders are being asked to maintain an existing authority in the Articles of Association of the Company, until the conclusion of the AGM in 2019, allowing the Company to call a general meeting (other than an annual general meeting or a meeting for the passing of a special resolution or the appointment of a Director) on 14 clear days' notice. As a matter of policy, the 14 clear days' notice period will only be utilised where the Directors believe that it is merited by the business of the meeting and the circumstances surrounding the business.

# Shareholder Information

## Entitlement to attend and vote

1. Pursuant to Section 1105 of the Companies Act 2014, only those shareholders registered on the Company's register of members: (i) at the close of business on the day two days prior to the AGM; or (ii) if the AGM is adjourned, at the close of business on the day two days prior to the adjourned AGM, shall be entitled to attend and vote at the AGM or, if relevant, any adjournment thereof. Changes to entries on the Company's register of members after that time will be disregarded in determining the rights of any person to attend and vote at the AGM.

## Information regarding the meeting

2. Information regarding the AGM, including the information required by Section 1103 of the Companies Act 2014, is available from [www.aib.ie/investorrelations](http://www.aib.ie/investorrelations).

## Attending in person

3. The AGM will be held at the R.D.S. Concert Hall, Ballsbridge, Dublin 4. If you wish to attend in person, you are recommended to attend at least 15 minutes before the time appointed for holding of the AGM to allow time for registration. Please bring the attendance card attached to your Form of Proxy and present it at the shareholder registration desk before the commencement of the AGM.

## Appointment of proxies

4. A shareholder who is entitled to attend and vote at the AGM is entitled to appoint a proxy (or more than one proxy as alternates) to attend, speak and vote instead of the shareholder. A proxy need not be a shareholder. If you wish to appoint more than one proxy please contact the Company's Registrar, Computershare Investor Services (Ireland) Limited, on +353 1 247 5411.
5. A Form of Proxy for use by shareholders is enclosed with this Notice (or is otherwise being delivered to shareholders). Completion of a Form of Proxy (or submission of proxy instructions electronically) will not prevent a shareholder from attending the AGM and voting in person should the shareholder wish to do so.
6. To be valid, a Form of Proxy and any power or other authority under which it is executed (or a duly certified copy of any such power or authority) must be returned by post to Computershare Investor Services (Ireland) Limited, P.O. Box 954, Sandyford, Dublin 18, D18 Y2X6, Ireland or (during normal business hours) by hand to Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, D18 Y2X6, Ireland, not later than 48 hours before the AGM or adjourned AGM or (in the case of a poll taken otherwise than at or on the same

day as the meeting or adjourned meeting) at least 48 hours before the taking of the poll at which it is to be used.

7. To appoint (or remove) a proxy electronically, log on to the website of the Registrar, Computershare Investor Services (Ireland) Limited: [www.eproxyappointment.com](http://www.eproxyappointment.com). To log in you will require your unique PIN (which will expire at the end of the voting period), your Shareholder Reference Number (SRN) and the Control Number, all of which are printed on the face of the accompanying Form of Proxy.
8. CREST members may appoint one or more proxies through the CREST electronic proxy appointment service in accordance with the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members and those CREST Members who have appointed a voting service provider(s) should refer to their CREST Sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by the Company's Registrars, Computershare Investor Services (Ireland) Limited, as issuer's agent (CREST Participant ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in this Notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services (Ireland) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
10. CREST members and, where applicable, their CREST Sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or Sponsored Member or has appointed a voting service provider(s), to procure that his CREST Sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that

a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST Sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Companies Act 1990 (Uncertificated Securities) Regulations 1996.

#### **Issued shares and total voting rights**

12. The total number of issued ordinary shares in the Company on the date of this Notice of Annual General Meeting is 2,714,381,237.
13. Voting on each of the resolutions will be decided on a poll. This means that shareholders who attend the AGM, as well as those who are not able to attend but have sent proxy forms, may have their votes taken into account according to the number of shares they hold.
14. Resolutions 1 to 8 are ordinary resolutions and require a simple majority of votes cast (in person or by proxy) at the meeting to be passed. Resolutions 9 to 12 are special resolutions and require the approval of 75 per cent of votes cast (in person or by proxy) at the meeting to be passed.

#### **Questions at the meeting**

15. Pursuant to Section 1107 of the Companies Act 2014, the Company must answer any question which a shareholder may ask relating to the business being dealt with at the AGM unless:
  - (a) answering the question would interfere unduly with the preparation of the AGM or the confidentiality and business interests of the Company;
  - (b) the answer has already been given on a website in a question and answer format; or
  - (c) it appears to the Chairman of the AGM that it is undesirable in the interests of good order of the meeting that the question be answered.

#### **Shareholders' right to table draft resolutions and to put items on the agenda**

16. Pursuant to Section 1104 of the Companies Act 2014, a shareholder or a group of shareholders holding 3% of the issued share capital, representing at least 3% of the total voting rights of all shareholders who have a right to vote at the AGM, have a right to put an item on the agenda for the AGM and/or table a draft resolution for inclusion in the agenda of the AGM subject to any contrary provisions in company law which impose other conditions on the right of members to put items on the agenda for or to propose resolutions at the AGM.

Requests:

- (a) may be in hard copy form or in electronic form;
- (b) must set out in writing details of the item to be included and/or draft resolution in full or, if supporting an item to be included or a draft resolution sent by another member, clearly identify the item to be included and/or the draft resolution which is being supported;
- (c) must be authenticated by the person or persons making it (by identifying the shareholder or shareholders meeting the qualification criteria and, if in hard copy, by being signed by the shareholder or shareholders); and
- (d) must have been received by the Company no later than 14 March 2018 having regard to the 42 day period specified in Section 1104.

In addition to the above, requests must be made in one of the following ways:

- (e) a hard copy request which is signed by the shareholder(s), stating the full name and address of the shareholder(s) and is sent to the Company Secretary at the Company's Registered Office; or
- (f) a request which states the full name and address of the shareholder(s) and is sent to [secretariat@aib.ie](mailto:secretariat@aib.ie)

17. A requested item or draft resolution must not be such as would be incapable of being passed or otherwise be ineffective or redundant (whether by reason of inconsistency with any enactment or the Company's Memorandum and Articles of Association, or on account of the substantive nature of other resolutions on the agenda of the AGM, or otherwise). Any requested item or draft resolution must not be defamatory of any person.

