

AIB Group



Remuneration Policy

July 2025

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1. Introduction

The AIB Group plc (the “Group”) Remuneration Policy (the “Policy” or the “Remuneration Policy”) sets the framework for all remuneration related policies, procedures and practices for all employees and directors of the Group. The principal aim of the Remuneration Policy is to support AIB in being a bank to believe in, recognised for outstanding customer experience and superior financial performance. The Remuneration Policy is designed to foster a truly customer focused culture; to create long term sustainable value for our customers and shareholders; to attract, develop and retain the best people and to safeguard the bank’s capital, liquidity and risk positions. The Remuneration Policy sets out its objectives in line with the overall business and risk strategy of the bank and those of its key stakeholders. A key principle of the Remuneration Policy is to reward employees fairly and competitively in order to attract, motivate and retain the right calibre of individuals to grow and sustain the bank’s business.

2. Scope & Applicability

The scope of the Remuneration Policy includes all financial benefits available to all employees and directors of the Group and extends to all individual subsidiaries, entities and branches, including all employees of the Group at consolidated and sub-consolidated levels.

3. Regulatory Compliance

Remuneration policies, procedures and practices reflect the provisions, where applicable, of national and EU legislation, continuing Irish Government restrictions, the Capital Requirements Directive (CRD), the Shareholder Rights Directive II (“SRD II”), the Investment Firms Directive (IFD), corporate governance requirements issued by the Central Bank of Ireland and relevant guidelines issued by the European Banking Authority (EBA) and other regulatory authorities). The Group will provide public disclosures relating to qualitative and quantitative information as required.

4. Remuneration Philosophy

The Group Board of Directors recognises that the long-term success of the Group is dependent on the talent of employees, in particular, the ability to consistently perform at the highest level in the best interests of our customers. The Group’s remuneration philosophy aims to ensure that remuneration is aligned with performance and that employees are rewarded fairly and competitively for their contribution to the Group’s success and growth.

5. Remuneration Principles

AIB is committed to a simple, transparent and affordable reward structure incorporating the following key principles:-

- i. **Fair:** AIB aims to reward employees fairly and transparently for their contribution and to ensure that all employees have equal opportunity to progress their careers and enhance their earning potential irrespective of gender, age, religion, disability, sexual orientation, political affiliation or ethnic background.
- ii. **Performance Based:** Performance management plays a critical role in aligning individual objectives with AIB’s overall strategy, financial and non-financial goals and brand values. Performance outcomes, using a combination of “What” objectives and “How” behaviours, impact annual salary increases and provide a clear link between performance and remuneration.
- iii. **Externally Aligned:** AIB aims to align remuneration with industry peers and competitors for talent in each of AIB’s principal geographical locations, assessed against market benchmarks from recognised providers of benchmarking data.

- iv. **Risk Aligned:** Remuneration is designed to promote high performance, a strong risk management culture and risk-taking which is aligned to AIB's Risk Appetite Statement. All employees are required to have a risk objective in their performance management plan. Increases in remuneration and the potential awarding of variable remuneration will at all times be predicated on the Group's ability to pay and on maintaining strong capital and liquidity levels.

6. Remuneration Constraints

The Irish Government has eased most remuneration restrictions impacting the Group, while retaining the limit on variable remuneration of €20,000 per employee in each twelve month period. The Government's consent is required for payments above these amounts and the Excess Bank Remuneration Charge continues to apply. AIB's inability to offer senior management variable remuneration on an equal footing with competitors for talent in the market represents a key risk to the Group. The Remuneration Committee (the "Committee") monitors and endeavours to address this risk on an ongoing basis.

7. Individual Remuneration

Individual remuneration consists of all forms of fixed and variable payments, including base salary, allowances, employer pension contributions, short-term incentive plans and other benefits, including healthcare and non-financial benefits. The combination of all reward elements comprises the total remuneration to the individual. Each individual is paid a base salary which reflects their role, skills and responsibilities.

Increases in remuneration are typically performance based, determined by performance against objectives which reflect AIB's strategy, goals and values and typically occur as part of the annual pay review process. Increases may also arise through progression and promotion and, in exceptional cases only, through out-of-course salary increases to retain key talent and skills.

It is the bank's policy to engage in ongoing dialogue and negotiations with staff representatives, notably the FS Union, and to comply with agreed pay outcomes and the recommendations of State bodies such as the Labour Court and the Workplace Relations Committee.

8. Remuneration Structure

8.1 Fixed Remuneration

Base Salary & Allowances

AIB's current remuneration structure predominantly consists of fixed pay elements, encompassing base salary, allowances, benefits (including healthcare) and employer pension contributions. Base salary is the principal component of fixed remuneration and is designed to be fair and competitive and set according to appropriate salary ranges which reflect the size, skills and level of responsibilities attached to each role. Allowances mainly consist of non-pensionable cash allowances which are payable to eligible senior employees which recognise equivalent benefits and allowances available in the market.

