

AIB CONFLICTS OF INTERESTS POLICY

Introduction

AIB and all those working in AIB must take all reasonable steps to identify and avoid situations where conflicts of interests arise or appear to arise. Conflict of Interests situations may arise between the personal interests of our employees and the interests of our customers or of AIB itself, or between the interests of AIB and the interests of our customers. This policy provides a clear statement and standards around recognising and preventing potential conflicts of interests in the Bank. It also sets out our standards for managing conflicts of interests where they cannot be avoided.

Policy Statement

We must take all appropriate steps to prevent or avoid situations where a conflict of interests may arise or may appear to arise. It is not enough to rely on disclosure of actual or potential conflicts: pro-active steps must be taken to prevent conflicts of interests occurring in the first place.

Each of us must ensure to take positive action to prevent conflicts of interests arising, and to ensure that our personal interests do not conflict with the wider interests of AIB or its customers. We are all required to comply with both the spirit and the terms of this policy:

- Where a conflict of interests exists or is perceived to exist and cannot be avoided, it is your personal responsibility to declare that conflict to your line manager for guidance, and permission to proceed, if appropriate.
- Your manager is responsible for identifying what is required to address any conflict which arises.
- Each business area is expected to identify potential situations which may give rise to conflicts of interests in that business area, and to ensure all staff are aware of such potential situations, and the principles to be applied in addressing them.
- Where an unavoidable conflict may affect a customer, then management must ensure it is disclosed to the customer in sufficient detail to enable an informed decision.

Scope & Definition:

This policy applies to all those working in or for AIB.

This policy is designed to comply with the applicable laws and regulation in all the jurisdictions in which AIB operates.

A conflict of interests arises when there is a difference (actual or perceived) between the interests of two or more parties, (whether directly or indirectly involved) in any situation. It is the result of any activities, interests or relationships that might interfere with (or *appear* to interfere with) the ability of employees or of AIB to act in the best interests of our customers, employees or AIB as an organisation.

Standards, and how they need to be applied

1. It's important to never

- Misuse your position in AIB or use information obtained in the course of your employment to further your private interests, or those of anyone with whom you have a relationship or close links.

- Become personally involved in business or financial transactions which could be perceived as being in competition with any customer that you are dealing with as part of your job at AIB, or with AIB itself.
- Attempt to influence any bank decisions based on furthering your own interests or those of any connected parties.
- Process any banking transaction either for yourself or for a person with whom you have a relationship, including sanctioning facilities or approving or amending terms on any financial transaction. This includes accessing or viewing any customer data for non-business purposes, or without a clear business reason and the relevant business authorisation.
- Conduct banking transactions on preferential commercial terms, based on bias or personal gain
- Accept or offer bribes or facilitation payments. Any such offer made to you must be immediately reported to management. Remember all payments made by AIB require a receipt.
- Accept cash or cash equivalents, such as gift vouchers or bequests, of any amount.
- Make a political donation on behalf of AIB, even where the law permits such donations.
- Deal, or induce anyone else to deal, in financial instruments, when you possess inside information. Nor may you disclose such inside information to any other person unless such disclosure is necessary on a 'need to know' basis and it is made in the normal course of the exercise of your duties working in or for AIB.

2. Subject to permission, you may be able to do the following¹

- Engage in outside business interests.
- Take on outside employment over and above your position with the Bank. In some cases based on the role you hold within AIB a second external role may be deemed unacceptable.
- Stand for election for public office or accept a non-elected position in public office.
- Accept or offer any gifts valued at over €50/£50/\$65 (whether individual or cumulative in any 12 months from/to same donor/recipient), where you have logged the receipt with your line management. You must get pre-approval to accept/offer any gifts valued at over €200/£200/\$260 (individual or cumulative).
- Seek permission to deal in any Shares or financial instruments if you are based in a business area identified as higher risk. You shall be notified if you are subject to this requirement and informed by your business area of your obligations in this regard².
- Seek permission from your Line Manager for approval prior to dealing in Shares or financial instruments of a client of AIB, where through your role you have a client relationship³,
- Act as a company director or company secretary in a personal capacity. In such cases, permission must be requested in advance from your Leadership Team member and renewed annually, or where there is a significant change in your role at any point.
- Act as a company director on behalf of AIB. In such cases, permission is required from your Senior Management Team member. In either case, where permission is granted it is important that you have a full understanding of the role and accountabilities of the position, and are aware that:
 - Your role as a director cannot interfere with your capacity to fulfil your responsibilities in AIB.
 - You must never influence dealings with the accounts or business, or adjudicate on any loan, or exercise any discretionary authority with respect to any transaction or business dealings with any company or charitable organisation in which you act as Company Officer/Trustee in a personal capacity.
 - There are some differences in requirements for those holding a directorship in:
 - a personal capacity
 - at the behest of AIB
- You must avoid or manage actual or potential conflicts of interests if you are appointed as a Company Officer at the request of AIB.

