

RELATIONSHIP FRAMEWORK

SPECIFIED BY

THE MINISTER FOR FINANCE

IN RESPECT OF

THE RELATIONSHIP BETWEEN

THE MINISTER FOR FINANCE

AND

PERMANENT TSB GROUP HOLDINGS P.L.C.

DATED 29 MARCH 2012

AMENDED AND RESTATED AS OF 23 APRIL 2015

PREAMBLE

Permanent tsb Group Holdings plc (“**PTSBGH**”) has received significant support from the State in the context of the financial crisis because of its systemic importance to the Irish financial system. This support has taken various forms including capital injections and various guarantees. As a result of the State support measures, the State holds circa 99.22% of the ordinary shares of PTSBGH as at 23 April 2015.

It is envisaged that the State’s interest in PTSBGH will be divested as market conditions permit in a manner which protects and enhances value for the Exchequer, in so far as possible, in relation to the investment made by the State.

The legal basis for this Relationship Framework is set out in Appendix III.

The purpose of this Relationship Framework is to provide the basis on which the relationship between the Minister and PTSBGH shall be governed.

The Board has full responsibility and authority for all of the operations and business of PTSBGH in accordance with its legal and fiduciary duties and has responsibility and authority for ensuring compliance with the regulatory and legal obligations of PTSBGH (including, for the avoidance of doubt, the legal and regulatory obligations of PTSB). It is recognised that PTSB is a licensed bank that is regulated by the Central Bank and this Relationship Framework (including as it may be amended from time to time) is to be operated at all times in compliance with Regulatory Requirements.

It is further recognised that PTSBGH has shares and other instruments listed or traded on various exchanges and that PTSBGH must comply at all times with the requirements of Listing Rules and other Regulatory Requirements.

This Relationship Framework provides for safeguards as to the separate management of each of the State’s interests in Irish credit institutions (including in PTSB through PTSBGH) in order to ensure that those interests, and the management of those interests, do not lead to a prevention, restriction or distortion of competition in contravention of merger control or competition law rules.

The Minister expects the Board and management team of PTSBGH to conduct PTSBGH’s commercial operations in a prudent and sustainable manner which seeks to create a commercially oriented credit institution which recognises the need to encourage and enforce implementation of lessons learned from the financial crisis.

The Minister expects the Board and management team of PTSBGH to ensure that PTSBGH adheres to the State Agreements.

RELATIONSHIP BETWEEN THE MINISTER AND PTSBGH

1. The meanings of defined terms used in this Relationship Framework are set out in Appendix I.
2. The Minister recognises that PTSBGH remains a separate economic unit with independent powers of decision and that its Board and management team retain responsibility and authority for determining PTSBGH’s strategy and commercial policies (including business plans and budgets) and conducting its day-to-day operations. The Minister will ensure that the investment in PTSBGH is managed on a commercial basis and will not intervene in day-to-day management decisions of PTSBGH (including with respect to pricing and lending decisions). Transactions and arrangements between PTSBGH and the Minister will be conducted at arm’s length and on normal commercial terms. The Minister will not, in his capacity as shareholder in PTSBGH, take any action that would have the effect of preventing

PTSBGH from complying with its obligations under Regulatory Requirements and will not propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of Regulatory Requirements.

3. The Minister will engage with PTSBGH, including in respect of the manner in which he exercises his voting rights, in accordance with best institutional shareholder practice in a manner proportionate to the shareholding interest of the State in PTSBGH.
4. The Minister and PTSBGH agree to review the arrangements under the Relationship Framework from time to time where either party reasonably considers that changes to the Relationship Framework or to the State Agreements would be necessary or desirable to ensure that the Relationship Framework to continue to reflect the principles specified in paragraphs 2 and 3 of this Relationship Framework and to enable PTSBGH to continue to comply with Regulatory Requirements.
5. Subject to the provisions of paragraph 19 concerning confidential, commercially sensitive or personal information, the Minister expects PTSBGH to conduct its dealings with the State in a transparent, cooperative and proactive manner which fully recognises the significant level of support provided to PTSBGH since 2008.
6. The Minister may delegate the exercise of his functions, and his engagements with PTSBGH, under this Relationship Framework to a nominee to be appointed by the Minister for those purposes. The Minister shall notify PTSBGH in writing of any such delegation and appointment.
7. The views of the Minister and Department are expected to be appropriately considered by PTSBGH as part of any consultation process under this Relationship Framework. However, the Board and management team have full responsibility and authority for determining PTSBGH's strategy and commercial policies.

