

INSTALMENT SAVINGS Terms and Conditions

- 1. General**

These Terms and Conditions replace the Terms and Conditions dated 1 January 2002 and apply to each new or renewed Instalment Savings Agreement entered into on or after 1 August 2007, including Instalment Savings Agreements made under "Childcare Plus". The Instalment Savings Scheme is authorised under Section 53 of the Finance Act 1970 and is operated by An Post and permanent tsb, acting as agents for the National Treasury Management Agency.
- 2. Monthly Saving**

Under this Instalment Savings Scheme, an individual agrees to save stated monthly instalments (an "Instalment Savings Agreement"). The monthly instalment must be of an amount not exceeding €1,000, subject to a minimum of €25 per month. The amounts saved in each 12 month period (a "Contribution Period") may be held on deposit for a subsequent period of up to five years and shall earn interest under the terms specified below with effect from the first day of the month following completion of the relevant Contribution Period. No interest is payable during the Contribution Period. Interest is calculated thereafter on an annual basis (see Paragraph 6 below). Investors may cease their Instalment Savings Agreement at any time. The amount of the monthly instalment can only be changed for each new Contribution Period by notifying An Post prior to the beginning of the new Contribution Period.
- 3. Contribution Period and Automatic Renewal**

The period of deposit during which interest is earned on the amount contributed in any Contribution Period commences on the first day of the month following completion of the relevant Contribution Period. The next Contribution Period commences automatically on the same day. New agreements or renewal of
- current agreements will be subject to the Terms and Conditions prevailing on the date of the new or renewed Instalment Savings Agreement.
- 4. Eligibility**

Instalment Savings Agreements may be entered into by any individual who has reached the age of seven or by two or more such individuals jointly. Instalment Savings Agreements may also be held in trust for another individual or individuals and may be made on behalf of a child under 7 years of age. Corporate bodies are ineligible except where acting as trustees on behalf of beneficiaries who are natural persons.
- 5. Joint or Additional Agreements**

The maximum monthly instalment in a joint Instalment Savings Agreement is €1,000 regardless of the number of investors. Additional Instalment Savings Agreements may be entered into at any time provided that the maximum monthly instalment of any individual, howsoever contributed, whether alone or together with other individuals, shall not exceed €1,000.
- 6. Guaranteed Interest Rates**

The amount due on a repayment shall be:

 - the total amount of instalments contributed, where repayment is made on or before completion of the Contribution Period, without interest thereon: or,
 - as appropriate, the total amount of instalments contributed during the Contribution Period together with interest accumulating thereon at the following rates:
3.0% after 1 year on deposit
5.8% cumulative after 2 years on deposit
9.3% cumulative after 3 years on deposit
14.0% cumulative after 4 years on deposit
20.0% cumulative after 5 years on deposit
- 7. Tax Exemptions**

In Ireland, any interest payable under an Instalment Savings Agreement is exempt from Income Tax, Capital Gains Tax and Deposit Interest Retention Tax and is not returnable as income to the Revenue Commissioners. Investors should note that in the event of any transfer of benefit of an Instalment Savings Agreement to another party (see Paragraphs 15 and 16 below), a liability to Capital Acquisitions Tax may arise.
- 8. How to Join the Scheme**

Complete the Instalment Savings Agreement attached hereto. Completed applications, together with the first instalment, may be lodged at any Post Office which transacts savings business or any branch of permanent tsb, or sent direct to An Post, Inpayments, 3D, GPO, Dublin 1. For Group Scheme savers (see Paragraph 12 below), the completed application form should be returned to your employer.
- 9. When Instalments are Due**

The first instalment is payable when the Instalment Savings Agreement is entered into. Subsequent instalments must be paid during each succeeding month for a total period of 12 months.
- 10. Missed Instalments**

The total amount saved during any Contribution Period shall comprise the instalments which have been paid in each of the 12 months of the Contribution Period. Payments may be made at any time during each of the relevant months. If, however, an investor fails to pay any instalment during the appropriate month, that amount will not be accepted at a future date. Back payments are not allowed. However, savers can resume the payment of instalments in the normal way in the following month.

INSTALMENT SAVINGS Terms and Conditions (Continued)

11. Payments

Instalments may be paid:

- at any Post Office which transacts savings business or through any branch of permanent tsb;
- by arrangement with your employer under a Group Savings Scheme (see Paragraph 12 below);
- by bank direct debit;
- by post to An Post, Inpayments, 3D, GPO, Dublin 1.
- by electronic funds transfer by arrangement with An Post; or
- by any other method approved by An Post.

