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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 you should take, you are recommended to consult your independent professional adviser, who is authorised or exempted under the European Communities (Markets in Financial Instruments) Regulations (Nos 1 to 3) 2007 (as amended) or the Investment Intermediaries Act, 1995, if you are resident in Ireland or who is authorised under the Financial Services and Markets Act, 2000 if you are resident in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside Ireland or the United Kingdom.

If you sell or have sold or otherwise transferred all of your Permanent TSB Group Holdings p.l.c. shares, please forward this document and the accompanying Form of Proxy to the purchaser or transferee or the stockbroker, or other agent through whom the sale or transfer is/was effected for onward transmission to the purchaser or transferee.

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# ANNUAL GENERAL MEETING



**Wednesday, 10 May 2017 at 11.30a.m.**

**Ballsbridge Hotel, 4 Pembroke Road, Ballsbridge, Dublin 4**

**The Group's 2016 Annual Report is available to view online at:**

**[www.permanenttsbgroup.ie](http://www.permanenttsbgroup.ie)**

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Notice of the Annual General Meeting of Permanent TSB Group Holdings p.l.c. to be held at the Ballsbridge Hotel, 4 Pembroke Road, Ballsbridge, Dublin 4, Ireland, on Wednesday, 10 May 2017 at 11.30 a.m., is set out in this document, accompanied by a Form of Proxy for use in connection with the resolutions at the meeting. To be valid, the Form of Proxy must be returned so as to be received by the Company's Registrar, Capita Asset Services, P.O. Box 7117, Dublin 2 not later than 11.30 a.m. on Monday, 8 May 2017.

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# Permanent TSB Group Holdings p.l.c.

(Incorporated in Ireland under the Companies Acts 1963 to 2013 – registered number 474438)

## Chairman's letter to members

4 April 2017

Dear Shareholder,

The Annual General Meeting ("AGM") of Permanent TSB Group Holdings p.l.c. (the "Company") will be held at 11.30 a.m. on Wednesday, 10 May 2017 at the Ballsbridge Hotel, 4 Pembroke Road, Ballsbridge, Dublin 4.

Following my recent appointment as Chairman, I am very much looking forward to meeting with many of our members at this year's AGM. I do believe that the AGM provides a worthwhile and meaningful opportunity for members to raise questions, engage with the directors and to vote on the business of the meeting.

In accordance with our standing practice, all of the resolutions at this year's AGM will be decided on a poll using the handheld voting devices that have now become a regular feature of shareholder meetings. Upon registration, ordinary shareholders (or their respective proxies) will be provided with a handheld voting device and instructions on how to use it will be provided at the meeting.

Even if you are not able to come to the meeting in person, all ordinary shareholders can still vote and I would urge all ordinary shareholders, regardless of the number of ordinary shares that you own, to complete, sign and return their proxy form as soon as possible but, in any event, so as to reach Capita Asset Services by **11.30 a.m. on Monday 8 May 2017**. Alternatively, ordinary shareholders may register their proxy appointment and voting instructions electronically via the internet, details of which are provided in the notes section on pages 10 and 11 of this document.

The Annual Report and Financial Statements for the year-ended 31 December 2016 are available to view and download from the Company's website, [www.permanenttsbgroup.ie](http://www.permanenttsbgroup.ie). You may at any time opt to receive a paper copy of the Annual Report by contacting the Company's Registrars, Capita Asset Services on 01-5530050 or by emailing [enquiries@capita.ie](mailto:enquiries@capita.ie).

The formal Notice of AGM appears on pages 6 to 9 of this document and this letter explains the 13 items to be transacted at the AGM.

### **Resolution 1: Financial Statements, Annual Report and Affairs of the Company**

Resolution 1 is asking members to receive and consider the Financial Statements and the reports of the Directors and Auditors for the year ended 31 December 2016 and a review of the affairs of the Company. It should be noted that Resolution 1 is an advisory resolution and is not binding on the Company.

### **Resolution 2: Director's Report on Remuneration**

Resolution 2 is asking members to receive and consider the Directors' Report on Remuneration as set out on pages 93 to 94 of the 2016 Annual Report. It should be noted that Resolution 2 is an advisory resolution and is not binding on the Company.

### **Resolution 3: Appointment/Re-appointment of Directors**

Resolution 3 deals with the appointment and re-appointment of Directors. In accordance with the provisions of the UK Corporate Governance Code, each of the current Directors will retire from office at the end of the AGM and will offer themselves for re-appointment. The names of the Directors together with a detailed description of the skills, expertise and experience that each of the Directors brings to the Board are set out on pages 70 to 71 of the 2016 Annual Report. A detailed description of my own skills, expertise and experience is set out on page 5 of this document as my co-option as a Director to the Board and subsequent appointment as Chairman occurred after the publication of the 2016 Annual Report.

The Board is also proposing the appointment of Mr Eamonn Crowley, the Company's Chief Financial Officer as a Director of the Company. Eamonn is an experienced career banker and will bring extensive corporate finance, treasury and financial reporting experience to the Board. A detailed description of the skills, expertise and experience for Eamonn is set out on page 75 of the Annual Report. The appointment or re-appointment of each Director will be considered separately.

