



## AIB Group plc Notice of Annual General Meeting 2019

**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, 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 Ballsbridge Hotel, Ballsbridge, Dublin 4 on Wednesday, 24 April 2019 at 11.00 am.

2018 was another successful year for AIB in terms of business performance and our staff have worked hard to maintain and build on the positive momentum since our return to profit in 2014.

Earlier this month I had the pleasure of announcing Colin Hunt as our new CEO and an Executive Director, Tomás O’Midheach, our COO and Deputy CEO, as an Executive Director and Donal Galvin as CFO. As CFO Donal will be a permanent attendee at meetings of the Board. These appointments from within our senior team are testament to the calibre of people we have in AIB. I look to the future with confidence and optimism that, under their leadership, AIB will continue to grow and prosper in the years to come.

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.

At our 2018 AGM the State voted against our share-based remuneration proposals. These proposals received the overwhelming backing of AIB’s other independent shareholders, with 99.77% voting in support of the proposals. While the impact of continuing restrictions on remuneration on both talent retention and recruitment remains a real concern for investors, the remuneration review that the Minister for Finance announced around that time, to properly and fully examine the issue, has yet to conclude. Absent its findings and a position from the Minister, we have decided it is best not to propose resolutions on new remuneration proposals at this AGM. As in prior years, the Directors’ Remuneration Report for the financial year ended 31 December 2018 is being put to a non-binding advisory vote.

The Notice of AGM is set out on pages 4 to 6 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. 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 am on Monday, 22 April 2019.

## Your Dividend

The Board is recommending the declaration of a final dividend payment of €0.17 per ordinary share in respect of the financial year ended 31 December 2018. This represents a 42% increase in the proposed dividend from 2017.

## ShareGift

At the 2018 AGM of AIB Group plc, I advised that we had started working with a charitable organisation called ShareGift, to facilitate shareholders who wished to gift their shares or dividends to charity. During the year, nearly 1,000 shareholders donated their shares to charity, whilst 800 donated their dividends and retained their shareholding. I am happy to report that as a result of this just over €20,000 was realised from the donation of AIB shares and added to the ShareGift charitable fund for distribution to eight Irish charities.

As promised, AIB will also donate €10,000 to the ShareGift charitable fund at the end of March, being €10 per shareholder who donated their shareholding.

Our work with ShareGift continues as does our promise to donate €10 per shareholder donating their shareholding for inclusion in the charitable fund. Information on ShareGift and their charitable partners can be found at <http://www.sharegift.org/aib/>. Should you wish to donate your shareholding or dividend, you can find information on how to do so on our website at [www.aib.ie/investorrelations](http://www.aib.ie/investorrelations) alongside the AGM documentation.

## Board of Directors

Our previous CEO, Bernard Byrne, and our previous CFO, Mark Bourke, stood down from the Board earlier this year and Simon Ball will stand down at the AGM. The eight remaining Directors elected at the 2018 AGM are being put forward for reappointment.

We have been very focused on our Board succession plan in the last year or so, preparing for a number of planned retirements. Colin Hunt, Tomás O’Midheach and Sandy Kinney Pritchard were co-opted to the Board during March 2019 and are being proposed for appointment at the AGM.

## 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 each resolution.

Yours faithfully

Richard Pym  
Chairman

25 March 2019

# Notice of Annual General Meeting

The Annual General Meeting (“AGM”) of AIB Group plc (the “Company”) will be held at the Ballsbridge Hotel, Ballsbridge, Dublin 4 on Wednesday, 24 April 2019 at 11.00 am.

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 14 (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

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### 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 2018 together with the reports of the Directors and the Auditor thereon.

### Resolution 2. Dividend

To declare a final dividend of €0.17 per ordinary share for the year ended 31 December 2018 payable, if approved, on 3 May 2019 to holders of the ordinary shares on the register of members at close of business on 22 March 2019.

### Resolution 3. Remuneration of the Auditor

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

### Resolution 4. 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.

### Resolution 5. Appointment and Re-appointment of Directors

By separate resolutions, to appoint or re-appoint (as appropriate) each of the Directors listed below:

- (a) Mr Thomas (Tom) Foley;
- (b) Mr Peter Hagan;
- (c) Dr Colin Hunt;
- (d) Ms Sandy Kinney Pritchard;
- (e) Ms Carolan Lennon;
- (f) Mr Brendan McDonagh;
- (g) Ms Helen Normoyle;
- (h) Mr James (Jim) O’Hara;
- (i) Mr Tomás O’Midheach;
- (j) Mr Richard Pym; and
- (k) Ms Catherine Woods.