COMPETITION AND COMMERCIAL INFORMATION

8. The Minister will ensure that the State:
 - 8.1 manages and maintains its interest in each credit institution separately from the management of its interests in other credit institutions;
 - 8.2 does not exercise its rights in PTSBGH (including, for the avoidance of doubt, PTSB) and any rights held by the State in any other credit institution, or otherwise manage the State's interests in credit institutions, in a manner which would result in a prevention, restriction, distortion or significant lessening or impediment of effective competition or an abuse of dominance;
 - 8.3 exercises its rights in PTSBGH (including, for the avoidance of doubt, PTSB) and any rights held in other credit institutions to seek to ensure that there are no cross-directorships between such institutions; and
 - 8.4 puts in place effective barriers to prevent sensitive commercial information passing via the State between PTSBGH (including, for the avoidance of doubt, PTSB) and any other credit institution in which the State has an interest as a result of State intervention.
9. For the avoidance of doubt, each credit institution in which the state has acquired an interest, including PTSB (through PTSBGH), unless legally merged with another credit institution, continues to operate as an independent competitor in the market and sections 4 and 5 of the

Competition Act 2002 and Articles 101 and 102 of the Treaty on the Functioning of the European Union continue to apply to each credit institution on that basis.

MINISTERIAL CONSENT OR CONSULTATION

10. Where the consent of, or where consultation with, the Minister is required by PTSBGH pursuant to any Consent/Consultation Document or otherwise, PTSBGH shall submit its Consent Request or Consultation Briefing as appropriate in accordance with the Consent/Consultation procedure. Only consent issued by or on behalf of the Minister in writing (including by email) pursuant to a Consent Request shall satisfy the requirement of PTSBGH to obtain a relevant Consent under a Consent/Consultation Document.
11. If PTSBGH is unclear as to whether an action is subject to Consent or Consultation in accordance with the Consent/Consultation Procedure, PTSBGH may write to the Minister informally and outside of the Consent/Consultation Procedure to seek confirmation from the Minister in this regard. If the Minister does not respond within three Business Days, PTSBGH may assume that the action is not subject to Consent or Consultation in accordance with the Consent/Consultation procedure. No guidance given by the Minister in relation to whether Consent or Consultation is required in respect of a matter shall constitute a precedent for, or restrict the Minister from taking a different view on, another matter.

MATERIAL MATTERS

12. For the Purposes of this Relationship Framework, a matter, issue, action, decision or event shall be deemed to be “**Material**” if, in the reasonable opinion of the Board or the Chief Executive Officer of PTSBGH:
 - 12.1 it is an acquisition, investment or disposal other than in the ordinary course of business and the total purchase price, investment or proceeds is likely to exceed €50 million;
 - 12.2 it is a realisation, reorganisation, restructuring or other transaction or event other than in the ordinary course of business and the adverse impact on Core Tier 1 Capital of PTSBGH is likely to exceed €50 million (with the exception of day-to-day decision-making with respect to provisioning and impairments); or
 - 12.3 it is likely to create clear and significant reputational issues for PTSBGH, the Minister or the State and it is outside of the ordinary course of business.