The Board regularly reviews the performance of Directors and is satisfied that all the Directors proposed for re-appointment have performed effectively and have demonstrated commitment to their respective roles. My own role as Chairman and the skills, expertise and experience that I bring to the Board was subject to rigorous review and consideration by the Board and by the Company's regulators prior to my appointment.

Details of the process used to evaluate the effectiveness of the Board and of individual Directors are set out on pages 79 to 80 of the 2016 Annual Report.

#### **Resolution 4: Remuneration of the Auditors**

Resolution 4 authorises the Directors to determine the remuneration of the Company's Auditors.

#### **Resolution 5 – Board authority to allot shares**

Resolution 5 authorises the Directors to allot shares up to an aggregate nominal value of €75,024,756 (representing approximately 33% of the issued ordinary share capital of the Company as at 03 April 2017 (the latest practicable date prior to the publication of this letter)). The Directors have no current intention of exercising this authority. If adopted, this authority will expire at the conclusion of the next AGM of the Company or at midnight on the date which is 15 months after the passing of the resolution (whichever is earlier) unless previously varied, revoked or renewed. This resolution is a common one at annual general meetings of companies listed on the Official List of the Irish and/or London Stock Exchanges and is in line with institutional shareholder guidance.

#### **Resolutions 6 & 7 – Disapplication of statutory pre-emption rights in certain circumstances**

The Companies Act 2014 sets out pre-emption rights for shareholders where new equity securities (essentially ordinary shares in the case of the Company) are to be allotted for cash. The Companies Act 2014 also provides for these pre-emption rights to be modified or disapplied. The London based Pre-Emption Group has issued guidelines for such modifications or disapplications.

Resolution 6 is asking members to renew the Directors' authority to disapply the strict statutory pre-emption provisions in certain circumstances, being: (i) rights issues, open offers or other pre-emptive offers and subject thereto by way of placing or otherwise of any shares not taken up in such issue or offer; and/or (ii) for allotments (other than by way of pre-emptive offers) up to an aggregate nominal value of €11,367,387 which represents approximately 5% of the total nominal value of the Company's issued ordinary share capital as at 03 April 2017 (the latest practicable date prior to the publication of this letter). Resolution 7 is also asking members to authorise the Directors to disapply the strict statutory pre-emption provisions in additional circumstances, being for allotments (other than by way of pre-emptive offers) up to an additional aggregate nominal value of €11,367,387 which represents approximately a further 5% of the total nominal value of the Company's issued ordinary share capital as at 03 April 2017 (the latest practicable date prior to the publication of this letter) for transactions which the Directors determine to be an acquisition or specified capital investment as contemplated by the Pre-emption Group's Statement of Principles (the **Pre-emption Principles**). If adopted, these authorities will expire at the conclusion of the next AGM of the Company or on the date which is 15 months after the passing of the resolution (whichever is earlier) unless previously varied, revoked or renewed.

These resolutions are common at annual general meetings of companies on the Official List of the Irish and/or London Stock Exchanges and are in line with institutional shareholder guidance, in particular with the Pre-emption Principles. The Pre-Emption Principles were revised in March 2015 to allow the authority for an issue of equity securities for cash otherwise than in connection with a pre-emptive offer to be increased from 5% to 10% of a company's issued ordinary share capital provided that the company intends to use the additional 5% authority only in connection with an acquisition or capital investment. In May 2016, the Pre-Emption Group published template resolutions outlining good practice in requests for the disapplication of statutory pre-emption rights. These template resolutions propose separate resolutions to authorise companies to (i) dis-apply pre-emption rights up to 5% of the issued ordinary share capital and (ii) disapply pre-emption rights for an additional 5% for transactions which the Directors determine to be an acquisition or other capital investment as contemplated by the Pre-Emption Principles. In accordance with the Pre-Emption Principles, the Board confirms in relation to Resolution 7 that: (a) it intends that any use of the authority in excess of 5% of the Company's issued ordinary share capital would be only in connection with an acquisition or specified capital investment; and (b) it does not intend to issue equity securities for cash representing more than 7.5% of the Company's issued ordinary share capital in any rolling three-year period to those who are not existing shareholders. For this purpose and reflecting the Pre-emption Principles, an acquisition or specified capital investment means one that is announced contemporaneously with the issue of share capital, or that has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

#### **Resolution 8 – Authority to make market purchases**

Resolution 8 is asking members to give the Company (and its subsidiaries) the authority to make market purchases and overseas market purchases provided that the maximum number of ordinary shares authorised to be acquired shall not exceed 10% of the issued ordinary share capital in the Company as at the date of the passing of this Resolution 8. If adopted, this authority will expire on close of business on the date of the next AGM of the Company or on the date which is 15 months after the passing of the resolution (whichever is earlier) unless previously varied, revoked or renewed.

While the Directors do not have any current intention to exercise this power, this authority and flexibility is being sought as it is common practice for companies on the Official List of the Irish and/or London Stock Exchanges. Furthermore, such purchases would be made only at price levels which the Directors considered to be in the best interests of the members generally, after taking into account the Company's overall financial position.