## Special Business

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### Resolution 6. Directors’ Remuneration Report

To consider the Directors’ Remuneration Report as set out on pages 208 to 210 of the 2018 Annual Financial Report.

### Resolution 7. Remuneration Policy

To consider the Remuneration Policy as set out on pages 205 to 207 of the 2018 Annual Financial Report.

### Resolution 8. Authority to allot shares

That the Directors be and are hereby authorised pursuant to and in accordance with Section 1021(1) of the Companies Act 2014 (as amended) and sub-paragraph 9(b)(i) of the Articles of Association of the Company in force at the time of the passing of this Resolution to allot relevant securities (within the meaning of Section 1021 of the Companies Act 2014 (as amended)) 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 2020 or 23 July 2020 (whichever shall be earlier) and for that purpose “the Section 1021 Amount” (as defined in such Articles of Association) 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 the Articles of Association of the Company in force at the time of the passing of this Resolution to allot equity securities (within the meaning of Section 1023 of the Companies Act 2014, (as amended)) 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 2020 or 23 July 2020 (whichever shall be earlier) and for that purpose “the Section 1022 Amount” (as defined in such Articles of Association) 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 with sub-paragraph 9(b)(ii) of the Articles of Association of the Company in force at the time of the passing of this Resolution (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 (as amended)) 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 2020 or 23 July 2020 (whichever shall be earlier) and for that purpose “the Section 1022 Amount” (as defined in such Articles of Association) 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 of Annual General Meeting.

#### **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 (as amended)) 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 (as amended)), 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 (as amended) 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% 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% 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 or any equivalent publication for securities admitted to trading on Euronext Dublin)); and

- (ii) the amount stipulated by Article 5(6) 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 2020 or 23 July 2020 (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 (as amended) 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 in force at the time of the passing of this Resolution. 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 2020 or 23 July 2020 (whichever shall be the 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 (as amended) and Articles 57 and 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, 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.

**Resolution 13. Cancellation of Subscriber Shares and Amendment of Memorandum and Articles of Association**

That, with effect from the conclusion of the Annual General Meeting:

- (a) the authorised share capital of the Company be reduced by €25,000, from €2,500,025,000 to €2,500,000,000, by the cancellation of all of the 40,000 subscriber shares of €0.625 each in the authorised but unissued share capital of the Company;
- (b) the existing Clause 5 of the Memorandum of Association be replaced by the following new Clause 5:  
“5. The share capital of the Company is €2,500,000,000 divided into 4,000,000,000 Ordinary Shares of €0.625 each.”;
- (c) the existing Article 3 of the Articles of Association be replaced by the following new Article 3:  
“3. The share capital of the Company is €2,500,000,000 divided into 4,000,000,000 Ordinary Shares of €0.625 each.”; and
- (d) the existing Article 4 of the Articles of Association be deleted and marked “Not Used”.

**Resolution 14. Amendment of Articles of Association**

That the Articles of Association produced to the Annual General Meeting marked with the words ‘Including all amendments as of 24 April 2019’ and signed by the Chairman for identification purposes, be approved and adopted with effect from conclusion of the Annual General Meeting as the Articles of Association of the Company to the exclusion of any Articles of Association of the Company previously in existence.

**By order of the Board**

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

25 March 2019

# 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 2018, together with the reports of the Directors and the Auditor thereon.

The financial statements for the year ended 31 December 2018 are included in the 2018 Annual Financial Report and in the 2018 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 €0.17 per ordinary share for the year ended 31 December 2018. If approved, the dividend will be paid on 3 May 2019 to holders of ordinary shares on the Company's register of members at close of business on 22 March 2019.

### Resolution 3. Remuneration of the Auditor

Resolution 3 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 2019.

### Resolution 4. Continuation in office of the Auditor

Section 383 of the Companies Act 2014 (as amended) (the "**Companies Act**") 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 continue to 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 4, which is an advisory non-binding resolution, for this purpose.

### Resolution 5. Appointment and Re-appointment of Directors

Resolution 5 relates to the appointment and re-appointment of the Directors of the Company.

Dr Colin Hunt, Ms Sandy Kinney Pritchard and Mr Tomás O'Midheach were each co-opted to the Board during March 2019 and, being eligible, offer themselves for appointment at the AGM. With the exception of Mr Simon Ball who has notified the Company of his intention to retire from office at the AGM and will not stand for re-appointment, all other Directors will retire from office at the AGM and, being eligible, offer themselves

for re-appointment. The resolutions relating to the appointment of Directors are proposed separately, as ordinary resolutions, in respect of each Director.

