

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF HOLDERS. IF HOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 IMMEDIATELY.

THE CO-OPERATIVE BANK p.l.c.

(incorporated in England and Wales with registered number 990937)

(the “**Bank**”)

NOTICE OF A MEETING

of the holders of those of the

£110,000,000

13 PER CENT. PERPETUAL SUBORDINATED BONDS

(ISIN: GB00B3VH4201)

of the Bank presently outstanding
(the “**Holders**” and the “**13% Bonds**” respectively).

NOTICE IS HEREBY GIVEN that a Meeting of the Holders convened by the Bank will be held at Holiday Inn London (Bloomsbury), Coram Street, London WC1N 1HT on Wednesday, 11 December, 2013 at 2.00 p.m. (London time) for the purpose of considering and, if thought fit, passing the following resolution (the “**Resolution**”) which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed dated 1 August 2009 (the “**Trust Deed**”) made between the Bank and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”) as trustee for the Holders and constituting the 13% Bonds (the “**Proposal**”).

EXTRAORDINARY RESOLUTION

"THAT this Meeting of the holders of the £110,000,000 13 per cent. Perpetual Subordinated Bonds of The Co-operative Bank p.l.c. presently outstanding (the “**13% Bonds**” and the “**Bank**” respectively) constituted by the Trust Deed dated 1 August 2009 (the “**Trust Deed**”) made between the Bank and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”) as trustee for the holders of the 13% Bonds (the “**Holders**” or “**holders**”) hereby:

1. assents to and sanctions the modification of the Terms and Conditions of the 13% Bonds as set out in Schedule 1 to the Trust Deed by the insertion of the following new Condition 19:

"19. MANDATORY EXCHANGE OPTION

- 19.1 The Issuer may, upon giving not less than one day’s prior notice to the Bondholders and the Trustee in accordance with Condition 19.7 below, at its option and without the consent or approval of the Bondholders or the Trustee, require and effect (having regard to Conditions 19.3 and 19.4 below) the mandatory transfer of the legal and beneficial title to, and all interests in, all outstanding Bonds (other than Excluded Bonds) to Co-operative Group, on the terms set out in this Condition 19 (the “**Mandatory Exchange Option**”).
- 19.2 The mandatory transfer of a holder’s Bonds (other than Excluded Bonds) to Co-operative Group will be effected on the date specified in the notice referred to in Condition 19.1 (the “**Settlement Date**”) either:
 - (a) by way of exchange of such holder’s Bonds for a principal amount of Final Repayment Notes equal to the principal amount of Final Repayment Notes which such holder would have received had those Bonds been exchanged for Final Repayment Notes in the Exchange Offer

(on the same terms as those on which Bonds are exchanged for Final Repayment Notes in the Exchange Offer); or

- (b) by way of sale to Co-operative Group in consideration for a cash consideration which will be paid in twelve equal instalments over twelve years up to (and including) 2025, and which will be represented by a principal amount of Instalment Repayment Notes equal to the principal amount of Instalment Repayment Notes which such holder would have received had those Bonds been sold to Co-operative Group in the Exchange Offer (on the same terms as those on which Bonds are sold to Co-operative Group in the Exchange Offer).

- 19.3 Where any such holder of Bonds (other than Excluded Bonds) has, in accordance with the procedures of the Liability Management Exercise, validly elected which Group Notes it would prefer to receive upon the transfer of its Bonds to Co-operative Group, such holder shall be entitled to receive such Group Notes.
- 19.4 Where a holder of Bonds (other than Excluded Bonds) has not validly elected (in accordance with the procedures provided under the Liability Management Exercise) which Group Notes it would prefer to receive upon the transfer of its Bonds to Co-operative Group, then (i) if (in the Liability Management Exercise) the nominal amount of Bonds which are the subject of elections to receive Final Repayment Notes is greater than the nominal amount of Bonds which are the subject of elections to receive Instalment Repayment Notes, such holder will receive Final Repayment Notes, or (ii) if (in the Liability Management Exercise) the nominal amount of Bonds which are the subject of elections to receive Instalment Repayment Notes is greater than the nominal amount of Bonds which are the subject of elections to receive Final Repayment Notes, such holder will receive Instalment Repayment Notes. In the event that elections for Final Repayment Notes and Instalment Repayment Notes are identical (in terms of nominal amount), the holder will receive Final Repayment Notes.
- 19.5 In addition, holders of the Bonds which are transferred to Co-operative Group pursuant to this Condition 19 will be entitled to receive accrued interest on their Bonds for the period from (and including) 31 July 2013 to (but excluding) the Settlement Date.