In addition, the authority being sought from members will provide that the minimum price (excluding expenses) which may be paid for such shares shall be an amount not less than the nominal value of the shares and the maximum price will be the lower of:

- (a) 5% above the higher of the average of the closing prices of the Company's ordinary shares taken from the Irish Stock Exchange Daily Official List and the average of the closing prices of the Company's ordinary shares taken from the London Stock Exchange Daily Official List in each case for the five business days preceding the day the purchase is made (the "**Market Purchase Appropriate Price**"), or if on any such business day there shall be no dealing of ordinary shares on the trading venue where the purchase is carried out or a closing price is not otherwise available, the Market Purchase Appropriate Price shall be determined by such other method as the Directors shall determine, in their sole discretion, to be fair and reasonable; and
- (b) the amount stipulated by Article 3(2) of Commission Delegated Regulation (EU) 2016/1052 relating to regulatory technical standards for the conditions applicable to buy-backs and stabilisation (being the value of such an ordinary share calculated on the basis of the higher of the price quoted for: (i) the last independent trade; and (ii) the highest current independent purchase bid for any number of such ordinary shares on the trading venue(s) where the purchase pursuant to the authority conferred by this Resolution will be carried out).

#### **Resolution 9 - Authority to re-issue treasury shares**

Resolution 9 is asking members to give the Company the authority to re-allot treasury shares pursuant to Section 1078 of the Companies Act 2014 and the re-allotment price range at which treasury shares may be re-allotted is as follows:

- (a) the maximum price at which a treasury share may be re-allotted off-market shall be an amount equal to 120% of the Treasury Share Appropriate Price; and
- (b) the minimum price at which a treasury share may be re-allotted off-market shall be an amount equal to 95% of the Treasury Share Appropriate Price (provided always that no treasury share shall be issued at a price lower than its nominal value).

If adopted, this authority will expire on close of business on the date of the next AGM of the Company or on the date which is 15 months after the passing of the resolution (whichever is earlier), unless previously varied, revoked or renewed. (For the purpose of this resolution, "Treasury Share Appropriate Price" means the lower of the average of the closing prices of the Company's ordinary shares taken from the Irish Stock Exchange Daily Official List and the average of the closing prices of the Company's ordinary shares taken from the London Stock Exchange Daily Official List in each case for the five business days (in Dublin and in London, respectively, as the case may be) prior to the day the re-issue is made, or if on any business day there shall be no dealing of ordinary shares on the trading venue or a closing price is not otherwise available, the Treasury Share Appropriate Price shall be determined by such other method as the Directors shall determine, in their sole discretion, to be fair and reasonable).

#### **Resolution 10 – Reduction of Share Premium Account**

Under Irish company law, dividends on the ordinary shares may only be paid from distributable reserves. This requirement is independent of whether or not the Company has sufficient cash to pay a dividend. While the payment of dividends on the ordinary shares is not currently contemplated, the Company is currently unable to pay dividends due to the lack of distributable reserves and the Board believes that it is important to have the flexibility to enable the Company to resume such dividend payments at an appropriate future date, subject to the future financial performance of the Group.

Accordingly, the Company proposes to carry out a re-allocation of share premium to distributable reserves pursuant to which, subject to the confirmation of the High Court, an amount up to the full sum standing to the credit of the Company in its share premium account will be cancelled and the reserve resulting from such cancellation will be treated as profits available for distribution by the Company. If implemented, it is expected that the share premium reduction would, subject to the legal, contractual, regulatory and capital requirements referred to below, reduce the constraints on the Company, due to a lack of distributable reserves, from paying dividends on its ordinary shares at a future date should the Board deem this to be appropriate.

The share premium reduction itself will not involve any distribution or repayment of capital, share premium or reserves by the Company and will not reduce the underlying net assets of the Company and the Court will need to be satisfied that the interests of creditors are not prejudiced by the share premium reduction. Under Irish company law, the proposed share premium reduction can only be undertaken with shareholder approval (being sought in Resolution 10) and with the confirmation of the High Court (intended to be sought at an appropriate time following the AGM).

It should however be noted that the Group remains focused on the ongoing implementation of its strategy and a return to profitability, while pursuing a conservative capital management policy. In relation to dividend payments, certain regulatory and other restrictions continue to apply to the Company's ability to make such dividend payments on the ordinary shares. For example, the Company is prohibited from paying dividends to Shareholders prior to 31 December 2017 pursuant to requirements imposed by the ECB when noting the Group's Capital Plan (a position that is reviewed annually), and also without the consent of the Minister pursuant to the terms of the 2011 Placing Agreement. Accordingly, it is not expected that dividends will be declared in 2017 or 2018. The payment of any future dividend to shareholders will be dependent on the Company having sufficient distributable reserves at the time (having had regard to ongoing regulatory capital requirements) and would also be dependent on financial performance and the Board's assessment at the time of the Company's interests.