Save for the Directors who were co-opted to the Board in March, the performance of the Directors has been formally evaluated and each Director is considered to continue to be effective and to demonstrate commitment to the role. 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 Board considers that the contribution of each of the individual Directors and the Board as a whole is, and continues to be, important to the long-term sustainable success of the Company. The Board is pleased to recommend the appointment or re-appointment of each proposed Director.

Biographical information in respect of each of these Directors, with the exception of Ms Sandy Kinney Pritchard whose biography is addressed separately below, is provided on pages 34 to 37 of the 2018 Annual Financial Report.

Ms Sandy Kinney Pritchard is a UCD graduate, with a distinguished career across the financial services industry. She is an accountant, previously working as a senior partner at PricewaterhouseCoopers LLP and has held a number of Non-Executive Directorship roles, including at Irish Life and Permanent TSB Plc, Skipton Building Society, the FSCS, TSB Bank Plc and MBNA Ltd. Sandy is currently Non-Executive Director and Chair of the Audit Committee at Credit Suisse (UK) Ltd and Non-Executive Chair of the Board of London & Country Mortgages Ltd.

### Independent Directors

Resolutions 5(a), (b), (d), (e), (f), (g), (h), (j) and (k) relate to the appointment of Thomas (Tom) Foley, Peter Hagan, Sandy Kinney Pritchard, 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 is a controlling shareholder (that is, he 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, and, 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 5(a), (b), (d), (e), (f), (g), (h), (j) and (k) 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 5(a), (b), (d), (e), (f), (g), (h), (j) and (k) are 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 35 of the 2018 Annual Financial Report, one of the Independent Directors, Brendan McDonagh, is a former Director of the National Treasury Management Agency (“NTMA”), an entity that 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 independent.

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 bring extensive experience to and contribute to the effectiveness of the Board. The Chairman has confirmed that, with the exception of Ms Sandy Kinney Pritchard who is newly appointed to the Board, 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

The Board has 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 196 to 200 of the 2018 Annual Financial Report.

### **Special Business**

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

Resolution 6 is asking shareholders to consider the Directors' Remuneration Report for the year ended 31 December 2018, which is set out on pages 208 to 210 of the 2018 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 to consider the Remuneration Policy as set out in the Corporate Governance Remuneration Statement on pages 205 to

207 of the 2018 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 and as an acknowledgment of shareholders' right to have a say on these matters.

#### **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 2020 or 23 July 2020, 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 2020 or 23 July 2020.

#### **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 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 2020 or 23 July 2020.

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 21 March 2019, 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 being proposed as 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 as at the date of the passing of the Resolution (the "**Current Articles**"). This authority will expire on the earlier of the date of the AGM in 2020 or 23 July 2020.

As at 21 March 2019, 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 pursuant to which shareholders are being asked to maintain an existing authority in the Current Articles,

until the conclusion of the AGM in 2020, 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.

publication of this Notice of AGM until the AGM date and at the AGM for at least 15 minutes before and during the meeting.

### **Resolution 13. Cancellation of Subscriber Shares and related amendments of the Memorandum and Articles of Association**

Resolution 13 is being proposed as a special resolution authorising the cancellation, with effect from conclusion of the AGM, of all of the authorised but unissued subscriber shares of €0.625 each in the share capital of the Company (the "**Subscriber Shares**").

The Subscriber Shares were originally issued (as ordinary shares) to enable the Company to meet applicable requirements under the Companies Act 2014 as to its minimum allotted share capital for an Irish incorporated public limited company. When the Company became the holding company of the AIB group in December 2017, those ordinary shares were converted into Subscriber Shares carrying no voting or income rights and with only limited rights on a return of capital. They were subsequently redeemed at par and, accordingly, there are currently no issued Subscriber Shares. Resolution 13 therefore proposes to cancel the authorised but unissued Subscriber Shares.

Resolution 13 also proposes, subject to approval by shareholders of the cancellation and with effect from conclusion of the AGM, to tidy up the share capital clause in the Memorandum of Association and Current Articles by deleting reference to the subscriber shares and the rights attached thereto.

### **Resolution 14. Amendment of the Current Articles**

The Company regularly reviews its Articles of Association to ensure that they remain in a form appropriate for a listed public company and reflect applicable laws, Listing Rule requirements and best corporate governance practices. In Resolution 14, which is proposed as a special resolution, shareholders are being asked to adopt, with effect from conclusion of the AGM, revised Articles of Association for the Company (the "**Revised Articles**") reflecting the outcome of the most recent review. An explanation of the changes that will be effected by this resolution is set out in the Appendix to this letter.