Holders of Bonds will also separately be entitled to receive the deferred interest payment originally scheduled for 31 July 2013 upon settlement of the Liability Management Exercise. This italicised text is for information only and does not form part of these Conditions.

- 19.6 The Issuer shall procure the issue of the Group Notes by Co-operative Group on the Settlement Date.
- 19.7 Notwithstanding Condition 12 and any other provision in these Conditions as regards the giving of notices, the notice referred to in Condition 19.1 shall be validly given upon the publication of such notice on the Regulatory News Service (RNS) operated by the London Stock Exchange plc, and shall be deemed to have been given on the date of such publication. The Issuer will, in addition, procure that the notice be mailed to the Bondholders at their respective addresses in the register of Bondholders maintained by the Registrar.
- 19.8 This Condition 19 shall apply notwithstanding any other provision of these Conditions. In the event of any inconsistency between this Condition 19 and any other provision of these Conditions, this Condition 19 shall prevail.
- 19.9 In this Condition 19:

“Co-operative Group” means Co-operative Group Limited;

“Exchange Offer” means the invitation to holders of Bonds to offer to exchange or sell their Bonds in the Liability Management Exercise;

“Excluded Bonds” means those Bonds which are being exchanged or sold pursuant to the Exchange Offer on or around the Settlement Date.

“Final Repayment Notes” means sterling-denominated 11 per cent. Final Repayment Subordinated Notes due 2025 (ISIN: GB00BFXW0630) to be issued by Co-operative Group and guaranteed (on a subordinated basis) by certain of its subsidiaries;

“Group Notes” means the Final Repayment Notes and the Instalment Repayment Notes;

“Instalment Repayment Notes” means sterling-denominated Instalment Repayment Subordinated Notes (ISIN: GB00BFXWHQ29) having their last payment date in 2025, to be issued by Co-operative Group and guaranteed (on a subordinated basis) by certain of its subsidiaries; and

“Liability Management Exercise” means the liability management exercise (in respect of, amongst other securities, the Bonds) described in the announcement made by the Issuer and/or Co-operative Group on or around 4 November 2013.”

2. assents to and sanctions, to the fullest extent permitted by law and under the Trust Deed, in respect of all holders of 13% Bonds:
 - (a) the release, to the fullest extent permitted by law, of all Relevant Persons (as defined below) and each of them from any liabilities in relation to or arising in connection with the preparation, negotiation or implementation of the Liability Management Exercise (as defined above) or any part thereof;
 - (b) the waiver, to the fullest extent permitted by law, of all rights and entitlement that the holders or any of them may otherwise have or acquire to bring, participate in or enforce legal proceedings of any nature against the Relevant Persons or any of them in connection with the Liability Management Exercise and/or their 13% Bonds;
 - (c) (following the transfer of the holders’ 13% Bonds to Co-operative Group (as defined above) and upon delivery of the relevant Group Notes (as defined above) to such holders in accordance with the terms of the Liability Management Exercise) the waiver, to the fullest extent permitted by law, of all the rights, title and interest of the holders to and claims in respect of such 13% Bonds; and
 - (d) the modification, abrogation, compromise or arrangement in respect of the rights of all holders necessary to give effect to the foregoing provisions of this paragraph 2;

provided, however, that nothing in this paragraph 2 shall constitute a release of the Bank or Co-operative Group from, or a waiver of the rights and entitlements of Holders in respect of, their respective obligations or liabilities in their capacity as persons responsible for the respective prospectuses published by them in connection with the Liability Management Exercise.