12. Group Savings Schemes

Group Savings Schemes, where instalments are deducted from investors' pay and remitted to An Post, may be operated by employers on behalf of their employees. Instalments may be paid on a weekly, fortnightly or monthly basis by members of such schemes, but subject always to the limits prescribed in Paragraphs 2 and 5 hereof. Application forms for Group Savings Schemes may be obtained directly from An Post at the address given in Paragraph 8 above. Completed application forms and notifications to change the amount of the monthly instalment should be given to the employer operating the Group Savings Scheme prior to the commencement of the Contribution Period. Notification to terminate an individual's participation in a Group Savings Scheme should be sent to An Post, Repayments, 3A, GPO, Dublin 1.

13. Withdrawals before Completion of the Contribution Period

Where, before the Contribution Period has been completed, an investor wishes to withdraw his or her instalments, 7 working days notice of withdrawal to An Post, Repayments, 3A, GPO, Dublin 1 will be required. Withdrawals during the Contribution Period will have the effect of terminating the relevant Instalment Savings Agreement and no further instalment payments will be accepted. Investors may, however, commence a new Instalment Savings Agreement by completing a new application form. In the case of Group Savings Schemes, one month's prior notice of withdrawal to An Post is required

during the Contribution Period. New applications under a Group Savings Scheme will be accepted only at the commencement of a new Contribution Period for that Scheme.

14. Withdrawals after Completion of the Contribution Period

- (a) Withdrawals of the amount saved after completion of any Contribution Period may be made on giving 7 working days notice to An Post, Repayments, 3A, GPO, Dublin 1. Withdrawals may be made in whole or in part and the amount saved which remains on deposit after any withdrawal shall continue to accumulate interest as set out in Paragraph 6.
- (b) Children aged 7 years and under 18 years may make withdrawals only with the consent of their parents or legal guardians. In the case of children aged less than 7 years, withdrawals may only be made by the parents or legal guardians.
- (c) Where withdrawals are made after the Contribution Period and before or between any anniversary dates (the first such anniversary date being the day which falls one year after the date of completion of the Contribution Period) interest at the appropriate Post Office Savings Bank deposit rate will be paid on the amount due to an investor for each calendar month since the completion of the Contribution Period or, as appropriate, since the last anniversary date up to and including the month preceding withdrawal. Post Office Savings Bank deposit rates are likely to be lower than the Instalment Savings average annual rate of interest and so the average annual rate of return will be lower if a withdrawal is made otherwise than on anniversary dates.
- (d) In relation to Instalment Savings Agreements entered into by two or more investors, withdrawals must be authorised by all investors.

15. Repayment on Death

The amount due on repayment shall be payable to the executor, administrator or other person lawfully entitled to administer the estate of the deceased investor and interest shall accrue

in the normal manner up to the time of repayment provided however that, in the case of Instalment Savings Agreements held jointly by two or more investors, upon the death of any one such investor the interest of that investor shall pass to the surviving investor or investors and it shall be presumed for such purposes that the interest of all investors in the Instalment Savings Agreement were held equally.

16. Transferability

An Instalment Savings Agreement or its benefits may not be assigned or otherwise transferred, save upon death as provided in Paragraph 15 above.

17. Evidence of Identity

Reasonable evidence of identity to establish the entitlement of any person to receive a payment or, as the case may be, to obtain the transfer of an Instalment Savings Agreement may be required by An Post for the purposes of these Terms and Conditions.

18. Extension of Instalment Savings Schemes

An investment in Instalment Savings is for the period specified in Paragraph 2 above. At the end of that period, it may or may not be extended for a further period or periods at the absolute discretion of the National Treasury Management Agency. Any extension shall be on such Terms and Conditions as may be determined by the National Treasury Management Agency at the appropriate time.

19. Registers

Registers of Instalment Savings Agreements will be kept by An Post, Inpayments, 3D, GPO, Dublin 1 and permanent tsb. An Post and permanent tsb may but shall not be obliged to enquire as to whether any person as recorded in any such Register is acting in the capacity of trustee or agent or otherwise in a fiduciary capacity for any other party. Permanent tsb is a trading name of IL&P plc which is regulated by the Financial Regulator.

National Treasury Management Agency
1 August 2007