

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of The Co-operative Bank p.l.c. will be held at 1 Angel Square, Manchester, M60 0AG on Friday, 15 November 2013 at 12.00 p.m. to consider and, if thought fit, pass the following resolutions:

### Special Resolutions

1. THAT the articles of association set out in the printed document produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company with immediate effect.

2. THAT:

- (1) Each of the 8,200,000,000 issued ordinary shares of £0.05 each in the capital of the Company in issue at the date of this resolution be re-designated as an A Ordinary Share having the rights and restrictions set out in (2) below with immediate effect;

- (2) A Ordinary Shares

The A Ordinary Shares shall have the same rights, be subject to the same restrictions and rank on the same basis as Ordinary Shares of £0.05 each in the capital of the Company as set out in the Articles of Association of the Company from time to time (the **Articles**) save that in the event of a conflict between this paragraph (2) and the Articles, the provisions of this paragraph (2) shall prevail unless expressly provided otherwise.

- (a) Income

The A Ordinary Shares shall rank *pari passu* with, and have the same rights to receive income as, the Ordinary Shares.

- (b) Capital

On a return of capital on a winding-up (excluding any intragroup reorganisation on a solvent basis), the holders of the A Ordinary Shares shall rank *pari passu* with, and have the same rights to capital as, the Ordinary Shares.

- (c) Attendance and voting at general meetings

- (i) The holders of the A Ordinary Shares shall be entitled to receive notice of any general meeting of the Company and to attend, speak and vote at any such general meeting.

- (ii) Whenever the holders of the A Ordinary Shares are entitled to vote at a general meeting of the Company, on a show of hands every holder thereof who (being an individual) is present in person or (being a corporation) by a representative shall have one vote, and on a poll every such holder shall have such number of votes as he would be entitled to exercise had he been the holder of the same number of Ordinary Shares as the number of A Ordinary Shares registered in the name of such holder immediately prior to such meeting.

- (d) Conversion into Deferred Shares

Each A Ordinary Share shall be subject to the provisions of the Companies Act 2006 (the **Act**) and on the date of settlement of the liability management exercise described in the announcement made by the Company and Co-operative Group Limited on 4 November 2013 (the **LME**), shall be re-designated as a Deferred Share having the rights and being subject to the restrictions set out in paragraph (3) below.

(3) Deferred Shares

Each Deferred Share shall confer upon the holder the following rights and restrictions save that in the event of a conflict between this paragraph (3) and the Articles, the provisions of this paragraph (3) shall prevail unless expressly provided otherwise:

- (a) each Deferred Share:
  - (i) does not entitle its holder to receive any dividend or distribution declared, made or paid or any return of capital (save as provided in (a)(ii) below) and does not entitle its holder to any further or other right of participation in the assets of the Company;
  - (ii) subject to the special rights conferred upon the holders of any class of shares issued with preferred or other special rights (including the holders of 9.25 per cent. Non-Cumulative Irredeemable Preference Shares of £1 each), entitles its holder to participate on a return of assets on a winding up of the Company, such entitlement to be limited to the repayment of the amount paid up or credited as paid up on such share and shall rank *pari passu* and *pro rata* with any payments to be made to the holders of any and all Ordinary Shares then in issue pursuant to the respective terms of issue of such shares;
  - (iii) does not entitle its holder to receive a share certificate in respect of his or her shareholding, save as required by law;
  - (iv) does not entitle its holder to receive notice of, nor attend, speak or vote at, any general meeting of the Company; and
  - (v) shall not be transferable at any time other than with the prior written consent of the directors or as set out below;
- (b) on the Deferred Shares being gifted to the Company immediately following the issue of new Ordinary Shares to noteholders pursuant to the LME, those shares be cancelled in accordance with paragraphs (c) and (g) below and the nominal value credited to the Company's capital redemption reserve.
- (c) the Company shall have the irrevocable authority to authorise and instruct the Secretary of the Company (or any other person appointed for the purpose by the board of directors) as agent for the holders of the Deferred Shares to:
  - (i) acquire the Deferred Shares otherwise than for valuable consideration in accordance with section 659(1) of the Act;
  - (ii) immediately following such acquisition of the Deferred Shares by the Company, reduce the share capital of the Company by cancelling the Deferred Shares in accordance with section 662(1)(c) of the Act; and
  - (iii) execute and do all such deeds, documents, acts and things as may be necessary to give effect to the actions contemplated by this paragraph (c);
- (d) any authorisation and instruction by the Company in accordance with (c) above may be made by a resolution of the board of directors;
- (e) the Company shall have the irrevocable authority to appoint a single holder or any other person on behalf of all holders of Deferred Shares to exercise any vote to which holders of Deferred Shares may be entitled in any circumstances for any other matter connected to the Deferred Shares;
- (f) the rights attached to the Deferred Shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or *pari passu* with or subsequent to such shares, any amendment or variation of the rights of any other class of shares of the Company, the

Company reducing its share capital or surrender or purchase of any share, whether a Deferred Share or otherwise; and

- (g) the Company shall have the irrevocable authority to cancel any Deferred Share without making any payment to the holder and such cancellation shall not be deemed to be a variation or abrogation of the rights attaching to such Deferred Share

### **Ordinary Resolution**

3. THAT:

- (a) in connection with the allotment of additional preference shares to each holder in lieu of cash payment due on 30 November 2013 (under the terms of the preference shares contained within the articles of association of the Company), the directors be authorised to allot preference shares in the Company or grant rights to subscribe for, or convert any security into, preference shares in the Company in accordance with article 10 of the Company's articles of association, up to a maximum nominal amount of £3,700,000; and
- (b) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution.

Dated 4 November 2013

By order of the board,



**Richard Pym**  
*Chairman*

*Registered office:*

The Co-operative Bank p.l.c.  
PO Box 101  
1 Balloon Street  
Manchester  
M60 4EP

### **Notes:**

1. A member of the Company is entitled to appoint a proxy to exercise all or any of his rights to attend and to speak and vote instead of him at the meeting. A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company.
2. All resolutions will be put to vote on a poll. This will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised, including the votes of all shareholders who are unable to attend the meeting but who appoint a proxy for the meeting. On a poll, each shareholder has one vote for every share held.
3. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