For these purposes, **“Relevant Persons”** means each of the Bank, Co-operative Group, Co-operative Banking Group Limited, HSBC Bank plc and UBS Limited (in their capacity as dealer managers in connection with the Liability Management Exercise), Lucid Issuer Services Limited (in its capacity as exchange agent in connection with the Liability Management Exercise), the Registrar (as defined below), the Trustee and, in each case, their respective financial and legal advisers (together in each case with their respective directors, members, employees and representatives);

3. sanctions every abrogation, modification, compromise or arrangement in respect of the rights of the Holders appertaining to the 13% Bonds against the Bank, whether or not such rights arise under the Trust Deed, involved in or resulting from or to be effected by, the modifications and other arrangements referred to in paragraphs 1 and 2 of this Resolution and their implementation;
4. authorises, empowers and directs the Trustee to concur in the modifications and other arrangements referred to in paragraphs 1 and 2 of this Resolution and, in order to give effect to and to implement the modifications referred

to in paragraph 1, forthwith to execute a Supplemental Trust Deed in the form of the draft produced to this Meeting and for the purpose of identification signed by the Chairman thereof with such amendments (if any) thereto as the Trustee shall require and to concur in, and to execute and do, all such other deeds, instruments, acts and things as may be necessary or appropriate to carry out and give effect to this Resolution and the implementation of the modifications and other arrangements referred to in paragraphs 1 and 2 of this Resolution;

5. authorises, empowers and directs the Bank and the registrar in respect of the 13% Bonds (the “**Registrar**”) (i) to execute, including on behalf of the holders of the 13% Bonds, all such deeds, instruments, forms of transfer and other documents of any nature, (ii) to make any such entries in the register maintained in respect of the 13% Bonds and (iii) to do any and all acts and things, which in each case may be necessary or appropriate to give effect to (A) this Resolution and/or (B) the Mandatory Exchange Option referred to above; and
6. discharges and exonerates the Trustee and the Registrar from all liability for which either of them may have become or may become responsible under the 13% Bonds, the Trust Deed or the registrar’s agreement relating to the 13% Bonds in respect of any act or omission in connection with the modifications and other arrangements referred to in paragraphs 1 and 2 of this Resolution, their implementation, or this Resolution or the giving effect to the Mandatory Exchange Option referred to above; and
7. agrees that if any paragraph of this Resolution is or becomes illegal, invalid or unenforceable that will not affect the legality, validity or enforceability of any other paragraph of this Resolution and accordingly the remainder of this Resolution shall be effective."

The Directors of the Bank have no interests in the 13% Bonds described in this Notice.

Set out below are the market values (as a percentage of their nominal amount) of the 13% Bonds on or around the first dealing day in each of the six months prior to the date of this Notice (including 1 November 2013, which is the latest practicable date for which information was available prior to publication of this Notice):

Date	Market Value* (%)
3 June 2013	80.937
1 July 2013	Information not available
1 August 2013	56.501
2 September 2013	54.356
1 October 2013	52.537
1 November 2013	72.349

*Source: Bloomberg (composite prices where available; otherwise, prices sourced to the extent available)

Background to the Proposal

The Proposal forms part of a wider liability management exercise (the “**Liability Management Exercise**”) being conducted by the Bank as part of its capital actions plan, originally announced by the Bank on 17 June 2013, to raise £1.5 billion of common equity tier 1 capital.

As part of the Liability Management Exercise, holders of the 13% Bonds are being invited to offer to exchange or sell their 13% Bonds to Co-operative Group and to receive Group Notes (as defined in the Resolution above) to be issued by Co-operative Group (the “**Exchange Offer**”). Detailed information regarding the Liability Management Exercise (including the Exchange Offer), Co-operative Group and the Group Notes is contained in a prospectus dated 4 November 2013 published by Co-operative Group in connection with the Liability Management Exercise and the offer and issue of the Group Notes (the “**Prospectus**”). The Prospectus can be accessed via the Regulatory News Service (RNS) operated by the London Stock Exchange plc, which can be accessed at the following web link: www.lseg.com/areas-expertise/market-information/regulatory-news-service; and at: <http://www.co-operative.coop/bondholders>. Holders who are unable to access the Prospectus at that web link should contact the Registrar at the details below.