ROLE OF THE BOARD

13. The Board has responsibility and necessary authority for:
 - 13.1 all of the operations and business of PTSBGH in accordance with its legal, fiduciary and prudential duties; and
 - 13.2 ensuring strict compliance with the regulatory and legal obligations of PTSBGH (including, for the avoidance of doubt, PTSB), including any obligations arising under the CIFS Scheme, the ELG Scheme, the NAMA Act, CIRA (including any orders or requirements thereunder), the Competition Act 2002 and Regulatory Requirements;
 - 13.3 ensuring that: (i) there are, at all times, a sufficient number of directors to convene and hold quorate Board meetings; and (ii) the Board (excluding the directors nominated pursuant to paragraph 20) includes a number of independent directors consistent with best practice in corporate governance; and (c) no director becomes or

remains a director of any other credit institution with a significant retail customer presence in Ireland, except where such entities are within PTSBGH's group.

BUSINESS PLAN

14. The preparation of PTSBGH's Business Plan is a primary responsibility for the Board. The Business Plan, encompassing strategy (including PTSBGH's sectoral lending plan) and appropriate financial targets, will be prepared and updated at least annually having regard to the restructuring plan. A copy of the draft Business Plan will be sent to the Minister before the Business Plan is finalised and adopted by the Board. Final responsibility for the content of the Business Plan rests with the Board.

RESTRUCTURING PLAN

15. Subject at all times to regulatory approvals and Regulatory Requirements, PTSBGH shall, insofar as it is within its power and control:
 - 15.1 implement the Restructuring Plan (as approved by the European Commission under EU State aid rules);
 - 15.2 ensure full compliance with any Commitments; and
 - 15.3 co-operate fully, and consult where required, with the Minister, the European Commission and any Monitoring Trustee in connection with the Restructuring Plan, the Approval Decision and any Commitments.
16. PTSBGH shall inform the Minister promptly of any failure, or anticipated failure to meet the Commitments.

BOARD AND SENIOR EXECUTIVE APPOINTMENTS

17. The Board will consult with the Minister in accordance with the Consultation Procedure before appointing, re-appointing or removing the Chairman or Chief Executive Officer of PTSBGH or PTSB.
18. The Minister will continue to work with the Board to strengthen its membership through the appointment of suitably qualified, independent non-executives. The Board will consult with the Minister in accordance with the Consultation Procedure in respect of any Board appointments which it proposes.
19. The Chief Executive will notify the Minister in writing of any Senior Executive appointments prior to announcement.
20. Upon receipt of a written notice from the Minister naming the proposed director(s), PTSBGH shall procure that up to two nominees of the Minister are appointed as directors of PTSBGH (the "**Minister's Nominees**"). The following provisions shall apply in relation to the Minister's Nominees:
 - 20.1 In the event that any Minister's Nominee is removed by a resolution of shareholders, or fail(s) to be re-elected by shareholders at any general meeting of PTSBGH, PTSBGH shall procure that a replacement Minister's Nominee is appointed, to the Board pursuant to the provisions of Article 91(b) of the Articles.

- 20.2 The appointment of the Minister's Nominees shall be deemed to take effect on the date of the next Board meeting of PTSBGH following the date of receipt by PTSBGH of notice from the Minister.
- 20.3 PTSBGH shall ensure that the Board has sufficient vacancies on the Board at all times to permit the appointment of the Minister's Nominees, other than in the circumstances where a resolution of shareholders of PTSBGH (a "**Shareholder Appointment Resolution**") causes the maximum number of directors provided for in the Articles to be exceeded. In these circumstances, the Board shall not recommend the Shareholder Appointment Resolution, and shall propose a shareholder resolution to increase the maximum number of directors provided for in the Articles to accommodate the appointment of the Minister's Nominees.
- 20.4 The Minister's Nominees shall be entitled to the same remuneration as the other non-executive directors of PTSBGH receive for performing the role of non-executive director.
- 20.5 The Minister's Nominees shall be permitted, subject to compliance with Regulatory Requirements, to share confidential information they receive from PTSBGH in their capacity as directors with the Minister and the Minister's officials on a confidential basis.

