

[Name Surname

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22 January 2015

Re: Potential damages of at least €1.8 per share recoverable in respect of your shares in PTSB GH

Dear Shareholder in Permanent TSB Group Holdings plc ("PTSB GH"),

I am writing to you as one of a group of 10,000 largest shareholders in PTSB GH (as per the register of members at 26 July 2011), who were affected by the ex parte direction order forced by the Irish Minister for Finance (the "Minister") on 26 July 2011¹. The said ex parte direction order (the "July 2011 Ex Parte Direction Order") allowed the Minister to appropriate 99.2% of the PTSB GH capital and to dilute massively the original shareholders.

A group of the PTSB GH shareholders (the "Shareholder Litigants") has been challenging the Minister in court in an effort, inter alia, to set aside the July 2011 Ex Parte Direction Order. The court proceedings against the Minister are still ongoing. However, the Shareholder Litigants have already achieved certain important milestones, including, inter alia, the following:

- Firstly, following a three-week trial, the Irish High Court has been unable to uphold the legality of the July 2011 Ex Parte Direction Order. On 12 November 2014, the High Court ordered that the Court of Justice of the European Union (the "CJEU") be asked to interpret EU law and, in effect, determine legality, i.e. compatibility with EU law, of national measures such as the said ex parte direction order. References to the CJEU are rare in Ireland. National courts must follow the CJEU rulings. Consequently, the July 2011 Ex Parte Direction Order will be set aside or varied if the CJEU rules against the Minister's position.

¹ "Ex parte" denotes an order that was made in the absence of parties affected by it and without allowing those parties an opportunity to make submissions; only the Minister was represented in Court when the order was made. The Supreme Court has determined that "*any order made ex parte must be regarded as an order of a provisional nature only*" (Hardiman J., Supreme Court, in *Adam v. Minister for Justice* [2001] 3 I.R. 53 (at p. 77)).

- Secondly, the Irish High Court has recently delivered a ruling (subject to an appeal), the consequence of which is that, should the July 2011 Ex Parte Direction Order be determined to be illegal due to its incompatibility with EU law, then the PTSB GH shareholders who were affected by the illegality of that direction order may be able to apply for damages.

Specifically, as outlined in more detail at www.ilpshareholders.com , the current state of litigation against the Minister opened a way for you to potentially claim in due course damages estimated to be at least €1.8 per share (excluding damages that are non-calculable). Please note that if you were a shareholder in PTSB GH on 26 July 2011, you then have been affected by the said ex parte direction order and, therefore, may be eligible to apply for the potential damages, even if you sold your shares subsequent to that date. On that basis, assuming that all the affected 135,000 PTSB GH shareholders joined the respective legal action, and assuming that such a legal action is successful, the total damages attributable to all the affected shareholders would then potentially amount to at least €500 million (excluding damages that are non-calculable).

Next Steps

The Shareholder Litigants believe that it is critically important that the affected PTSB GH shareholders close ranks. The more united the affected shareholders are, the more effective they can jointly be in influencing the current situation. **All the affected shareholders may benefit from extending a shareholder coalition of common interest.** Please let us know if, following the pending ruling of the Court of Justice of the European Union, you would be interested in seeking the aforementioned damages (assuming, inter alia, that the Court of Justice of the European Union rules in favour of the position of the affected shareholders in PTSB GH). **Please provide your feedback via the feedback form available at: www.ilpshareholders.com/your_feedback.php** By providing your feedback, you will contribute towards extending a shareholder coalition of common interest. Additionally, please do not hesitate to contact us if you have any questions. We would be happy to arrange a call or a meeting to discuss this matter further.

The information provided in this letter is provided for general information purposes only and does not constitute a legal or professional advice or an offer or solicitation of any sort. Also, this letter is written without prejudice to the currently ongoing court proceedings. Nothing in this letter should be misconstrued as contradicting the claims, averments or submissions made by the Shareholder Litigants during the court proceedings.

Yours faithfully,



Flynn & O'Donnell Solicitors
Jonathan Flynn, Managing Partner