Holders are urged to read the Prospectus carefully. Holders should note that a Holder who offers to exchange or sell its 13% Bonds in the Exchange Offer will also appoint a proxy to vote in favour of the Resolution. If the Resolution is passed and implemented, the Bank will have the right to effect the mandatory transfer of any 13% Bonds (which are not exchanged or sold in the Exchange Offer) to Co-operative Group on the same economic terms as those upon which 13% Bonds are exchanged or sold (as the case may be) in the Exchange Offer.

Other important information

The attention of Holders is drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in paragraph 2 of “*Voting and Quorum*” below.

Copies of the Trust Deed (including the Terms and Conditions of the 13% Bonds) and the draft Supplemental Trust Deed referred to in the Resolution set out above and of certain other relevant documents will be available for inspection by Holders at the specified offices of the Registrar set out below.

In accordance with normal practice, the Trustee expresses no opinion as to the merits of the Proposal (which it was not involved in negotiating). It has, however, authorised it to be stated that, on the basis of the information set out in this Notice, (which it recommends Holders to read carefully), it has no objection to the Resolution being submitted to the Holders for their consideration. The Trustee has, however, not been involved in formulating the Proposal and makes no representation that all relevant information has been disclosed to Holders in this Notice. Accordingly, the Trustee urges Holders who are in any doubt as to the impact of the implementation of the Proposal to seek their own financial, legal and other advice as they consider appropriate.

Holders who wish to make arrangements to attend (in person or by proxy) and vote at the Meeting may do so in any manner set out in the Trust Deed and described below under “*Voting and Quorum*”. However, Holders who are eligible and wish to participate in the Exchange Offer should make arrangements to participate in the Exchange Offer in the manner specified in the Prospectus, rather than making arrangements as described below.

VOTING AND QUORUM

1. The provisions governing the convening and holding of a Meeting are set out in Schedule 3 to the Trust Deed, a copy of which is available for inspection by the Holders during normal business hours at the specified office of the Registrar set out below.

Terms used herein but not defined have the meaning given to them in the Consent and Exchange Offer Memorandum (the “**CEOM**”) scheduled to the Prospectus.

IMPORTANT: The 13% Bonds are either in certificated form or uncertificated form in CREST. A registered holding of 13% Bonds in certificated form will be represented by a certificate (each a “**Bond Certificate**”). The only Holders for the purposes of 13% Bonds held through CREST, Euroclear or Clearstream, Luxembourg (each a “**Clearing System**”) are CREST Participants appearing on the register of 13% Bonds (each such participant, together with each other registered holder of the 13% Bonds appearing on such register, a “**Registered Holder**”). Each person (a “**Beneficial Owner**”) who is the owner of a particular principal amount of the 13% Bonds through a Clearing System or its respective Direct Participant (in the case of Euroclear or Clearstream, Luxembourg) should note that such person is not considered to be a Holder for the purposes of 13% Bonds and will only be entitled to attend and vote at the Meeting or to appoint a proxy to do so in accordance with the procedures set out below.

Any reference herein to a Beneficial Owner sending voting instructions to the relevant CREST participant or arranging for a Corporate Letter of Representation to be issued to it by the relevant CREST Participant (together the “**Corporate Actions**”) shall mean:

- (i) where the Beneficial Owner holds through a broker, dealer, commercial bank, trust company, custodian, nominee or intermediary in CREST, procuring that such party carries out such Corporate Actions on its behalf; and

- (ii) where the Beneficial Owner holds through a Direct Participant or other broker, dealer, commercial bank, trust company, custodian, nominee or intermediary in Euroclear or Clearstream, Luxembourg, procuring that such Direct Participant or other party carries out such Corporation Actions (by issuing instructions in a form acceptable to such clearing Systems) through such Clearing Systems and before any deadlines specified by such Clearing Systems.