¹ Approval levels for each type of activity are outlined in Appendix 2 and in the Conflicts of Interests register system on Request Centre. Annual renewal is required to maintain outside directorships in a personal capacity, outside employments, and outside business interests.)

² As at publication date, these business areas include Wholesale, Institutional, and Corporate Banking and Treasury. Further areas may be included or removed at later dates and will be notified accordingly.

³ By "client relationship" we mean a bank/customer relationship (e.g. the relationship between a Relationship Manager and a Borrower). It is not meant to capture personal relationships.

- You must never act as a Shadow director.
 - You must get advance approval before entering into any arrangement to provide a personal guarantee or indemnity in regard to the company.
3. **You can do the following, as long as there is not a conflict of interests, but you must always declare to your line manager** and ensure that you avoid any potential or perceived conflict which may arise.
- Hold a company officer position (i.e. director or secretary) in a personal capacity in a Not for Profit organisation or charity (e.g. registered charity, residential/maintenance company for your personal dwelling).
 - Act as an officer (i.e. chairperson, secretary, treasurer) or trustee of sporting, education, voluntary or not for profit clubs and associations (which may or may not be incorporated).
 - Participate in legitimate political and civic activities.

Remember:

These lists are not exhaustive and we should always be alert to potential situations which should be properly managed. All employees are individually responsible to ensure that any conflict of interests which may arise is properly recorded, and approved on the Conflicts of Interests register. If you are in doubt at any point as to whether your actions – or indeed your personal or professional relationships - could lead to a real or perceived conflict of interests, you should always consult your line manager for advice.

Where a conflict of interests is not properly managed, there may be serious consequences for the bank and for the individual(s) involved, and accordingly we all need to recognise that any failure to do so could lead to disciplinary action, up to and including dismissal.

If you have concerns or you have witnessed any wrongdoing in related to this policy, then you should raise these concerns with your line manager or alternatively through the Bank’s confidential ‘Speak Up’ process.

Policy Implementation

Each business area is responsible for completing an annual risk assessment of activities and processes to identify those which might give rise to potential conflict situations, and where additional management oversight is required; to monitor all registered conflicts of interests and report to senior management at least annually, and to ensure that staff members are regularly apprised of the potential risks and mitigants required.

To support effective implementation, each business area will maintain and operate effective organisational and administrative arrangements and procedures designed to prevent conflicts of interests from adversely affecting the interests of our customers. These include, but are not limited to:

- Ensuring that where an unavoidable conflict may affect a customer, then it is disclosed to the customer in sufficient detail to enable an informed decision, the customer's agreement to proceed is received in writing, and documented measures are put in place to ensure the conflict does not result in damage to the interests of the customer, the employee or the Bank⁴.
- Including an assessment of potential conflicts of interests in respect of any new products being developed.
- Setting up and ensuring the ongoing effectiveness of Information Barriers such as Chinese Walls, where the business area has been identified as requiring the operation of these.
- Identifying and notifying staff in those business areas where permission is required to deal in shares or other financial instruments at any time.
- Applying special procedures when dealing with listed companies.

⁴ Such disclosures should be reviewed by senior management periodically to ensure they are being used only in exceptional circumstances.

- Ensuring that any arrangements with intermediaries are structured and managed in such a way that they do not give rise to a conflict of interests between the intermediary and the customer, and they do not impair the intermediary's ability to act in the best interests of the customer.

Those working for the bank on an insourced/outsourced basis will need to comply with the principles set out in this policy and should refer to their line manager if they have any queries.

Guidelines and Procedures

There are detailed guidelines and procedures which you must refer to if a potential Conflict of Interests situation arises:

- Dealing in Shares or other Financial Instruments
- Holding Directorships/Company officer positions
- Gifts, Benefits and Entertainment
- Holding Public office
- Outside Employment/Business Activity
- Information Barriers

Further information is available in the following Appendices to the policy:

1. Q&As and Useful Scenarios
2. Recording and Approving Conflicts of Interests requests
3. Customer Form of Acknowledgement and Consent
4. Roles and Responsibilities
5. Glossary
6. Col Monitoring Paper

This Policy replaces and supersedes all previous versions.

Policy supporting information, such as guideline, procedures and appendices are included within the internal policy.