



AIB Group plc *(Holding Company)*

Sustainable Business Advisory Committee Terms of Reference

Reviewed by the AIB Group plc Sustainable Business Advisory Committee on 13 December 2023

Approved by AIB Group plc Board on 14 December 2023

- (A) References in this document to “**Board**” mean the Board of Directors of AIB Group plc. References in this document to “**AIB**”, “**the Group**”, or “**the Company**” mean AIB Group plc, Allied Irish Banks, p.l.c and all of its subsidiary companies combined;
- (B) AIB Group plc (“**the Holding Company**”) is the ultimate parent financial holding company in the AIB legal entity structure and it is the primary issuer of the Group’s capital instruments, including shares, equity instruments and debt instruments, and any derivatives thereof;
- (C) Allied Irish Banks, p.l.c. (“**AIB Bank**”) is the sole direct subsidiary of the Holding Company. AIB Bank continues to be the principal operating and regulated financial services company, with all other companies within the legal structure operating as subsidiaries of AIB Bank;
- (D) The Sustainable Business Advisory Committee is a Committee of AIB Group plc; and
- (E) The above definitions apply throughout this document unless the context requires otherwise.



AIB Group plc

Sustainable Business Advisory Committee Terms of Reference

1 Purpose

The Sustainable Business Advisory Committee (the “Committee”) is established by the Board of AIB Group plc as an Advisory Committee, supporting the execution of the Group’s sustainable business strategy (the “Strategy”) in accordance with the approved Group Strategic and Financial Plan.

The Strategy includes the development and safe guarding of the Group’s ‘social licence to operate’ through Environmental, Social & Governance activities, alignment with the United Nations Environmental Programme Finance Initiative (UNEPFI) Principles for Responsible Banking, UN Global Compact and AIB’s Pledge to Do More.

2 Role & Responsibilities

In fulfilling its advisory role the Committee will support the Board in overseeing the Group’s performance as a sustainable business and delivery of AIB’s sustainability strategy. Specifically, the Committee will consider and advise on the following key areas of focus as set out in the Sustainability Strategy and advise the Board as appropriate:

- 2.1 Climate & Environmental Action** -provide responsible green finance, investments and advice to drive structural change and support the transition to a low carbon future.
- 2.2 Societal and Workforce Progress**-strive to make a positive economic contribution and be a positive influence on society, improving the lives of people and their communities and helping to build a brighter and fairer future .
- 2.3 Governance and Responsible Business** -We will pride ourselves on acting responsibly with integrity and transparency, while embedding ESG capabilities and measures at the heart of our business.

In addition, the Committee will oversee the external reporting of the Group’s sustainability strategy including objectives, policies, measures and progress of implementation as well as review and challenge the Group’s annual Detailed Sustainability Report for onward recommendation to the Board for approval.

3 Committee Governance

3.1 Membership

(a) Number of Members

The membership of the Committee shall at all times comprise at least three Non-Executive Directors and three Senior Executives being, for the time being, the Chief Executive Officer, the Chief Sustainability and Corporate Affairs Officer and the Chief People Officer (or any three such other persons as may, from time to time, hold the aforementioned positions or broadly equivalent positions howsoever titled). The Head of Energy, Climate Action and Infrastructure will also be a member of the Committee. To ensure co-ordination with the work of the Board Audit Committee (“BAC”) and Board Risk Committee (“BRC”), at least one Member of the Committee shall also be a Member of the BAC and at least one Member of the Committee shall also be a Member of the BRC. ¹.

(b) Chair

An independent non-executive director selected by the Board on the recommendation of the Board’s Nomination and Corporate Governance Committee shall be the Chair of the Committee. In the absence of the Chair from any meeting, the remaining independent non-executive directors present shall elect one of their number to chair the meeting.

(c) Quorum

The quorum necessary for the transaction of business shall be three, two of whom shall be non-executive directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the powers exercisable by the Committee. A member’s participation in a meeting by video or audio conference shall be regarded as valid for these purposes.

(d) Secretary

The Head of Corporate Governance, or their nominee if approved by the Chair of the Committee, shall act as the Secretary of the Committee and attend all meetings.

¹ in times of heightened succession, it may not always be feasible to achieve this cross Membership.

(e) Attendees

A representative from the Risk Function shall be a permanent attendee. In addition the Chair may invite other persons to attend for all or part of any meeting.

3.2 Voting

The Committee shall make recommendations to the Board where relevant, based on its review and consideration of items. The Committee is an advisory body and overall responsibility for Sustainability Strategy will remain with the Board as appropriate. Notwithstanding that, where the Chair calls upon Members to vote on any issue, decisions will be by way of simple majority. In the event of a split decision, the Chair shall exercise a casting vote.

3.3 Training

The Committee shall be provided with appropriate and timely training and this may form part of the wider Board Continuous Education Programme.

3.4 Authority

The Board authorises the Committee to:

- investigate any matter falling within its terms of reference or undertake or consider on behalf of the Chair of the Board or the Board such other related tasks or topics as the Chair of the Board or the Board may from to time entrust to it, and make any recommendations to the Board which it deems appropriate on any area within its remit where action or improvement is desirable or required;
- call on whatever resources (including external advisory, professional or legal services) and information it considers necessary, at the Company's expense, and the Board directs that all Directors and all employees co-operate with any requests made by the Committee;
- seek any information it requires from any employee of the Organisation; and
- delegate any of its powers to one or more of its Members or the Secretary of the Committee.

In performing its duties the Committee shall, to the extent possible and on an ongoing basis, take account of the need to ensure that the Committee's decision making is not dominated by any one individual or small group of individuals in a manner that is detrimental to the interests of the institution as a whole.

The Committee shall ensure that due process is complied with and due consideration is given to the Risk Appetite Statement in all deliberations

3.5 Meetings and Minutes

The Committee shall meet at least four times in every year and additionally as the Chair of the Committee considers necessary or appropriate. The Chair of the Committee or any other Member of the Committee may each request that a meeting of the Committee be held at any time.

The Secretary, at the request of the Chair, shall summon meetings of the Committee. Notice shall be given to each member of the venue, time and date of each meeting. The agenda of items to be considered at each meeting, together with supporting papers, will normally be furnished to each member in advance of the meeting.

The Secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance. Draft minutes of meetings will be circulated to the Committee Chair within a reasonable timeframe following the holding of each meeting for review and comment in advance of their formal circulation to the Committee at the time of the next scheduled meeting for review and if appropriate, approval.

3.6 Reporting

The Committee shall ensure the Board is informed promptly of all matters of material concern to the Committee.

The Chair will report formally on the key aspects of the proceedings of the Committee and its recommendations to the subsequent full meeting of the Board. The minutes of each meeting will be circulated to the next Board meeting for noting, and may be circulated in draft format once approved by the Chair.

The Committee shall work and liaise as necessary with all other Committees of the Board.

Where there is a perceived overlap of responsibilities between Committees, the respective Committee Chairs shall have the discretion to agree the most appropriate Committee to fulfil any obligation.

3.7 Responsibility of Management

The Committee shall be entitled to rely on the integrity and expertise of persons providing information to the Committee and on the accuracy and completeness of such information.

Management will ensure that all information relevant to the discharge by the Committee of its responsibilities is provided to the Committee in a timely manner.

Management will also ensure that matters of material concern that are relevant to the Committee's responsibilities are brought to the attention of the Committee promptly.

3.8 Review of Operations

The Committee shall conduct a review of its effectiveness and Terms of Reference annually and make recommendations to the Board for changes where it deems them appropriate.