Where Corporate Actions are provided by a Direct Participant on behalf of a Beneficial Owner, the 13% Bonds held by that Beneficial Owner shall be blocked in accordance with the usual procedures of Euroclear and Clearstream, Luxembourg which, in the case of instructions to vote in favour of the Resolution as provided in 1.2.1 below, will result in the underlying 13% Bonds being transferred to escrow in CREST pursuant to a corresponding TTE Instruction.

1.1 Bonds in certificated form

A Registered Holder wishing to attend and vote at the relevant Meeting in person must produce at such Meeting either, in the case of an individual holder, a Bond Certificate or, in the case of a corporate holder, a duly approved resolution of the directors or other governing body of such corporation authorising such person to act as the corporation's representative (a “**representative**”) at the relevant Meeting together, in each case, with satisfactory evidence of identity.

A Registered Holder not wishing to attend and vote at the relevant Meeting in person may by instrument in writing in the English language (a “**form of proxy**”) in the form available from the Registrar, signed by the Registered Holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting, appoint any person (a “**proxy**”) to act on his or its behalf in connection with the Meeting (or any adjourned such Meeting).

A proxy or representative so appointed shall so long as such appointment remains in force be deemed, for all purposes in connection with the Meeting (or any adjourned such Meeting) to be the holder of the 13% Bonds to which such appointment relates and the holder of the 13% Bonds shall be deemed for such purposes not to be the holder.

1.2 Bonds in uncertificated form in CREST

Each CREST Participant that is a Registered Holder should, if it is not the Beneficial Owner of the 13% Bonds, seek instructions from the Beneficial Owner(s) in accordance with its usual procedures. A CREST sponsored member wishing to vote in favour of the Resolution or revoke any such vote should instruct its CREST sponsor to issue a TTE Instruction to the Registrar (or if a revocation, an ESA Instruction) with the details set out below.

Each CREST Participant that is a Registered Holder, if it is the beneficial owner of the 13% Bonds, can vote in favour of the Resolution by issuing a TTE Instruction with the details set out in paragraph 1.2.1, revoke by issuing an ESA Instruction with the details set out in paragraph 1.2.2, vote against the Resolution by filling out the paper voting instruction referred to in paragraph 1.2.3, and attend the Meeting by bringing a Corporate Letter of Representation containing the details referred to in paragraph 1.2.4.

- 1.2.1 A Beneficial Owner wishing to vote IN FAVOUR of the Resolution must send the voting instructions to its CREST Participant in accordance with such participant's usual procedures requesting that such participant issues a TTE Instruction and making an election as to which Group Notes it would like to receive by specifying which of the six options set out below is applicable. Any voting instruction must be received by the CREST Participant (i) in the case of an instruction under OPT0001A or OPT0001B below, prior to 4.30 p.m. (London time) on 6 December 2013, or (ii) in the case of an instruction under OPT0002A, OPT0002B, OPT0002C or OPT0002D below, not less than 48 hours before the time of the meeting (the “**Voting Deadline**”). **However Beneficial Owners are strongly encouraged to ensure that their CREST Participant submits all instructions by 4.30 p.m. (London time) on 29 November 2013**, since the terms of the Liability Management Exercise are

more favourable for holders of 13% Bonds if certain levels of participation in the Liability Management Exercise are achieved by this earlier deadline. A TTE Instruction must comply with the paragraph below.

Each TTE Instruction should specify Equiniti (in its capacity as a CREST Participant under its participant ID referred to below) as the escrow agent to whom the 13% Bonds should be transferred. A TTE Instruction will not be valid unless and until it has settled and Equiniti will not take any action in respect of any TTE Instruction until such time. The TTE Instruction must be properly authenticated in accordance with EUI's specifications and must contain, in addition to the other information which is required for a TTE Instruction to settle in CREST, the following details:

- (a) the principal amount of 13% Bonds to be transferred to an escrow balance;
- (b) the CREST Participant's member account ID;
- (c) the CREST Participant's participant ID;
- (d) the relevant corporate action ISIN number, being: GB00B3VH4201;
- (e) Equiniti's participant ID, being: 2RA35;
- (f) the relevant CREST member account ID of Equiniti (in its capacity as a CREST receiving agent) from the table set out after sub-paragraph (j) below, corresponding to the option which the CREST Participant wishes to select and in accordance with any voting instructions provided by any Beneficial Owner;
- (g) the intended settlement date;
- (h) the corporate action number for the Exchange Offer. This is allocated by EUI and can be found by viewing the relevant corporate action details in CREST;
- (i) the standard TTE instruction of priority 80; and
- (j) a contact number, to be inserted in the shared note field.