COMMUNICATIONS AND CO-OPERATION

21. Any confidential, commercially sensitive or personal information provided to the Minister under this Relationship Framework shall be clearly marked as such and will be treated accordingly by the Minister in accordance with the applicable law.
22. The Minister requests that all documents circulated for Board meetings of both PTSBGH and PTSTB shall be provided to the Minister at the same time as they are provided to the Board. The Minister expects that PTSBGH will also provide the Minister with information and documentation which has been reasonably requested by the Minister from time to time.
23. The Minister expects that board or the Chief Executive Officer to bring promptly to the attention of the Minister in writing any Material matter of which the board or the Chief Executive Officer becomes aware. The Minister shall not be deemed to be on notice of a matter as a result of being in receipt of other documentation, including Board papers, which relate to that matter.
24. The Minister highlights the importance of clear and consistent external communications and the minister expects that all communications by PTSBGH and the Minister will be made in this spirit. The Minister expects PTSBGH to notify the Minister in writing of any public statement relating to a Material Matter at the earliest possible opportunity prior to making the public statement, except where PTSBGH is required to make the public statement in advance of such notification in order to meet PTSBGH's legal or Regulatory Requirements.
25. Senior Management from PTSBGH will meet with Department officials on a monthly basis to discuss the achievement of the Business Plan, highlighting any material developments or trends.
26. The Minister (or his nominee) will meet with directors of PTSBGH at their reasonable request to discuss any important matters relating to PTSBGH. Similarly, the Board will meet with the Minister (or his nominee) at his reasonable request. The Board may also request to meet the Minister personally in relation to matters of appropriate importance or sensitivity.

27. Given the importance of maintaining adequate credit flows, PTSBGH will commit to keep the Minister informed of its lending plans, including in particular SME lending and any changes thereof facilitated by regular updates with Department officials. The Minister's views will be considered by PTSBGH in the context of the Board's responsibility for the assessment of credit risk and the Board's responsibility for the determination of a credit risk appetite which is appropriate for PTSBGH. The Minister will have no function in individual lending decisions or the pricing of loans, both of which remain the responsibility of the Board and management of PTSBGH.

MATERIAL LITIGATION

28. Subject always to compliance with Regulatory Requirements, PTSBGH shall keep the Minister informed promptly in writing of developments, including the terms of any settlement, in relation to any Material Litigation.
29. Prior to the conclusion of any Material Litigation to which the Minister is a party and/or before agreeing to the terms of any settlement in relation to Material Litigation to which the Minister is a party, ILPGH shall consult with the Minister in accordance with the Consent/Consultation Procedure..

REMUNERATION, INCENTIVISATION, PENSION, REDUNDANCY AND SEVERANCE ARRANGEMENTS

30. The Minister's objective is to support remuneration levels which, having regard to the capital and financial position of PTSBGH, are balanced and sufficient at all levels across organisation in the current market to attract, motivate and retain the type of experience and talent which is required to achieve the Business Plan.
31. The Minister will require that any incentive arrangements for Directors and Senior Executives are closely related to their performance, measured by the achievement of relevant targets, such targets having regard to the achievement of the Business Plan.
32. PTSBGH shall comply with all covenants relating to remuneration, incentivisation, pension, redundancy and severance arrangements under the State Agreements. Where Consent is required under the State Agreements in relation to remuneration, incentivisation, pension, redundancy or severance arrangements, PTSBGH shall submit its request for consent in accordance with the Consent/Consultation Procedure. In addition, for the avoidance of doubt, PTSBGH will continue to adhere to the CIROC guidelines and any other applicable obligations arising under the CIFS Scheme and the ELG Scheme in relation to remuneration, incentivisation, pension, redundancy and severance arrangements.

OVERSEAS OPERATIONS

33. The Minister recognises that different operating environments apply in different jurisdictions and that the overseas businesses of PTSBGH must be managed in accordance with local market conditions which may not be the same as in Ireland. The Minister will give due consideration to, and take due account of, this factor.