Pension

AIB places considerable emphasis on the need for employees to plan for an appropriate standard of living in retirement and an appropriate pension scheme is available to all employees for that purpose. In Ireland and the UK, AIB offers employees a highly competitive defined contribution pension benefit. Employees are entitled to participate in one of the Group's defined contribution schemes with a monthly contribution based on a percentage of base salary. For most employees, a standard contribution of 10% of base salary is made plus an additional matching contribution of up to 8%, depending on the age of the employee. In the US, a similarly competitive defined contribution benefit

is offered to employees. Death-in-service cover is also provided under the schemes. All of the Group's defined benefit pension schemes were closed to future accrual by 31 December 2013 and all Group employees accrue pension benefits on a defined contribution basis from 1 January 2014. For employees whose accumulated pension benefits have exceeded or are likely to exceed the Standard Fund Threshold (SFT) or local equivalent, the following alternative is offered. Any such employees (including Executive Directors) have the option to replace the current contractual employer pension contribution of base salary, with a 15% of salary non-pensionable allowance in lieu of pension contribution. ELT (Executive Leadership Team) members receive employer contributions of 20% of pensionable salary and those whose accumulated pension benefits have exceeded or are likely to exceed the Standard Fund Threshold (SFT) have the option of a 20% non-pensionable allowance in lieu of employer pension contribution.

Benefits and Wellbeing

AIB provides affordable benefits (as determined by the Committee) in accordance with local market practice, including income protection, death-in-service cover and transaction free banking services. AIB offers healthcare benefits to employees in all locations. A functional car policy is in place based on role requirements. AIB does not provide company cars outside of the functional car policy and does not provide preferential interest rates on new employee borrowings or deposits.

AIB takes the wellbeing of employees very seriously and provides access to a variety of health and wellbeing initiatives.

8.2 Variable Remuneration

AIB employees are eligible for inclusion in a variable remuneration scheme based on company performance. Variable remuneration arrangements are designed in a way that promotes the interests of AIB's stakeholders and comply with applicable regulatory requirements.

Awards are assessed on a combination of financial and non-financial performance. Awards are granted in cash and eligible employees can choose to use their awards to purchase AIB shares under an Approved Profit Share Scheme ("APSS") in the Republic of Ireland and a Share Incentive Plan ("SIP") in the UK. AIB ensures that the form of awards complies with regulatory obligations around the nature and form of payments under the plan. It is possible to reduce the level of the award to reflect risk adjustments, including but not limited to conduct risk and awards are subject to the Group's Policy on malus and clawback (further details are outlined in the appendix to this Policy), including where participants leave the Group during the year. Variable remuneration incorporates policies and practices to stimulate behaviour consistent with AIB's Sustainability Strategy and commitments.

The Group also operates 'Appreciate', a non-cash employee-led peer-to-peer staff recognition programme for employees.

Business Specific Commission Schemes

AIB currently operates three business specific variable commission schemes applicable to:

- i. Customer Financial Planning
- ii. Finance & Leasing
- iii. Payzone

These schemes are designed to protect the rights and interests of customers via robust customer centric performance criteria, the prevention of conflicts of interest and the assessment and mitigation of risks to the customer. For those limited numbers of employees who currently participate in business specific commission schemes, sustainability risk is considered as part of the determination of final award outcomes. The maximum amount payable to any individual per year is

€20,000. There is also a separate EBS Tied Agency Remuneration Scheme (which is not subject to this Policy), where the required monitoring is performed by the EBS d.a.c. Senior Management Team. This ensures that payments made do not provide any incentive for excessive risk taking or the mis-selling of products. Details of the EBS Tied Agency Remuneration Scheme are reported to the Board of EBS d.a.c.

Goodbody

The remuneration restrictions that apply to AIB do not apply to Goodbody employees.

Goodbody variable remuneration schemes are fully discretionary and compliant with all applicable regulatory requirements, including the remuneration regulatory requirements of the IFD, which apply to Goodbody as an investment firm.

The schemes are designed to reward superior customer outcomes, high performance and long term value creation while not incentivising excessive risk taking. At the discretion of the Committee, performance is assessed against a combination of both financial and non-financial measures, including individual performance, business unit performance and overall Goodbody performance. Any awards made in the Goodbody variable pay schemes will be subject to risk adjustment. For some employees, an element of any award may be delivered in shares and / or deferred, and awards may be subject to malus and clawback.

Further details on remuneration for Goodbody employees is detailed in the Goodbody Remuneration Policy.