For the purposes of sub-paragraph (f) above, the relevant CREST member IDs of Equiniti relevant to a Holder of 13% Bonds are set out in the table below. **A Beneficial Owner should elect the ID which corresponds to such Beneficial Owner's preferred option:**

Option	CREST Member ID
<p>Option 1: (Not available to U.S. Holders)</p> <p>Offer to exchange some or all of your 13% Bonds for Final Repayment Notes in the Exchange Offer (in which case you will also automatically appoint the chairman of the 13% Bondholders Meeting as your proxy to vote those 13% Bonds IN FAVOUR of the resolution to be proposed at that meeting).</p> <p>NB: electing this Option automatically results in offering to exchange some or all of the Beneficial Owner's 13% Bonds for Final Repayment Notes in the Exchange Offer. The Beneficial Owner should read the terms of the CEOM carefully before electing this Option.</p>	OPT0001A

<p>Option 2: (Not available to U.S. Holders)</p> <p>Offer to sell some or all of your 13% Bonds to the Group for cash consideration payable in instalments over twelve years and represented by Instalment Repayment Notes in the Exchange Offer (in which case you will also automatically appoint the chairman of the 13% Bondholders Meeting as your proxy to vote those 13% Bonds IN FAVOUR of the resolution to be proposed at that meeting)</p> <p>NB: electing this Option automatically results in offering to sell some or all of the Beneficial Owner's 13% Bonds to the Group for cash consideration payable in instalments over twelve years and represented by Instalment Repayment Notes in the Exchange Offer. The Beneficial Owner should read the terms of the CEOM carefully before electing this Option.</p>	OPT0001B
<p>Option 3: (Not available to U.S. Holders)</p> <p>Vote IN FAVOUR of the resolution at the 13% Bondholders Meeting (without offering to exchange or sell your 13% Bonds) by appointing the chairman of such meeting as your proxy to vote some or all of your 13% Bonds in favour of such resolution AND if the 13% Bonds Mandatory Exchange Option is exercised elect to receive Final Repayment Notes. YOU MUST SUBMIT THE RELEVANT STOCK TO CORRECTLY RECORD YOUR VOTE</p>	OPT0002A
<p>Option 4: <u>(U.S. Holders ONLY)</u></p> <p>Vote IN FAVOUR of the resolution at the 13% Bondholders Meeting (without offering to exchange or sell your 13% Bonds) by appointing the chairman of such meeting as your proxy to vote some or all of your 13% Bonds in favour of such resolution AND if the 13% Bonds Mandatory Exchange Option is exercised elect to receive Final Repayment Notes. YOU MUST SUBMIT THE RELEVANT STOCK TO CORRECTLY RECORD YOUR VOTE</p>	OPT0002B
<p>Option 5: (Not available to U.S. Holders)</p> <p>Vote IN FAVOUR of the resolution at the 13% Bondholders Meeting (without offering to exchange or sell your 13% Bonds) by appointing the chairman of such meeting as your proxy to vote some or all of your 13% Bonds in favour of such resolution AND if the 13% Bonds Mandatory Exchange Option is exercised elect to receive cash consideration payable in instalments over twelve years and represented by Instalment Repayment Notes. YOU MUST SUBMIT THE RELEVANT STOCK TO CORRECTLY RECORD YOUR VOTE</p>	OPT0002C
<p>Option 6: <u>(U.S. Holders ONLY)</u></p> <p>Vote IN FAVOUR of the resolution at the 13% Bondholders Meeting (without offering to exchange or sell your 13% Bonds) by appointing the chairman of such meeting as your proxy to vote some or all of your 13% Bonds in favour of such resolution AND if the 13% Bonds Mandatory Exchange Option is exercised elect to receive cash consideration payable in instalments over twelve years and represented by Instalment Repayment Notes. YOU MUST SUBMIT THE RELEVANT STOCK TO CORRECTLY RECORD YOUR VOTE</p>	OPT0002D
<p>NB: to vote AGAINST the resolution proposed at the 13% Bondholders Meeting, please use the paper voting instruction available from Equiniti.</p>	-

Any vote in favour of the resolution pursuant to a TTE Instruction as provided herein will automatically appoint the chairman of the Meeting as the relevant CREST Participant's proxy to vote the 13% Bonds referred in such TTE Instruction in such way.

