



AIB Group plc & Allied Irish Banks, p.l.c.

Purpose

The Board Diversity Policy ('the Policy') sets out the approach to diversity on the Boards of AIB Group plc and Allied Irish Banks, p.l.c. (collectively referred to as the "AIB Group Board").

AIB Group plc is the ultimate parent holding company of the AIB Group and the primary issuer of AIB Group's equity and debt capital instruments. Allied Irish Banks, p.l.c. is the principal operating and regulated financial services company. Appointments to the Board of AIB Group plc are coterminous with appointments to the Board of Allied Irish Banks, p.l.c. and vice versa.

Scope of Application

The Policy applies to the AIB Group Board. It does not apply to diversity in relation to employees.

Employee diversity and inclusion in the AIB Group is addressed through policy, practices and values which recognise that a productive workforce comprises different work styles, cultures, generations, ethnicity and genders, and oppose all forms of unlawful or unfair discrimination. The efficacy of related policy and practices and the embedding of company values is overseen by the AIB Group Board.

Policy Statement

The AIB Group Board recognises the benefits of having a diverse Board and embraces these benefits amongst its own members, including with regard to diversity of skills, experience, background, gender and other qualities.

The AIB Group Board is committed to achieving the most appropriate blend and balance of diversity possible over time, with focus remaining at all times on identifying the most suitable candidates. All AIB Group Board appointments are made on merit, in the context of the skills and experience the AIB Group Board as a whole requires to be effective.

The AIB Group Board's Nomination and Governance Committee (the "Committee") reviews and assesses AIB Group Board composition and has responsibility for leading the process for identifying and nominating, for approval by the AIB Group Board, candidates for appointment as directors. In reviewing AIB Group Board composition, balance and appointments, the Committee considers candidates on merit against objective criteria and with due regard for the benefits of diversity, in order to maintain an appropriate range and balance of skills, experience and background on the Board.

Measurable Objectives

The Committee will discuss and agree annually all measurable objectives for achieving diversity on the AIB Group Board and recommend them to the AIB Group Board for adoption. At any given time, the AIB Group Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

The AIB Group Board recognises that diversity in its widest sense is important, is inclusive of all individuals and is focused on ensuring a truly diverse board.

In order to address the current underrepresented gender on the AIB Group Board, a target has been set to achieve 30% female representation by the end of 2020 and thereafter, by taking opportunities to increase the number of female directors over time, where that is consistent with other skills and diversity requirements.

AIB Group is committed to having a diverse board and to ensuring an open and fair recruitment process.



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Monitoring and Reporting

The Committee is responsible for developing measurable objectives to effect the implementation of this Policy and for monitoring progress towards achievement of the objectives. The Policy and performance relative to the target will be reviewed annually by the Committee, in conjunction with AIB Group Board succession and skills planning, and any proposed changes will be presented to the AIB Group Board for approval.

This Policy will be published on AIB Group's website for public information. A summary of the Policy together with the process for the selection of candidates for appointment, the process through which this Policy will be implemented, and the progress made towards an increasingly diverse Board will also be disclosed in the Corporate Governance Statement included in the Annual Financial Report.

Approved by the AIB Group Board on 26 July 2018.