## **Resolution 11 – Cancellation of Deferred Shares**

By way of background, shareholders may recall that arising from two previous share capital reorganisations (the first in 2011 in connection with the capitalisation of the Company by the Minister, and the second in 2015 in preparation for the re-IPO and re-listing of the Company), approximately 3.6 billion deferred shares of €0.289 each were 'carved out' of the then existing ordinary shares. These deferred shares initially had no economic value, and since 2015 have little economic value. In essence, all of the equity value of the Company is carried on the ordinary shares alone. The deferred shares have, in the past, formed part of the approved regulatory capital of the Company. However, the European Central Bank and the Central Bank of Ireland will not regard the deferred shares as remaining part of the Company's regulatory capital structure going forward. Accordingly, in light of the Company's ongoing obligations to meet its ongoing regulatory capital requirements it is now necessary to cancel all of these approximately 3.6 billion deferred shares to the intent that the reserve resulting from such cancellation will form part of the Company's regulatory capital in accordance with the requirements of the European Central Bank and the Central Bank of Ireland. Accordingly, subject to this Resolution being passed, and subject to the confirmation of the High Court and subject to the approval of or no objection from the Central Bank of Ireland and the European Central Bank, it is proposed that all of the issued deferred shares be cancelled. Such cancellation will give rise to a reserve which, following a deduction for the preference capital payment to the holders of the deferred shares, shall be included in the reserves of the Company and be designated as realised profits in accordance with the Companies Act 2014.

The preference capital repayment amount payable on those c. 3.6 billion deferred shares is €1,500,000 under the terms of the articles of association of the Company. Such amount would result in a payment of €0.00042 per deferred share. We are mindful that, for many deferred shareholders, the administrative charges (particularly bank charges) associated with cashing repayment cheques may exceed the amounts payable to deferred shareholders and, accordingly, be inefficient. However, we have an obligation to pay this amount and therefore we will be making arrangements that repayment cheques may be presented and cashed without charge throughout the permanent tsb branch network (subject to presentation of valid photo-identification).

## **Resolution 12 – Cancellation of Authorised but Unissued Deferred Shares**

Resolution 12 simplifies and regularises the share capital of the Company by cancelling the authorised but unissued deferred shares.

## **Resolution 13 – Amendments to the Company's Memorandum and Articles of Association**

Resolution 13 proposes amendments to the memorandum and articles of association of the Company to reflect changes to the share capital of the Company as a result of the cancellation of the deferred shares (such amendments being those set out in Resolution 13(a) to (e) (inclusive)). In addition, Article 54 of the articles of association is being amended to retain flexibility provided for in the Companies Act 2014 (Resolution 13(g)). A copy of the updated memorandum and articles of association showing such changes, should they be passed, together with a comparison against the existing memorandum and articles of association, is available on the Company's website ([www.permanenttsbgroup.ie](http://www.permanenttsbgroup.ie)), at its registered office and at the offices of A&L Goodbody in London.

## **Recommendation**

The Board of directors are satisfied that each of the resolutions set out in the Notice of AGM are in the best interests of the Company and its members as a whole. Accordingly, your Board of directors unanimously recommends that you vote in favour of each of these resolutions to be proposed at the AGM.

Yours faithfully,



**ROBERT ELLIOTT**  
Chairman



## **ROBERT ELLIOTT - CHAIRMAN**

Robert Elliott (64) joined the Board and was appointed Chairman on the 31 March 2017 following a rigorous recruitment process undertaken by the Board Nomination Committee, details of which are set out on page 90 of the 2016 Annual Report. The Board is satisfied that on appointment Robert met (and continues to meet) the independence criteria set for directors under the UK Corporate Governance Code.

Robert recently retired as Chairman and Senior Partner of Linklaters LLP, the global law firm with a partnership of 460 members and approximately 5,500 staff. Before becoming Chairman of the firm, Robert held the position of Global Head of Banking with the firm. In this role, Robert was responsible for approximately 65 partners in 22 countries around the world and advised on major UK and international banking and restructuring projects.

Robert was Chairman of Linklaters' Partnership Board, the senior governing body responsible for all of the firm's strategic and major decisions and which also ensured that all partners were appropriately consulted. In his role as Senior Partner and as the firm's ambassador, he has also contributed widely to industry and City organisations, think tanks and community-led initiatives. He has championed greater inclusiveness and diversity within the firm and actively demonstrated a strong commitment to community engagement outside of it.

Robert Elliott has extensive experience as a consultant to companies in the banking sector and is an experienced chairman. He is also a Non-Executive Director of the TheCityUK, the lobbying group for financial and professional services businesses in the UK and brings substantial boardroom experience as a client advisor. Robert will continue to work on a part-time basis with Linklaters as Chairman Emeritus and Partner Consultant. He is also Non-Executive Chairman of Saranac Partners Limited and provides consultancy services for Alix Partners.



**NOTICE OF MEETING**  
**OF**  
**PERMANENT TSB GROUP HOLDINGS p.l.c. (the "Company")**

**NOTICE** is hereby given that the Annual General Meeting of the Company will be held at the Ballsbridge Hotel, 4 Pembroke Road, Ballsbridge, Dublin 4 on Wednesday, 10 May 2017 at 11.30 a.m. ("**AGM**") for the following purposes:

To consider and, if thought fit, to pass the following resolutions as **ordinary resolutions**:

1. To receive and consider the accounts for the year ended 31 December 2016 together with the reports of the directors and Auditors thereon and a review of the affairs of the Company.
2. To receive and consider the Directors' Report on Remuneration for the year ended 31 December 2016.
3. By separate resolutions, to appoint\* or re-appoint the following directors:
  - a) Eamonn Crowley\*
  - b) Emer Daly
  - c) Robert Elliott
  - d) Stephen Groarke
  - e) Jeremy Masding
  - f) Julie O'Neill
  - g) Ronan O'Neill
  - h) Richard Pike
  - i) Andrew Power
  - j) Ken Slattery
4. To authorise the directors to determine the remuneration of the Auditors.
5. The Directors be and are hereby generally and unconditionally authorised, pursuant to Section 1021 of the Companies Act 2014, to exercise all of the powers of the Company to allot and issue all relevant securities of the Company (within the meaning of Section 1021 of the Companies Act 2014) up to an aggregate nominal amount of €75,024,756 representing approximately 33% of the aggregate nominal value of the issued ordinary share capital of the Company as at 03 April 2017 (excluding treasury shares). The authority hereby conferred shall commence at the time of the passing of this Resolution and shall expire at the conclusion of the next AGM of the Company after the passing of this Resolution or at midnight on the date which is 15 calendar months after the date of passing this Resolution (whichever is earlier) unless and to the extent that such power is renewed, revoked, or extended prior to such date; provided that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the power conferred by this Resolution had not expired.

To consider and, if thought fit, to pass the following resolutions as **special resolutions**:

6. Subject to and conditional upon Resolution 5 of the Notice of AGM being passed, pursuant to Sections 1022 and 1023(3) of the Companies Act 2014, the Directors be and are hereby empowered to allot equity securities (within the meaning of Section 1023(1) of the Companies Act 2014) for cash pursuant to the authority to allot relevant securities conferred on the Directors by Resolution 5 of this Notice of AGM as if Section 1022(1) of the Companies Act 2014 did not apply to any such allotment, such power to be effective from the time of passing of this Resolution and shall expire at the conclusion of the next AGM of the Company after the passing of this Resolution or at midnight on the date which is 15 calendar months after the date of passing this Resolution (whichever is earlier) unless and to the extent that such power is renewed, revoked, or extended prior to such date but in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired; and such power being limited to:
  - (a) the allotment of equity securities in connection with any offer of securities, open for a period fixed by the Directors, by way of rights issue, open offer or other invitation to or in favour of the holders of ordinary shares and/or any persons having a right to subscribe for equity securities in the capital of the Company (including, without limitation, any persons entitled or who may become entitled to acquire equity securities under any of the Company's share option scheme or share incentive plans then in force) where the equity securities respectively attributable to the interests of such holders are proportional (as nearly as may be reasonably be) to the respective number of ordinary shares held by them and subject thereto the allotment in any case by way of placing or otherwise of any securities not taken up in such issue or offer to such persons as the Directors may determine; and; generally, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems (including dealing with any fractional entitlements and/or arising in respect of any overseas shareholders) under the laws of, or the requirements of any regulatory body or stock exchange in, any territory;
  - (b) and/or the allotment of equity securities up to a maximum aggregate nominal value of €11,367,387, which represents approximately 5% of the issued ordinary share capital of the Company as at the close of business on 03 April 2017;

7. Subject to and conditional upon Resolution 5 of the Notice of AGM being passed and in addition and without prejudice to or limitation of any power and authority granted under resolution 6 of the Notice of AGM, pursuant to Sections 1022 and 1023(3) of the Companies Act 2014 the Directors be and are hereby empowered to allot equity securities (within the meaning of Section 1023(1) of the Companies Act 2014) for cash pursuant to the authority to allot relevant securities conferred on the Directors by Resolution 5 of this Notice of AGM as if Section 1022(1) of the Companies Act 2014 did not apply to any such allotment, such power to be effective from the time of passing of this Resolution and shall expire at the conclusion of the next AGM of the Company after the passing of this Resolution or midnight on the date which is 15 calendar months after the date of passing this Resolution (whichever is earlier) unless and to the extent that such power is renewed, revoked, or extended prior to such date but in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired; and such power being limited to:
- (a) the allotment of equity securities up to a maximum aggregate nominal value of €11,367,387, which represents approximately 5% of the issued ordinary share capital of the Company as at the close of business on 03 April 2017; and
  - (b) 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 the Pre-Emption Rights most recently published by the Pre-Emption Group and in effect prior to the date of this Notice of AGM.
8. That pursuant to Section 1074 of the Companies Act 2014, the Company and any subsidiary of the Company be and they are each hereby generally authorised to make market purchases and overseas market purchases (in each case as defined by Section 1072 of that Act) of ordinary shares in the capital of the Company on such terms and conditions and in such manner as the Directors may determine from time to time; but subject however to the provisions of that Act and to the following restrictions and provisions:
- (a) the maximum number of ordinary shares authorised to be acquired shall not exceed 10% of the ordinary share capital in issue in the Company as at close of business on the day on which this Resolution is passed;
  - (b) the minimum price (excluding expenses) which may be paid for any ordinary share shall be an amount equal to the nominal value thereof; and
  - (c) the maximum price (excluding expenses) which may be paid for any ordinary share shall be the lower of:
    - (i) 5% above the higher of the average of the closing prices of the Company's ordinary shares taken from the Irish Stock Exchange Daily Official List and the average of the closing prices of the Company's ordinary shares taken from the London Stock Exchange Daily Official List, in each case for the five business days preceding the day the purchase is made (the "**Market Purchase Appropriate Price**"), or if on any such business day there shall be no dealing of ordinary shares on the trading venue where the purchase is carried out or a closing price is not otherwise available, the Market Purchase Appropriate Price shall be determined by such other method as the Directors shall determine, in their sole discretion, to be fair and reasonable; and
    - (ii) the amount stipulated by Article 3(2) of Commission Delegated Regulation (EU) 2016/1052 relating to regulatory technical standards for the conditions applicable to buy-backs programmes and stabilisation measures (being the value of an ordinary share calculated on the basis of the higher of the price quoted for: (i) the last independent trade, and (ii) the highest current independent purchase bid for, any number of ordinary shares on the trading venue(s) where the purchase pursuant to the authority conferred by this resolution will be carried out);
  - (d) such authority shall expire on close of business on the date of the next AGM of the Company after the date of passing this Resolution or the date which is 15 calendar months after the date of passing this Resolution (whichever is earlier), unless previously varied, revoked or renewed by special resolution in accordance with the provisions of Section 1074 of the Companies Act 2014; and
  - (e) the Company may, before such expiry, enter into a contract for the purchase of ordinary 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.
9. That for the purposes of Section 1078 of the Companies Act 2014, the re-allotment price range at which any treasury shares (as defined by Section 106 of that Act) for the time being held by the Company may be re-allotted off-market shall be as follows:
- (a) the maximum price (excluding expenses) at which a treasury share may be re-allotted off-market shall be an amount equal to 120% of the Treasury Share Appropriate Price; and
  - (b) the minimum price (excluding expenses) at which a treasury share may be re-allotted off-market shall be the nominal value of the share where such a share is required to satisfy an obligation under an employee share scheme (as defined in the Main Securities Market Listing Rules issued by the Irish Stock Exchange) operated by the Company, or in all