9. Remuneration of Key Groups

9.1 Non-Executive Directors

Non-Executive Directors are paid a competitive, non-pensionable fee in respect of their services as directors and additional non-pensionable fees in respect of other responsibilities, such as the chairmanship or membership of Board Committees or the board of a subsidiary company or in performing the role of senior independent non-executive director, reflecting the time commitment and the responsibilities of the role. The remuneration of Non-Executive Directors is reviewed as appropriate by a group comprising the Chair of the Board, Chief Executive Officer, Chief Financial Officer, Chief People Officer, Chief Risk Officer and Group Company Secretary. Non-Executive Directors' fees are determined by the Board, within the limits set by shareholders, in accordance with the Group's Articles of Association. Non-Executive Directors are not entitled to variable remuneration.

Non-Executive Directors are entitled to reimbursement of reasonable out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses, and the use of a pool car and driver.

9.2 Executive Directors and members of the Executive Leadership Team (ELT)

Executive Directors of the Group and Allied Irish Banks, p.l.c. currently consist of the Chief Executive Officer and the Chief Financial Officer. Members of ELT consist of the most senior management committee of the Group. The remuneration of Executive Directors and members of the ELT is determined on appointment by reference to external benchmarks in order to provide an appropriate level of competitive remuneration commensurate with the size and functional responsibilities attaching to their roles.

Remuneration principally consists of base salary, allowances and pension contributions. Allowances consist of non-pensionable cash allowances of up to €30,000. Details of employer pension contributions in respect of Executive Directors and ELT members are outlined in section 8.1. Other

benefits (as determined by the Committee) include income protection, death-in-service cover and transaction free banking services. Relocation costs, including tax advice, accommodation and flight allowances, may be provided in line with market practice. Executive Directors and ELT members may occasionally avail of the use of a pool car and driver. Executive Directors and members of the ELT are eligible for healthcare benefits as outlined in section 8.1. The Committee retains the right to provide additional benefits subject to ongoing remuneration restrictions.

Individual fixed and total remuneration are assessed against median, lower quartile and upper quartile benchmarks across an appropriate peer group in the Republic of Ireland, United Kingdom and other European countries. Base salaries of Executive Directors and members of the ELT are reviewed by the Committee on behalf of the Board. Increases in base salary may be awarded following the outcome of the annual pay review or, alternatively, to reflect a significant increase in the scope of responsibility of an Executive Director or member of the ELT. Executive Directors and members of the ELT are also eligible for variable remuneration in line with the scheme detailed in Section 8.2. Remuneration for Executive Directors and members of ELT is approved by the Board following review and recommendation by the Committee. Executive Directors' remuneration is disclosed annually as part of the Directors' Remuneration Report in the Annual Financial Report.

9.3 Material Risk Takers

AIB is required to maintain a list of employees whose professional activities have a material impact on the Bank's risk profile. The list of Material Risk Takers is prepared using a combination of qualitative and quantitative criteria in accordance with the relevant EU regulations and guidelines together with additional criteria specific to the Group's structure, business activities and risk profile. The list is prepared at Group and subsidiary levels. This follows an annual assessment carried out by Human Resources, in conjunction with the Chief Risk Officer and each business area, in accordance with a documented process for the identification of Material Risk Takers.

Due to their potential impact on the Bank's risk profile, there are more stringent rules governing the remuneration of Material Risk Takers, principally in relation to variable remuneration, to ensure that this does not encourage excessive risk taking. These include the application of a maximum ratio of variable to fixed remuneration, the application of deferral, malus and clawback arrangements and the payment of variable remuneration in shares or equivalent instruments. These rules, as applicable, are incorporated by Group Reward in the design elements of AIB variable remuneration schemes as outlined in section 8.2 in conjunction with Group Risk and are reviewed by Group Compliance. The variable remuneration of Material Risk Takers will not exceed 100% of fixed remuneration unless approved by shareholders.

The remuneration components of all Material Risk Takers are reviewed annually by the Committee to ensure that variable remuneration, where applicable, does not encourage excessive risk taking. With the exception of Executive Directors, members of the ELT and Group Heads of Risk, Compliance and Audit, the Committee delegates authority to management to approve individual remuneration proposals within agreed policy, as considered appropriate, for Material Risk Takers.

Regulatory impacts arising from the Material Risk Taker process are managed in line with the advisory role of Compliance as detailed in the Regulatory Compliance Risk Management Policy and Framework.

9.4 All Other Employees

AIB aims to provide all employees with fair and competitive remuneration in order to facilitate long term commitment of employees at all levels within the Group. For the vast majority of employees, remuneration principally consists of fixed remuneration, comprising base salary, allowances, benefits (including healthcare) and pension contributions, and includes variable remuneration as outlined in

section 8.2. Salary ranges are determined for each career level within the principal geographic locations of Republic of Ireland, Great Britain, Central London, Northern Ireland and US (NY specific).