COMPLIANCE WITH REQUIREMENTS, COMMITMENTS AND UNDERTAKINGS

34. PTSBGH shall comply fully with all requirements, commitments and undertakings (including all commercial restrictions and obligations) under the State Agreements. In the event of a conflict between this Relationship Framework and any of the State Agreements, the latter shall prevail, subject to the changes to the State Agreements provided for in Clause 36.

MATTERS FOR CONSULTATION

35. In addition to any consultation matters referred to previously in this document, the Minister expects the Board to consult in writing with the Minister in accordance with the Consent/Consultation Procedure in respect of any of the Matters for Consultation in advance of concluding on any such matter.

AMENDMENTS TO 2011 PLACING AGREEMENT

36. The Minister recognises that, with effect from the date on which this Relationship Framework is specified:

36.1 consistent with the principle of PTSBGH operating as a separate economic unit, Paragraphs 3 (*Related Party Transactions*), 4 (*Dividends*) and 14 (*Acquisitions, Disposals, Investment or Other Transactions*) of Schedule 3 to the 2011 Placing Agreement shall cease to have any effect; and

36.2 Paragraph 7.2 (*Relationship Framework*) of Schedule 3 to the 2011 Placing Agreement shall be deemed replaced with the following text:

“The Minister may from time to time specify any amendments to, or revoke or replace, the Relationship Framework, provided that such amendments, revocations or replacements do not conflict with Regulatory Requirements. Any such amendment, revocation or replacement of the Relationship Framework will be specified or made following consultation with PTSBGH and upon the instruction, or with the agreement, of the European Commission and once specified will be notified to PTSBGH in writing.”

APPENDIX 1

INTERPRETATION

In this Relationship Framework:

“2011 Placing Agreement” means the placing agreement between PTSBGH, PTSB, the Minister and the NTMA entered into on 27 July 2011. Pursuant to Clause 9.9 of the 2011 Placing Agreement, the Minister has given notice to PTSBGH that all references in the 2011 Placing Agreement to the NTMA shall be construed as references to the Minister.

“2011 Contingent Capital Investment” means the issue by PTSB of the Contingent Capital Notes in favour of the Minister in consideration of the subscription by the Minister of EUR400 million for the Contingent Capital Notes in accordance with the Note Purchase Agreement.

“2011 Subscription” means the allotment and issue by PTSBGH of 36,249,014,972 ordinary shares of EUR0.031 each in the capital of PTSBGH at a price of EUR0.06345 per share to the Minister in consideration of the subscription by the Minister of EUR2.3 billion for such shares.

“Approval Decision” means any European Commission decision approving the Restructuring Plan under EU State aid rules.

“Articles” means the articles of association of PTSBGH as may be amended from time to time and any reference in this framework to a specific article shall be interpreted as a reference to the renumbered article following any such amendments.

“Board” means the board of directors of PTSBGH and/or PTSB as appropriate.

“Business Day” means any day other than a Saturday, a Sunday or a public holiday in Ireland.

“Business Plan” means the business plan of PTSBGH encompassing PTSBGH’s strategy (including PTSBGH’s sectoral lending plan) and appropriate financial targets which will be prepared and updated at least annually having regard to the Restructuring Plan.

“Central Bank” means the Central Bank of Ireland.

“CIFS Scheme” means the Credit Institutions (Financial Support) Scheme 2008.

“CIRA” means the Central Bank and Credit Institutions (Resolution) Act 2011.

“CIROC” means the Covered Institutions Remuneration Oversight Committee.

“Commitments” means any commitments under the Approval Decision.

“Consent/Consultation Documents” means this Relationship Framework, the Articles of PTSBGH, any of the State Agreements, the CIFS Scheme, the ELG Scheme, the NAMA Act, and CIRA, and **“Consent/Consultation Document”** shall be any one of them.

“Consent/Consultation Procedure” means the procedure set out in Appendix IV.

“Consent Request” means a request for consent submitted in accordance with the Consent/Consultation Procedure pursuant to paragraph 9 of this Relationship Framework.