other cases shall be an amount equal to 95% of the Treasury Share Appropriate Price (provided always that no treasury share shall be issued at a price lower than its nominal value); and

- (c) for the purposes of sub-paragraphs (a) and (b), the expression "Treasury Share Appropriate Price" shall mean the lower of the average of the closing prices of the Company's ordinary shares taken from the Irish Stock Exchange Daily Official List and the average of the closing prices of the Company's ordinary shares taken from the London Stock Exchange Daily Official List in each case for the five business days (in Dublin and in London, respectively, as the case may be) prior to the day the re-allotment is made, or if on any business day there shall be no dealing of ordinary shares on the trading venue or a closing price is not otherwise available, the Treasury Share Appropriate Price shall be determined by such other method as the Directors shall determine, in their sole discretion, to be fair and reasonable.

The authority hereby conferred shall expire on close of business on the date of the next AGM of the Company or on the date which is 15 months of the passing of the resolution, whichever is the earlier, unless previously varied, revoked or renewed by special resolution. The Company may before such expiry make a contract for the re-allotment of treasury shares which would or might be wholly or partly executed after such expiry and may make a re-issue or re-allotment of treasury shares pursuant to any such contract as if the authority hereby conferred had not expired.

10. That, subject to and with the confirmation of the High Court in accordance with sections 84 and 85 of the Companies Act 2014, the share capital of the Company be reduced in the following manner:-
- (a) subject to (b) below, the entire of the amount standing to the credit of the share premium account of the Company immediately preceding the passing of this resolution or such lesser amount as the High Court may determine, be cancelled and extinguished such that the reserve resulting from such cancellation be treated as profits available for distribution in accordance with section 117 of the Companies Act 2014; and
- (b) the Directors of the Company (or any duly authorised committee thereof) be and they are hereby authorised to determine, on behalf of the Company, to proceed to seek the confirmation of the High Court to a reduction of the share premium account for such lesser amount or number as the Directors of the Company (or any duly authorised committee thereof) may approve in their absolute discretion, or to determine not to proceed to seek confirmation of the High Court at all in pursuance of paragraph (a) above.
11. That, subject to and with the confirmation of the High Court in accordance with sections 84 and 85 of the Companies Act 2014, and subject to any necessary consents or approvals having been obtained from the Central Bank of Ireland and the European Central Bank or the Directors of the Company (or any duly authorised committee thereof) otherwise being satisfied that the Central Bank of Ireland and the European Central Bank have no objection thereto, the share capital of the Company be reduced in the following manner:
- (a) the 3,562,883,512 issued deferred shares of €0.289 each in the capital of the Company having an aggregate nominal capital of €1,029,673,335 (being the entire of the deferred shares in issue) be cancelled and extinguished; and, of the €1,029,673,335 reserve arising as a result of such cancellation and extinguishment and subject as hereinafter provided, €1,500,000 (being the sum in the Company's articles of association referable thereto) be paid to the holders of those deferred shares pro rata and pari passu as between them and the balance of such reserve so arising (being €1,028,173,335) be treated as a realised profit in accordance with section 117 of the Companies Act 2014 provided that: (i) all fractional amounts to be distributed to a holder shall be rounded as the Directors may determine and on the basis that any amount of €0.005 or upwards (but less than €0.01) will be rounded upwards to the nearest €0.01; (ii) amounts of less than €0.01 per relevant holder will not be so distributed but shall be retained for the benefit of the Company; (iii) any amounts over €0.01 shall be paid to the relevant holders on the cancellation of the deferred shares or as soon thereafter as is reasonably practicable in accordance with the terms of article 116 of the articles of association and in any manner and circumstances permitted thereunder; and
- (b) the Directors of the Company (or any duly authorised committee thereof) be and they are hereby authorised to determine, on behalf of the Company, to proceed to seek the confirmation of the High Court of cancellation and extinguishment of the deferred shares by such lesser amount or number as the Directors of the Company (or any duly authorised committee thereof) may approve in their absolute discretion, or to determine not to proceed to seek confirmation of the High Court at all in pursuance of paragraph (a) above.