To facilitate ongoing market alignment of salary ranges, Group Reward carry out periodic benchmarking exercises using a combination of at least two external benchmarking surveys in each of the principal locations in which AIB operates. As appropriate, Group Reward will advise the Committee of the findings, including key remuneration issues, trends and market pressures, and make recommendations of changes to existing salary ranges.

10. Employees in Control Functions

The remuneration of employees in Audit, Risk and Compliance functions is determined independently of the businesses that they oversee. Remuneration is commensurate with their role in AIB and based on performance against objectives linked to their specific functional roles. In line with regulatory guidelines, the remuneration of control functions will predominantly consist of fixed remuneration and the methods used for determining their remuneration will not compromise employees' objectivity and independence.

The remuneration of Group Heads of Risk, Compliance and Audit is directly overseen by the Committee. The remuneration of Heads of Risk, Compliance and Audit of subsidiaries is overseen by management, notwithstanding the Committee's general responsibility to approve annually the remuneration approach for MRTs.

11. Sign-On Payments & Guaranteed Variable Remuneration

Remuneration packages to compensate employees for loss of income from previous employments are made in exceptional cases only to attract and retain highly specialised key staff and are subject to Committee approval. Such awards are limited to the first year of employment but payments may be deferred over a number of years. The awards will incorporate retention, deferral, performance, malus and clawback provisions, where considered appropriate and taking into consideration the terms of the awards being foregone from the previous employer.

AIB does not offer guaranteed variable remuneration to new or existing employees.

12. Severance Payments

Severance payments are made in accordance with approved criteria and exit framework for all staff and do not reward failure or misconduct. In particular, severance payments reflect performance achieved over time and are not awarded where there is obvious failure which allows for the immediate cancellation of a contract or the dismissal of an employee. Under the terms of the current scheme, a maximum of four weeks' salary per year of service (up to a total of 2 years salary) is paid up to a maximum of €300,000 or £270,000 for UK employees. US employees can receive severance payments up to four weeks salary per year of service, with those individuals with less than twenty years of service eligible to receive a maximum of twelve months salary and individuals with more than twenty years of service eligible to receive a maximum of eighteen months salary.

AIB has a dedicated team and exit framework for the determination and approval of severance pay, including agreed responsibilities, decision forums and inputs from other functions such as Group Reward, Pensions & Employee Relations. All severance proposals are reviewed individually in accordance with approved criteria and exit framework to ensure appropriate suitability within the criteria. The Committee will be made aware of any severance payments made to Material Risk Takers.

13. Directors' Service Contracts and Letters of Appointment

The Chair of the Board and Non-Executive Directors undertake their duties in accordance with the responsibilities and time commitments outlined in Letters of Appointment. There are no notice periods and no compensation is payable to the Chair or Non-Executive Directors in the event of termination of appointment, other than standard payments payable for the period up to the termination date.

Executive Directors have service contracts in place. Notice periods do not exceed 12 months, provided by the individual or the company, and there are no pre-determined provisions for compensation on cessation or termination of employment, other than payments in lieu of notice periods. The Committee reserves the right to determine appropriate severance payments as outlined in the Exit Policy for Executive Directors in the appendix to this Policy. Service contracts include standard clauses covering, inter-alia, remuneration arrangements, reimbursement of expenses, annual leave and sick leave arrangements, notice periods, suspension and garden leave provisions, minimum competency and fitness and probity requirements.

14. Related Parties

AIB's Related Party Lending policy is aligned to the Central Bank of Ireland Related Party Lending Code. Rule 4 'Staff Minimum Control Standard' requires business units to ensure they have procedures in place to ensure members of staff do not benefit from lending to a Related Party other than the receipt of standard remuneration also available in lending to a non-Related Party.

15. Governance

The Remuneration Policy is governed by the Committee on behalf of the Board.

The Committee is responsible for determining the Remuneration Policy and for overseeing its implementation. No individual is involved in the decision-making process around their own remuneration. The Committee further ensures that the Remuneration Policy and practices are subject to a review at least annually, taking into account the alignment of remuneration to the Group's culture for all employees and executive directors. The annual review is informed by appropriate input from the Group's Risk, Compliance and Internal Audit functions to ensure that remuneration policies and practices are operating as intended, are consistently applied across the Group and are compliant with regulatory requirements.

Group Reward, in conjunction with Group Risk and Compliance, is directly involved in the design, implementation and evaluation of the Remuneration Policy, including incentive schemes. Group Reward monitors compliance with relevant EU and national legislation and guidelines and advises the Committee on new and upstream regulatory issues.