The Revised Articles proposed for adoption at the Annual General Meeting pursuant to Resolution 14 (together with a comparison of them against the Current Articles) are available on the Company's website at <https://aib.ie/investorrelations/shareholder-information/annual-general-meeting> and a copy is available for inspection at the registered office of the Company at Bankcentre, Ballsbridge, Dublin 4 and at the offices of McCann FitzGerald, Riverside One, Sir John Rogerson's Quay, Dublin 2 during usual business hours on any day (save for Saturdays, Sundays and public holidays) from the date of

# Appendix

## Explanation of proposed amendments to the Articles of Association

Article	Item	Proposed Amendment and Rationale for Proposal
Article 1	Preliminary	It is proposed, to avoid ambiguity, to specifically identify the optional provisions of the Companies Act, 2014 (the “Companies Act”) that apply and do not apply to the Company. This amendment is proposed to provide clarity in this regard and is not intended to result in any substantive change to the rights granted or obligations imposed by the Articles.
Article 2	Definitions Section (General)	<p>General update of the “Definitions Section” to:</p> <ul style="list-style-type: none"> <li>(i) delete references to “Business Day”, “Group Law Agent”, and “Subscriber Shares”, such defined terms will no longer be used in the Revised Articles;</li> <li>(ii) update of the definition of “electronic communications” to make it clear that such term includes the delivery, giving or sending of documents by electronic mail;</li> <li>(iii) delete the definition of “Trading Day”, which is not used;</li> <li>(iv) reflect the updated legislative reference to “the 1996 Regulations”;</li> <li>(v) update the definition of “these Articles” to refer to the Revised Articles (assuming they are approved);</li> <li>(vi) include new definitions for “Memorandum” and “Register of Members”, which are capitalised terms used in the body of the Current Articles but which are not actually defined;</li> <li>(vii) include a new definition for “Euronext Dublin” and “Euronext Dublin Daily Official List” to reflect the new trading name of the Irish Stock Exchange plc;</li> <li>(viii) other minor housekeeping amendments including the tidying up of text to reflect proper use of defined terms, amending upper case terms to make these lower case terms where undefined and correcting other minor typographical errors.</li> </ul>
Article 9	Allotment of shares and disapplication of pre-emption	<p>Currently, when the Company proposes shareholder resolutions to authorise the Directors to allot shares or to disapply statutory pre-emption rights, the form of resolution makes reference to specific provisions of the Articles and incorporates those provisions into the resolution. The Company believes that this could lead to confusion, as the relevant resolution can be fully understood only by reviewing both the terms of the resolutions and the relevant provisions of the Articles. This potential for confusion has increased in recent years following the publication by the UK Pre-Emption Group of template resolutions dealing with the disapplication of pre-emption rights, as referred to in the Notice of AGM.</p> <p>Accordingly, if the Revised Articles are adopted, the provisions that would otherwise apply to the relevant resolutions will be removed from the Articles and, at future general meetings, the full text of any resolutions to authorise the Directors to allot shares or to disapply statutory pre-emption rights will be set out in the notice of meeting. The Company believes that this approach will provide greater clarity to shareholders and accords with the approach taken by the majority of Irish listed public companies.</p> <p>It should be noted that Resolutions 8 and 9 included in this Notice of AGM are proposed under the existing Articles.</p>
Article 13	Share Capital	Deletion of references to “stock exchange nominee” as this term is no longer in use following the repeal of the Companies (Amendment) Act 1977.