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

12. That the authorised share capital of the Company be and is hereby reduced from €25,150,599,999.94 divided into 1,550,000,000 Ordinary Shares of €0.50 each and 84,344,636,678 Deferred Shares of €0.289 each to €775,000,000 divided into 1,550,000,000 Ordinary Shares of €0.50 each by the cancellation of 80,781,753,166 authorised but unissued Deferred Shares of €0.289 each.

To consider, and if thought fit, pass the following resolutions as **special resolutions**:

13. That, subject to and conditional upon Resolution 11 and Resolution 12 of the Notice of AGM being passed the memorandum and articles of association of the Company be amended in the following manner:
- (a) Clause 5 of the memorandum of association be deleted in its entirety and replaced with the following:

"The share capital of the Company is €775,000,000 divided into 1,550,000,000 Ordinary Shares of €0.50 each.";

(b) Article 2(a) of the articles of association of the Company be deleted in its entirety and be replaced with the following:

"The share capital of the Company is €775,000,000 divided into 1,550,000,000 Ordinary Shares of €0.50 each.";

(c) Article 2(b) of the articles of association be deleted in its entirety;

(d) Article 6 (b) of the articles of association of the Company be deleted in its entirety and be replaced with the following:

"(b) The rights conferred upon the Holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by these Articles or the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith or subordinate thereto or by the purchase, redemption or acquisition by the Company of any of its own shares."; and

(e) Article 11(a) of the articles of association of the Company be deleted in its entirety and be replaced with the following:

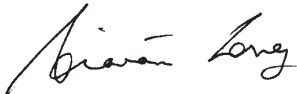
"(a) Subject to the provisions of Article 11 (b) of these Articles, every Member shall in the case of shares held in certificated form be entitled without payment to receive within two months after allotment or lodgement of a transfer to him of the shares in respect of which he is so registered (or within such other period as the conditions of issue shall provide) one certificate for all the shares of each class held by him or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable out of pocket expenses as the Directors may determine provided that the Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint Holder shall be a sufficient delivery to all of them. The Company shall not be bound to register more than four persons as joint Holders of any share (except in the case of executors or trustees of a deceased Member). Every certificate shall be sealed with the Seal and shall specify the number, class and distinguishing number (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be obliged to issue a certificate to a Member following any consolidation, subdivision or other redenomination or reorganisation of share capital, unless specifically requested in writing to do so by the Member, in which case the Company shall complete and have ready for delivery such a certificate within a period of 2 months from the date of receipt of such request by the Company."

(f) Article 116 of the articles of association be amended by the replacement of the heading thereof with the following:

"Payments to Members"

(g) Article 54 of the articles of association be amended by the replacement of the first line thereof with the following:

"The business of the annual general meeting may include:"



**Ciarán Long**

Group Secretary  
Registered Office: 56-59 St Stephen's Green, Dublin 2

04 April 2017

## AGM Notice: Notes

The following information is provided to members in accordance with Section 1103 of the Companies Act, 2014.

### **Entitlement to attend and vote**

1. Only those members registered in the register of members of the Company at 6.00 p.m. on Monday 8 May 2017 or if the AGM is adjourned, at 6.00 p.m. on the day that falls 48 hours before the time appointed for the adjourned meeting shall be entitled to attend, speak, ask questions and in respect of the number of ordinary shares registered in their name, vote at the meeting, or if relevant, any adjournment thereof. Changes in the register after that time and date will be disregarded in determining the right of any person to attend and/or vote at the meeting or any adjournment thereof.