Group Risk provide an assessment of the risks impacting the Group and performance against the Group's Risk Appetite Statement to ensure that the Remuneration Policy is aligned with the Group's risk profile. The Chief Risk Officer will review the list of Material Risk Takers in conjunction with Group Reward and provides the Committee with an annual assessment of the risks facing the Group to ensure that policies and practices are consistent with and promote sound and effective risk management.

Group Compliance will assess the Remuneration Policy's compliance with legislation and regulations.

Group Internal Audit will carry out an independent annual review of the design, implementation and management of AIB's remuneration policies.

Policy Sponsor: Head of Reward, Benefits & Pay Services

Implementation date: 27.02.2013

Last updated: 30.07.2025

To be reviewed: Annual review by Group Reward and Group Risk and Compliance, with approval by the Committee

Appendix 1 (Director Remuneration Policy)

Remuneration Policy and Governance

The Director Remuneration Policy (the Remuneration Policy or the Policy) applies to the Group's Executive Directors. Under Section 1110M of the Irish Companies Act 2014, AIB is required to obtain shareholder approval of the Remuneration Policy by the fourth anniversary of the previous approval, or sooner if changes are required. UK regulations, which AIB follows as a matter of best practice to the extent practicable, require a new policy to be brought to shareholders every three years or sooner if material changes are required.

The Remuneration Policy was approved by shareholders at the 2024 AGM.

The wider Group Remuneration Policy can be found on our website – www.aib.ie/investorrelations.

Purpose and Aims of the Remuneration Policy

The Policy sets the framework for all remuneration related policies, procedures and practices for the Directors of the Group. The principal aim of the Remuneration Policy is to support AIB in becoming a bank to believe in, recognised for outstanding customer experience and superior financial performance. The Group's remuneration philosophy aims to ensure that remuneration is aligned with performance and that employees are rewarded fairly and competitively for their contribution to the Group's success and growth. The Group is committed to a simple, transparent and affordable reward structure, which is fair, performance based, and both externally and internally risk aligned.

The Remuneration Policy is aligned to the wider Group Remuneration Policy and is designed to:

- (a) Foster a truly customer focused culture;
- (b) Create long term sustainable value for our customers and shareholders;
- (c) Attract, develop and retain the best people; and
- (d) Safeguard the bank's capital, liquidity and risk positions.

The Remuneration Policy is governed by the Committee on behalf of the Board. The Committee is responsible for determining the Remuneration Policy and for overseeing its implementation.

The Committee further ensures that the Remuneration Policy and practices are reviewed at least annually alongside the wider Group Remuneration Policy, taking into account the alignment of remuneration to the Group's culture, and market and regulatory requirements and developments. The annual review is informed by input from Group Risk and Internal Audit to ensure that remuneration policies and practices are operating as intended, are consistently applied across the Group and are compliant with regulatory requirements.

The Group continues to comply with the applicable requirements of the UK Corporate Governance Code (the Code) and the Irish Corporate Governance Code Annex (the Irish Annex). The Code and Irish Annex are used to inform the Group's decision making and disclosures. The Group also complies with the Irish Companies Act. Due to the constraints on variable remuneration, certain requirements of the Code and disclosure requirements are not currently applicable to the Group. The Group will continue to review these requirements alongside any future changes to the restrictions on remuneration by the Irish Government to ensure ongoing compliance.

Regarding Provision 40 of the Code, the Policy sets the framework which underpins remuneration policies and practices for Executive Directors. In particular:

Clarity	Remuneration arrangements have defined parameters which are clearly outlined in the Remuneration Policy.
Simplicity	The Group is committed to a simple reward structure as outlined in the Remuneration Policy.
Risk	The Group's existing remuneration arrangements operate under strict Government remuneration constraints. The design of the new and any future variable remuneration schemes will have a robust link between pay and performance with safeguards in place to ensure outcomes, including risk adjustments, are appropriate.
Predictability	The Group discloses specific details, including maximum opportunity levels, performance targets and worked examples of Executive Director remuneration.
Proportionality	The Committee may adjust formulaic variable remuneration outcomes where they are not proportionate to the financial or non-financial performance of the Group.
Alignment to culture	The Remuneration Policy is aligned to the Group's culture and values. Performance measures used to determine the outcome of variable remuneration arrangements will reflect the culture and values of the Group, including its commitment to ESG.

Consideration of employment conditions elsewhere in the Group

The Policy and AIB's approach to wider employee population is based on the principle that it should be sufficient to attract and retain the best talent and be competitive within our industry to deliver AIB's strategy. Remuneration structure and quantum is driven by seniority and accountability (mindful of restrictions), as well as market practice although the remuneration structures are broadly aligned throughout the Group.