Article	Item	Proposed Amendment and Rationale for Proposal
Article 54	Re-issue of Treasury Shares	As is the case with respect to Article 9, when the Company proposes resolutions that would authorise it to set the reissue price range (i.e. the minimum and maximum prices) at which any treasury shares for the time being held by the Company may be re-issued, the form of resolution makes reference to specific provisions of the Articles and incorporates those provisions into the resolution. Again, if the Revised Articles are adopted, the provisions that would otherwise apply to the relevant resolution will be removed from the Articles. Instead, the full text of the resolution will need to be set out in the notice of meeting. The Company believes that this approach will provide greater clarity to shareholders and accords with the approach taken by the majority of Irish listed public companies.
Article 58	Notice of General Meetings	Update of Article 58 to ensure that the language in this Article follows the precise requirements of Section 180(1)(a) (dealing with persons entitled to notice of meetings) and 1102 of the Companies Act (dealing with the circumstances in which an extraordinary general meeting, other than one to consider a special resolution, can be called).
Article 59	Notice of General Meetings	Update of Article 59 to ensure that the content requirements prescribed for notices of general meetings of the Company more closely reflects the requirements prescribed by Section 181(5) of the Companies Act.
Article 73(e)	Calling a Poll	Article 73(e) currently provides that the demand for a poll may be withdrawn. It is proposed that this Article be updated to make it clear that withdrawal can occur only before the poll is taken and that a demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
Article 73(g)	Calling a Poll	Article 73(g) currently provides that no notice need be given of a poll not taken immediately. It is proposed that this Article be updated to provide that no notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven (7) clear days' notice shall be given specifying the time and place at which the poll is to be taken.
Article 75	Votes of Members	Update of Article 75 to allow for voting by way of use of electronic devices in order to provide flexibility for the recording of votes at general meetings of the Company. The Company has no current intention to use such devices.
Article 82	Proxies	Update of Article 82 to reflect more closely the requirements of Section 1108(3) of the Companies Act dealing with the appointment of proxies. Further update of Article 82 to make it clear that (i) appointment of a proxy will not prevent a member subsequently attending and voting in person at a general meeting and (ii) proxy appointments are also valid for adjourned meetings unless the Company is notified to the contrary.
Article 83(c)	Proxies	Update of Article 83 to provide for an administrative change affording the Company the right, subject the Companies Act, to treat a proxy as valid notwithstanding any deficiency under the Articles of Association.
Article 84	Form of Proxy	The Companies Act sets out a template form of proxy that is not in the form typically used by listed public companies. The revised Article 84 would give flexibility to the Directors to specify the form of proxy to be used, subject to complying with the requirements of the Companies Act.
Article 85	Inviting appointment of proxies	Update of Article 85 to make it clear that accidental omission to send a proxy to any member will not invalidate any proceedings at general meeting in line with standard practice of Irish public companies.
Article 87	Corporations acting by representatives	Addition of standard provision at the end of Article 87, similar to that provided for in the case of proxies under Article 86, to make clear that the Company is entitled to assume that a corporate representative remains authorised to act on behalf of its appointor unless informed otherwise in writing.

Article	Item	Proposed Amendment and Rationale for Proposal
Article 100(a) (vii)	Vacation of Office etc.	Deletion of the automatic disqualification of a director upon reaching a “specified age”.
Article 104	Powers of Directors	It is proposed to update Article 104 to clarify that any directions given by shareholders in general meeting cannot be inconsistent with the Articles or the Companies Act.
Article 110	Proceedings of meetings of Directors	<p>Insertion of clarifying provisions to the effect that where meetings are held by telephone or some other electronic communication:</p> <ul style="list-style-type: none"> <li>• such a meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, in such location as the meeting itself decides; and</li> <li>• a minute of the proceedings at such meeting by telephone or other means of communication shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the chairman of the meeting.</li> </ul>
Article 118(a), (b), (d) and (e)	Execution of Documents	It is proposed to delete Articles 118(a), (b), (d) and (e), which impose approval and execution obligations on the Company in respect of certain documents which are not typical of Irish public limited companies and which are considered by the Company to be no longer appropriate from a governance perspective.
Article 162	Untraced Shareholders	It is proposed to include a new Article 162 authorising the Company to sell the shares of untraced shareholders, being untraced for over 12 years. These shares would be sold at the best price reasonably attainable and the proceeds of such sale will be held by the Company and recorded as a permanent debt owed by the Company to the untraced shareholder. This is in line with market practice of other Irish and UK listed public limited companies.
Articles 6, 10, 18, 22, 30, 52, 53(a), 68, 73(b), 79, 97, 100(a)(v), 106, 108, 109, 119, 120, 121, 122, 132, 135, 141, 150, 152 and 159	Other	It is proposed to use this opportunity to make a small number of other “housekeeping” and/or “tidy up” amendments to these Articles, each of which are highlighted in the underlined text in the Articles of Association made available for inspection. The proposed amendments mainly pick up typographical errors, reflect proper use of defined terms and/or otherwise have a non-material impact on each individual article and on the Revised Articles as a whole.

# Shareholder Information

## Entitlement to attend and vote

1. Pursuant to Section 1105 of the Companies Act, 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, is available from [www.aib.ie/investorrelations](http://www.aib.ie/investorrelations).

## Attending in person

3. The AGM will be held at the Ballsbridge Hotel, 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, PO Box 13030, Dublin 24, Ireland or (during normal business hours) by hand to Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, 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 14 are special resolutions and require the approval of 75 percent 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, 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, 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 13 March 2019 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:

- (a) 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
- (b) a request which states the full name and address of the shareholder(s) and is sent to [secretariat@aib.ie](mailto:secretariat@aib.ie).

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.