### **Appointment of Proxies**

2. A member who is entitled to attend, speak, ask questions and vote at a general meeting of the Company is entitled to appoint a proxy to attend, speak, ask questions and vote on his or her behalf at the AGM and may appoint more than one proxy to attend on the same occasion in respect of ordinary shares held in different securities accounts. Such a member acting as an intermediary on behalf of one or more clients may grant a proxy to each of its clients or their nominees and such intermediary may cast votes attaching to some of the ordinary shares differently from other ordinary shares held by it. The appointment of a proxy will not preclude an ordinary shareholder from attending, speaking, asking questions and voting at the general meeting should such ordinary shareholder subsequently wish to do so. A proxy shall be bound by the articles of association of the Company. A proxy need not be a member of the Company. Any ordinary shareholder wishing to appoint more than one proxy should contact the Registrars of the Company, Capita Asset Services on +353 (1) 5530050.
3. A Form of Proxy for use by ordinary shareholders is enclosed with the Notice of AGM. To be effective, the Form of Proxy duly completed and executed, together with any original power of attorney or other authority under which it is executed, or a copy of such authority certified notarially or by a solicitor practising in the Republic of Ireland, must be deposited with the Registrars of the Company, either by post to Capita Asset Services, PO Box 7117, Dublin 2, Ireland or by hand to Capita Asset Services, Shareholder solutions, 2 Grand Canal Square, Dublin 2, Ireland, so as to be received in any case no later than 48 hours before the time appointed for the AGM or adjourned AGM or (in the case of a poll taken otherwise than at or on the same day as the AGM or adjourned AGM) at least 48 hours before the taking of the poll at which it is to be used. Any alteration to the Form of Proxy must be initialled by the person who signs it.
4. Alternatively, subject to the articles of association of the Company and provided it is received not less than 48 hours before the time appointed for the holding of the AGM or adjourned AGM or (in the case of a poll taken otherwise than at or on the same day as the AGM or adjourned AGM) at least 48 hours before the taking of the poll at which it is to be used, the appointment of a proxy may:
  - (a) be submitted by fax to +353 (1) 2240700, provided it is received in legible form; or
  - (b) be submitted electronically, subject to the terms and conditions of electronic voting, via the internet by accessing the AGM page on the Company's website, [www.permanenttsbgroup.ie](http://www.permanenttsbgroup.ie) or via the shareholder portal on the Capita Asset Services website [www.capitashareportal.com](http://www.capitashareportal.com); or
  - (c) be submitted through CREST in the case of CREST members, CREST sponsored members or CREST members who have appointed voting service providers. Transmission of CREST Proxy instructions must be done and authenticated in accordance with Euroclear specifications as set out in the CREST Manual and received by the Registrar under **CREST Participant ID 7RA08**.
5. In the case of a corporation, the Form of Proxy must be either executed under its common seal, signed on its behalf by a duly authorised officer or attorney, or submitted electronically in accordance with note 4.
6. On any other business which may properly come before the AGM, or any adjournment thereof, and whether procedural or substantive in nature (including without limitation any motion to amend a resolution or adjourn the meeting) not specified in this Notice of AGM, the proxy will act at his/her discretion.

### **Voting rights and total number of issued shares**

7. As an ordinary shareholder, you have several ways of exercising your vote: (a) by attending the AGM in person, (b) by appointing a proxy to attend and vote on your behalf, or (c) by appointing a proxy via the CREST system if you hold your ordinary shares in CREST. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered ordinary shareholders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
8. The total number of issued ordinary shares on the date of this Notice of AGM is 454,695,492. Each ordinary share carries one vote. On a vote on a show of hands, every ordinary shareholder present in person and every proxy has one vote (but no individual shall have more than one vote). On a poll every ordinary shareholder shall have one vote for every ordinary share of which he or she is the holder. All resolutions at the AGM will be determined on a poll. Ordinary Resolutions require to be passed by a simple majority of votes cast by those ordinary shareholders who vote in person or by proxy. Special Resolutions require to be passed by a majority of 75% of votes cast by those ordinary shareholders who vote in person or by proxy.

### **Questions at the AGM**

9. The AGM is an opportunity for members to put questions to the Chairman during the question and answer session. Before the AGM, a member may also submit a question in writing by sending a letter and evidence of their shareholding at least four business days prior to the AGM by post to the Company Secretary, at the Company's Registered Office.
10. Under Section 1107 of the Companies Act 2014, the Company must answer any question which a member 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 the Company's 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.

### **Members' right to table draft resolutions and to put items on the agenda**

11. Pursuant to Section 1104 of the Companies Act 2014, a member or a group of members holding 3% of the issued share capital, representing at least 3% of the total voting rights of all members 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 member or members meeting the qualification criteria and, if in hard copy, by being signed by the member or members); and
- (d) must have been received by the Company no later than 15 March 2017 having regard to the 42 day period specified in Section 1104. For this purpose and in accordance with Section 1104, the date of the AGM was placed on the Company's website before the end of 2016.

In addition to the above, requests must be made in one of the following ways:

- (e) a hard copy request which is signed by the member(s), stating the full name and address of the member(s) and is sent to the Company Secretary at the Company's Registered office; or
- (f) a request which states the full name and address of the member(s) and is sent to [investorrelations@permanentsb.ie](mailto:investorrelations@permanentsb.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.

12. Subject to the Companies Act, 2014 and any provision of the Company's articles of association, where a resolution is proposed as a special resolution, no amendment to the resolution (other than an amendment to correct a patent error) may be considered at the general meeting. Subject to the Companies Act, 2014 and any provision of the Company's articles of association, where a resolution is proposed as an ordinary resolution, no amendment to the resolution (other than an amendment to correct a patent error) may be considered or voted upon unless either at least forty-eight hours prior to the time appointed for holding the general meeting or adjourned meeting at which the ordinary resolution is to be proposed, notice in writing of the terms of the amendment and intention to move same has been lodged with the Company Secretary (at the Company's Registered Office), or the Chairman in his absolute discretion decides that it may be considered or voted upon.

### **Information regarding the AGM**

13. Information regarding the AGM, including information required by Section 1103 of the Companies Act, 2014, is available from [www.permanentsbgroup.ie](http://www.permanentsbgroup.ie).
14. The Ballsbridge Hotel is located on the south side of Dublin city in Ballsbridge, Dublin 4. Car parking is available at the venue and public transport from Dublin city centre is available through Dublin Bus (Routes 4, 7, 8, 18, 27x, 120) and DART (to Lansdowne Road Station).