The below provides examples of areas of alignment between the remuneration of Executive Directors and the wider workforce:

- (a) The Remuneration Policy and the wider Group Remuneration Policy are based on the same principles.
- (b) AIB's current remuneration structure for all employees predominantly consists of fixed pay elements, encompassing base salary, allowances, benefits (including healthcare) and employer pension contributions. All employees, including Executive Directors, are eligible for inclusion in a variable remuneration scheme based on company performance operating in line with remaining remuneration restrictions which include a limit on variable remuneration of €20,000 per employee per year. Employees in the Republic of Ireland (ROI) are able to participate in an Approved Profit Sharing Scheme (APSS) and employees in the UK are able to participate in a Share Incentive Plan (SIP) and from 2025, subject to establishment and shareholder approval, ROI and UK employees will be able to participate in SAYE schemes.
- (c) While there are certain benefits that increase based on seniority, e.g. non-pensionable allowances and employer pension contributions, there are other aspects of remuneration for more junior employees that don't apply to higher levels, e.g. overtime, Progression, Temporary Higher Level Allowance (THLA).

During 2024, engagement took place with employees in relation to a number of changes made to the Group Remuneration Policy, including healthcare benefits and variable remuneration.

Consideration of Shareholder Views

The Committee is committed to a transparent dialogue with shareholders on key remuneration matters. The Remuneration Policy and Report provide shareholders with a detailed understanding of the decisions that have been made during the year. The Committee keeps up to date with proxy adviser and shareholder written guidelines which are considered when making decisions in respect of the remuneration of the Executive Directors.

Remaining Remuneration Constraints

AIB's inability to offer variable remuneration on an equal footing with competitors, in particular, for senior leadership and key talent, represents a key material risk to the Group. The Committee monitors and endeavours to address this risk on an ongoing basis.

The Irish Government has eased most remuneration restrictions impacting the Group, while retaining the limit on variable remuneration of €20,000 per employee in each twelve month period. The Government's consent is required for payments above these amounts and the Excess Bank Remuneration Charge continues to apply.

Compliance with Relevant Regulatory Requirements

Remuneration policies, procedures and practices reflect the provisions, where applicable, of national and EU legislation, continuing Irish Government remuneration restrictions, the Capital Requirements Directive (CRD), the Investment Firms Directive, corporate governance requirements issued by the Central Bank of Ireland, and relevant guidelines issued by the European Banking Authority (EBA) and other regulatory authorities. The provisions of the EBA Guidelines on sound remuneration will continue to be applied to AIB's new variable remuneration scheme. In particular, the Remuneration Policy incorporates the provisions of the EBA Guidelines in relation to the ongoing design, implementation and governance of remuneration.

Key Components of the Director Remuneration Policy

The following table sets out the key components of the Director Remuneration Policy, including their application to the recruitment and departure of Executive Directors, which was approved by shareholders at the 2024 AGM.

Pay Element	Objective	Description	Performance Assessment and Maximum Potential Value
Base Salary	To attract, motivate and retain the right calibre of individuals to support the Group's future success and growth.	<p>The base salaries of the Executive Directors are:</p> <ul style="list-style-type: none"> Set according to appropriate market ranges which reflect the size, skills and level of responsibilities attached to the role. Typically reviewed annually as part of the annual pay review process. 	<p>The base salaries of the Executive Directors are:</p> <ul style="list-style-type: none"> Reviewed by the Committee on behalf of the Board. Increases in base salary may be awarded following the outcome of the annual pay review, alternatively, to reflect a significant increase in the scope of responsibility of an Executive Director. Set out in the Directors Remuneration Report.
Allowances	To provide a contribution to market aligned benefits and allowances generally available in the market.	Non-pensionable cash allowances may be provided to eligible Executive Directors.	The maximum non-pensionable cash allowance is €30,000 per annum.
Variable Remuneration Scheme	<p>To incentivise Executive Directors to deliver strong financial and strategic performance aligned with the performance, risk profile and culture of the Group.</p> <p>Variable remuneration arrangements are designed in a way that promotes the interests of our stakeholders and to comply with applicable regulatory requirements.</p>	Variable remuneration schemes are based on company performance.	<p>Performance will typically be assessed based on a one-year performance period, considering a combination of financial and non-financial performance.</p> <p>A limit of €20,000 per annum on any award or combination of awards per Executive Director will apply.</p> <p>In the event of the removal of or any changes to the Excess Bank Remuneration Charge, the Committee would consider the impact of the limit on variable remuneration within the Remuneration Policy.</p> <p>The award may be granted either in cash or shares, or a combination of both. The Committee will ensure that the form of such award complies with applicable regulatory requirements and remaining government remuneration restrictions.</p> <p>Under the Approved Profit Sharing Scheme, Executive Directors will have the opportunity to acquire shares with their annual variable remuneration award.</p> <p>The Remuneration Committee has the discretion to adjust the formulaic outcome of the award, including the ability to apply risk adjustments. Awards are subject to the Group's policy on malus and clawback, including where participants leave the Group during the year.</p>