“Consultation Briefing” means a consultation briefing submitted in accordance with the Consent/Consultation Procedure pursuant to paragraph 9 of this Relationship Framework.

“Contingent Capital Notes” means 10.00 per cent. Contingent Capital Tier 2 Notes due 2016.

“Department” means the Department of Finance of Ireland.

“Direction Order” means the direction order made by the High Court on 26 July 2011 pursuant to section 9 of the Credit Institutions (Stabilisation) Act 2010.

“ELG Scheme” means the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009.

“Emergency Action” has the meaning given in paragraph 5 of Appendix IV.

“EU” means the European Union.

“European Commission” means the European Commission, except in paragraph 36.2 to this Relationship Framework where it means the Directorate-General for Competition of the European Commission.

“Holding” means the Minister’s shareholding in PTSBGH from time to time.

“Key Person” means a former director or a former Senior Executive.

“Listing Rules” means listing, securities and other rules applicable to PTSBGH in relation to the listing or trading of PTSBGH’s shares or other instruments on various exchanges.

“Market Abuse Regulations” means the Market Abuse (Directive 2003/6/EC) Regulations 2005.

“Material” has the meaning given in paragraph 11 of this Relationship Framework.

“Material Litigation” means any litigation, whether commenced or contemplated, involving PTSBGH and relating to a Material matter.

“Matters for Consultation” means certain matters set out in Appendix II.

“Minister” means the Minister for Finance of Ireland and any nominee of the Minister.

“Monitoring Trustee” means any monitoring trustee appointed under the Approval Decision.

“NAMA Act” means the National Asset Management Agency Act 2009.

“Note Purchase Agreement” means a note purchase agreement between PTSBGH, PTSB and the Minister relating to the Contingent Capital Notes in the form set out in Appendix 3 to the proposed direction order.

“NTMA” means the National Treasury Management Agency.

“Personnel Matters” means matters relating to: (i) the appointment, re-appointment, or removal of the Chairman or Chief Executive Officer or proposed appointments to the Board; or (ii) remuneration arrangements, incentivisation arrangements, pension arrangements, redundancy arrangements or severance arrangements at PTSBGH.

“PTSB” means Permanent TSB plc (formerly known as Irish Life & Permanent plc).

“PTSBGH” means Permanent TSB Group Holdings p.l.c.(formerly known as Irish life & Permanent Group Holdings plc) and all direct and indirect subsidiaries of Permanent TSB Group Holdings p.l.c., including, for the avoidance of doubt, PTSB where relevant.

“Regulatory Requirements” means applicable regulatory requirements and guidance as specified by the Central Bank or other relevant regulatory authorities as appropriate including but not limited to the Transparency Regulations, the Market Abuse Regulations and the Listing Rules.

“Relationship Framework” means this relationship framework specified by the Minister.

“Relevant Information” means all information that in the reasonable opinion of the Minister is necessary and sufficient to permit the Minister to form an opinion on the Consent Request or a Consultation Briefing as appropriate.

“Restructuring Plan” means the restructuring plan for PTSBGH approved by the European Commission under EU State aid rules and by the Minister and any amended version of same that is approved by the European Commission under EU State aid rules and the Minister.

“Senior Executive” means: (i) any person in a management role who reports directly to the Chief Executive Officer; or (ii) any member of the Executive Committee.

“State” means Ireland.

“State Agreements” means the agreements and arrangements entered into between PTSBGH and the Minister and/or any other State agency or entity, including without limitation the 2011 Placing Agreement, as amended pursuant to Appendix 5 of this Relationship Framework, (the Placing Agreement) and the Minister’s Letter to the Board dated 27 June 2011 (the Minister’s Letter) (and any amendments of those agreements or arrangements made in accordance with their terms).

“Transparency Regulations” means the Transparency (Directive 2004/104/EC) Regulations 2007 (as amended).

In this Relationship Framework, any reference to a statute, statutory instrument or statutory provision shall be construed to include any statute, statutory instrument or statutory provision which modifies, consolidates, re-enacts or supersedes it.