Pay Element	Objective	Description	Performance Assessment and Maximum Potential Value
Pension	To enable Executive Directors to plan for an appropriate standard of living in retirement.	Executive Directors are entitled to participate in one of the Group's defined contribution schemes. Executive Directors whose accumulated pension benefits have exceeded or are likely to exceed the Standard Fund Threshold (SFT) have the option of a % non-pensionable allowance in lieu of employer pension contribution.	Executive Directors are entitled to an employer pension contribution of up to 18% of base salary or a non-pensionable allowance in lieu of 15% of base salary...
Other Benefits	To provide affordable benefits in accordance with general market practice.	<p>Benefits include healthcare, income protection, death-in-service cover and free banking services.</p> <p>A functional car policy is in place. The Group does not provide company cars outside of the policy. Executive Directors may occasionally avail of a pool car and driver.</p> <p>The Committee retains the right to provide additional benefits subject to continuing remuneration restrictions.</p> <p>AIB intends, subject to shareholder approval to introduce a SAYE (Save As You Earn) scheme for employees, including Executive Directors.</p>	Not applicable.

Recruitment and Exit Under the Remuneration Policy

Remuneration Statement	Recruitment Policy (subject to compliance with remuneration restrictions)	Exit Policy
<p>The following table provides additional detail in respect of the application of the Remuneration Policy to Executive Directors upon their appointment to the extent permitted within the remuneration restrictions and at the end of employment. In relation to AIB employees appointed as Executive Directors, such elements will only apply from the date of appointment (and not retrospectively), and any existing awards will be honored and form part of ongoing remuneration arrangements.</p>		
Salary, fees, benefits and pension	<ul style="list-style-type: none"> Base salary would be set at an appropriate level considering the factors mentioned in the Policy table above. Benefits and pension will also be set in line with the Policy. 	<ul style="list-style-type: none"> If notice is served by either party, the Executive Director can continue to receive base salary, benefits and pension for the duration of their notice period. The Executive Director may be asked to perform their normal duties during their notice period, or they may be put on garden leave. The Company may, at its sole discretion, terminate the contract immediately, at any time after notice is served, by making a payment in lieu of notice equivalent to salary, benefits and pension, with any such payments being paid in monthly instalments over the remaining notice period. Benefits may also be provided in connection with termination of employment and may include, but are not limited to, statutory payments, outplacement, legal fees and payments in respect of accrued holiday.
Relocation	<ul style="list-style-type: none"> If an Executive Director needs to re-locate in order to take up the role, the Company may pay to cover the costs of relocation including (but not limited to), actual relocation costs, temporary accommodation and travel expenses. 	Not applicable
Buy-out awards	<ul style="list-style-type: none"> For external candidates, the Committee may (if it is considered appropriate) provide a buy-out award equivalent to the value of any outstanding incentive awards that will be forfeited on cessation of previous employment. To the extent possible, the buyout award will be made on a broadly like for like basis. The award will take into account the performance conditions attached to the vesting of the forfeited incentives, the timing of vesting, the likelihood of vesting and the nature of the awards (cash or equity). 	Not applicable
Variable remuneration scheme	<ul style="list-style-type: none"> Joiners may receive a pro-rated award based on their employment as a proportion of the financial year and targets may be different to those set for other Executive Directors. 	<ul style="list-style-type: none"> Good leavers will remain eligible to receive a vested award at the usual time with performance measured at usual time. The award will normally be pro-rated for service during the financial year. Bad leavers will not normally be eligible to receive an award.

Notes to the Remuneration Policy Table

Minor amendments

The Committee may amend the arrangements for the Executive Directors as described in the Policy, for regulatory, exchange control, tax or administrative purposes, or to take account of a change in legislation or regulation.

Non-Executive Director Fees

Non-Executive Directors are paid a basic, non-pensionable fee of €65,000 in respect of service as a Director and additional non-pensionable remuneration in respect of other responsibilities, such as for serving as chair or being a members of Board Committees or performing the role of Deputy Chair or Senior Independent Director. Current or former Directors who serve on the board of any Group Irish subsidiary company are also paid a non-pensionable flat fee for their services as a Director, chair or membership of Board Committees. AIB will reimburse any reasonable expenses incurred in carrying out Non-Executive Director duties (and related tax if applicable).

Legacy arrangements

For the avoidance of doubt, the Committee may approve payments to satisfy commitments agreed prior to the approval of this Remuneration Policy, and any commitment made to a person before that person became an Executive Director.