APPENDIX 2

MATTERS FOR CONSULTATION

1. Any material acquisitions, disposals, investments, realisations, reorganisations, restructurings or other transactions.
2. The declaration or payment of dividends or distributions in respect of any classes of shares or securities.
3. The redemption or repurchase of any classes of shares or securities save in respect of securities where such redemption or repurchase is undertaken at a redemption date or repurchase date in accordance with the terms of such securities
4. The initiation by PTSBGH (as defined) of any liquidation, receivership, examinership or analogous statutory process in respect of PTSBGH or any part of PTSBGH.
5. The entry into or variation of any transaction or arrangement between PTSBGH and a Key Person or any connected person of a Key Person on terms other than normal commercial arm's-length terms. The Minister and PTSBGH shall agree a list of specified individuals for the purposes of this paragraph, and PTSBGH will keep the list updated on an ongoing basis.
6. All important actions in respect of the commencement, defence, conduct or settlement of legal proceedings to which a Key Person or any connected persons of a Key Person is a party. The Minister and PTSBGH shall agree a list of specified individuals for the purposes of this paragraph, and PTSBGH will keep the list updated on an ongoing basis.
7. Any transaction or arrangement which may be classified by the Company or the Bank as a "related party transaction" under the Listing Rules involving or for the benefit of any State entity.

APPENDIX 3

LEGAL BASIS OF THIS RELATIONSHIP FRAMEWORK

1. On 26 July 2011, the High Court made the Direction Order directing, as soon as possible after the making of the Direction Order and by no later than 29 July 2011, inter alia:
 - (a) the making of the 2011 Subscription;
 - (b) the making of the 2011 Contingent Capital Investment; and
 - (c) that PTSBGH and PTSB enter into the 2011 Placing Agreement.
2. Following the 2011 subscription, the Minister held in excess of 99% of the ordinary share capital of PTSBGH.
3. On 27 July 2011, the parties entered into the 2011 Placing Agreement pursuant to the Direction Order.
4. Under Clause 12.1 of the 2011 Placing Agreement, PTSBGH has undertaken to the Minister that PTSBGH will comply with the covenants set out in Schedule 3 of the 2011 Placing Agreement. Under Paragraph 7.1 of Schedule 3 of the 2011 Placing Agreement, subject to compliance by PTSBGH with applicable law and regulation, PTSBGH has agreed to be bound by and to comply in all respects with the terms of any relationship framework regulating the relationship between the Minister on the one hand and PTSBGH on the other hand specified by the Minister in the context of EU competition law matters.
5. In accordance with Paragraph 7.1 of Schedule 3 of the 2011 Placing Agreement, in the context of EU competition law matters, the Minister specifies this Relationship Framework to govern the relationship between the Minister and PTSBGH.
6. In accordance with Paragraph 7.2 of Schedule 3 of the 2011 Placing Agreement, the Minister may from time to time specify any amendments to, or revoke or replace, this Relationship Framework, on the instruction or with the agreement, following consultation, of the European Commission, and with notice to PTSBGH in writing.
7. In the context of PTSBGH's capital-raising and admission to a primary listing on the Main Securities Market of the Irish Stock Exchange and to a standard listing on the Main Market of the London Stock Exchange in 2015, this Relationship Framework was amended and restated and specified by the Minister on 23 April 2015.
8. This Relationship Framework is to be interpreted in accordance with Irish law and European Union law. It is without prejudice to the statutory and other rights and obligations of the Minister and PTSBGH, including their contractual rights under any of the State Agreements. This Relationship Framework will be operated at all times in compliance with Regulatory Requirements. On an ongoing basis, PTSB will continue to comply with instructions issued by the Central Bank pursuant to Regulatory Requirements. PTSBGH shall not be regarded as in breach of this Relationship Framework in respect of actions taken by PTSB to comply with Regulatory Requirements.

APPENDIX 4

CONSENT/CONSULTATION PROCEDURE

1. PTSBGH shall address a Consent Request or a Consultation Briefing in writing to the Minister clearly marked as a “Consent Request” or a “Consultation Briefing” as appropriate with a copy to the Shareholding Management Unit within the Department or as otherwise directed in writing by the Minister from time to time.
2. Consent Requests and Consultation Briefings shall be made by PTSBGH as soon as reasonably practicable by PTSBGH and an Emergency Action may not be taken if this obligation has not been complied with by PTSBGH in respect of the relevant Consent Request/Consultation Briefing. In its Consent Request or Consultation Briefing, or in any submission of further Relevant Information requested by the Minister, PTSBGH shall clearly state, in its opinion, the date by which the Minister is required to respond under the time-frame provisions set out in paragraph 4 of this Appendix.
3. PTSBGH shall furnish the Minister with all Relevant Information in PTSBGH’s power or possession at the same time as it submits a Consent Request or Consultation Briefing. The Relevant Information to be furnished by PTSBGH shall not exceed the information that is available and used by the Board and/or senior management of PTSBGH to consider the matter that is the subject of the Consent Request/Consultation Briefing, including without limitation the minutes of any relevant discussion at Board level in relation to the matter. Any insufficiency in the information submitted by PTSBGH shall be notified to PTSBGH in writing by the Minister (or the Shareholding Management Unit) within five Business Days of receipt of the Consent Request, The Consultation Briefing or the submission of information as appropriate to the extent that this is reasonably practicable. Exceptionally, the Minister may require Relevant Information from a third party, such as the Central Bank, other State Bodies or advisers. The Minister will notify PTSBGH in writing when he requires Relevant Information from a third party and indicate the expected time-frame for receipt of the Relevant Information from the third party.
4. The Minister shall respond in writing to a Consent Request or a Consultation Briefing as soon as reasonably practicable but in any event no later than:
 - (a) twenty Business Days following receipt of the Consent Request or the Consultation Briefing and all Relevant Information for Consent Requests/Consultation Briefings relating to the Business Plan or Personnel Matters; or
 - (b) ten Business Days following receipt of the Consent Request or the Consultation Briefing and all Relevant Information in all other cases.

If the Minister does not respond to a Consent Request within the applicable time-frame under this paragraph, consent will be deemed to have issued on the expiry of the applicable time-frame. If the Minister responds to a Consultation Briefing within the applicable time-frame under this paragraph, PTSBGH shall give due consideration to the Minister’s response prior to taking any further action in relation to the matter. For the avoidance of doubt, in the case of a Consultation Briefing, PTSBGH is not obliged to act in accordance with the Minister’s views. If the Minister does not respond to a Consultation Briefing within the applicable time-frame under this paragraph, PTSBGH may proceed on the basis that the Minister has no formal views on the matter.

5. Where exceptional emergency circumstances apply in which urgent action is required by PTSBGH in relation to the subject of a Consent Request/Consultation Briefing in order to meet PTSBGH’s legal, regulatory or prudential requirements (“**Emergency Action**”), the

Board shall inform the Minister immediately of the circumstances and provide the Minister with an opportunity to respond. If the Minister does not respond in a timely manner in the circumstances, PTSBGH may proceed with the Emergency Action provided the Board has:

- (a) approved the Emergency Action;
 - (b) confirmed in writing to the Minister that in its opinion the Emergency Action is required by PTSBGH to meet PTSBGH's legal, regulatory or prudential requirements; and
 - (c) minuted the basis on which the Board satisfied itself that the relevant action was classified as an Emergency Action.
6. Any Consent issued by or on behalf of the Minister pursuant to a Consent Request shall satisfy the requirement of PTSBGH to obtain a Relevant Consent under each Consent/Consultation Document.
7. Where Consent or Consultation is required by the Minister under a Consent/Consultation Document, it shall not be deemed to have been given merely by virtue of attendance by the Minister (or his nominee or representative, including any observer) at Board, committee or other meetings.