Discretion

The Committee operates the variable remuneration scheme according to the rules of the scheme. The Committee retains discretion as to the operation and administration of the scheme, within the limits of its rules, including but not limited to:

- Participants;
- Timings of grant and/or payment;
- Award size and/or payment;
- Settlement of the award;
- Choice and adjustment of performance measures and targets;
- Adjustment to outcomes if they are considered to be inappropriate, taking into account any relevant factors;
- Measurement of performance in certain circumstances such as change of control or other corporate events;
- Determination of a good leaver.

Service Agreements and Letters of Appointment

All Executive Directors have a service agreement whereas all Non-Executive Directors have a letter of appointment.

In respect of Executive Directors, no service agreement exists between the company and any Director which provides for a notice period from the company of greater than one year.

Non-Executive Directors are appointed for an initial term of three years. Terms of office for Non-Executive Directors will not be extended beyond nine years in total unless the Board, on the recommendation of the Nomination and Corporate Governance Committee, concludes that such extension is necessary, appropriate and in compliance with applicable regulatory requirements and approvals.

All Directors, should they choose to stand, are subject to annual re-election by shareholders.

External appointments

Subject to the advance approval of the Board, Executive Directors may accept one external appointment as a Non-Executive Director and retain the fees. Neither Executive Director currently serves in any external paid roles.

Malus and clawback

The circumstances under which the Committee may consider it appropriate to apply clawback and/or malus to the variable remuneration scheme include, but are not limited to those summarised below:

- Behaviour by a participant which fails to reflect AIB's governance and business values;
- The extent to which any condition satisfied was based on an error, or on inaccurate or misleading information or assumptions which resulted either directly or indirectly in an award being granted or vesting to a greater extent than would have been the case had that error not been made;
- Material adverse change in the financial performance of AIB or any division in which the participant works and/or worked;
- A material financial misstatement of AIB's audited financial accounts (other than as a result of a change in accounting practice);
- Any action which results in or is reasonably likely to result in reputational damage to AIB;
- A material failure in risk management;
- Corporate failure;
- Negligence or gross misconduct of a participant; and/or
- Fraud effected by or with the knowledge of a participant.

Other elements of remuneration are not subject to malus and clawback provisions.

Appendix 2 (Regulatory References)

- EBA Guidelines on sound remuneration policies under Directive 2013/36/EU
- Capital Requirements Directives (2013/36/EU and 2019 /878/EU)
- CRR II (Article 450) -Regulation (EU) 2019/876
- Commission Delegated Regulation (EU) 2021/923
- EBA Guidelines on internal governance under Directive 2013/36/EU
- Irish Companies Act 2014
- Shareholders Rights Directive II
- Irish Corporate Governance Annex - Remuneration
- EBA Guidelines on the benchmarking exercises on remuneration practices, the gender pay gap and approved higher ratios under Directive 2013/36/EU
- Final report on Guidelines on the data-collection exercises regarding high earners under Directive 2013/36/EU and Directive (EU) 2019/2034
- Final Report on the Guidelines on benchmarking of diversity practices, including diversity policies and gender pay gap, under Directive 2013/36/EU and Directive (EU) 2019/2034
- The UK Corporate Governance Code
- PRA Policy Statement - Remuneration: identification of Material Risk Takers
- PRA Supervisory Statement - Remuneration
- PRA Rulebook - Remuneration Part
- European Securities and Markets Authority (ESMA) Guidelines on certain aspects of the MiFID II remuneration requirements
- CBI Guidelines on Variable Remuneration Arrangements for Sales Staff
- Directive (EU) 2019/2034 on the prudential supervision of investment firms
- EBA Guidelines on sound remuneration policies under Directive (EU) 2019/2034
- EBA Guidelines on internal governance under Directive (EU) 2019/2034 (prudential supervision of investment firms)
- Commission Delegated Regulation (EU) 2021/2154

Appendix 3 (Other Relevant Documents)

- AIB Remuneration Committee Terms of Reference
- AIB Pillar 3 Remuneration Disclosures
- AIB Annual Financial Report
- AIB website (www.aib.ie)
- AIB Republic of Ireland and UK Gender Pay Gap Reports
- AIB MRT Identification Process
- AIB Board Risk Committee Terms of Reference
- AIB Regulatory Accountability Policy
- AIB Minimum Competency Code Policy
- AIB Board Governance Manual
- AIB Code of Conduct
- AIB Conflicts of Interest Policy
- AIB Inside Information Policy
- AIB Exit Framework
- AIB Group Board Diversity Policy
- AIB Group Subsidiary Governance Framework
- Goodbody Remuneration Policy
- Goodbody MRT Identification Process