1.2.2 A Beneficial Owner wishing to REVOKE a voting instruction given under 1.2.1 above and the corresponding TTE Instruction may do so at any time prior to the Voting Deadline by sending voting instructions to its CREST Participant in accordance with such participants usual procedures requesting that such participant issues an ESA Instruction to settle in CREST. Any such ESA Instruction must contain the following details:

- (a) the principal amount of 13% Bonds to be withdrawn;
- (b) the CREST Participant's member account ID;
- (c) the CREST Participant's participant ID;
- (d) the relevant corporate action ISIN number, being: GB00B3VH4201;
- (e) Equiniti's participant ID, being: 2RA35;
- (f) the relevant CREST member account ID of Equiniti (in its capacity as a CREST receiving agent) from the table set out above;
- (g) the intended settlement date for the withdrawal;
- (h) the transaction reference number of the Exchange Instruction to be withdrawn;
- (i) the corporate action number for the Exchange Offer. This is allocated by EUI and can be found by viewing the relevant corporate action details in CREST;
- (j) the standard TTE instruction of priority 80; and
- (k) a contact number, to be inserted in the shared note field.

Any such revocation of a TTE Instruction will be conditional upon Equiniti verifying that the revocation is validly made. Accordingly, Equiniti will, on behalf of the Bank, reject or accept the revocation by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

1.2.3 A Beneficial Owner wishing to vote AGAINST the Resolution must send voting instructions to its CREST Participant in accordance with such participants usual procedures requesting that such participant issues a no vote in respect of the principal amount of 13% Bonds the subject of such voting instructions by filling out the paper voting instruction which was provided with this Notice to each Registered Holder. A Beneficial Owner should also specify in its voting instruction whether it elects to receive either Final Repayment Notes or Instalment Repayment Notes if the 13% Bonds Mandatory Exchange Option is exercised. Copies of the paper voting instruction are also available from Equiniti.

1.2.4 A Beneficial Owner wishing to ATTEND the Meeting must arrange for its CREST Participant to issue a Corporate Letter of Representation to it. Any such Letter of Representation should be on the headed paper of such participant, should detail the person attending and the principal amount of 13% Bonds held by such person, and be signed by the CREST Participant.

2. The quorum required at the Meeting is one or more persons present being proxies or representatives or holding 13% Bonds and representing or holding in the aggregate not less than two thirds in principal amount of the 13% Bonds for the time being outstanding. If a quorum is not present at the Meeting, the Meeting will be adjourned and the Resolution will be considered at an adjourned Meeting (notice of which will be given to the Holders). The quorum at such an adjourned Meeting will be one or more persons present being proxies or representatives or holding 13% Bonds and representing or holding in the aggregate not less than one-third of the principal amount of the 13% Bonds for the time being outstanding.

Holders should note this quorum requirement and should be aware that if the Holders either present or appropriately represented at the Meeting are insufficient to form a quorum the Resolution, and consequently the Proposal, cannot be formally considered thereat. Holders are therefore encouraged either to attend the Meeting in person or to arrange to be represented at the Meeting as soon as possible.

3. Every question submitted to the Meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman of the Meeting shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a proxy or as representative or as a Holder.

Unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman of the Meeting, the Bank, the Trustee or one or more persons holding one or more of the 13% Bonds or being proxies or representatives or holding 13% Bonds and representing or holding in the aggregate not less than one-fiftieth in principal amount of such 13% Bonds for the time being outstanding, a declaration by the chairman of the relevant Meeting that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

On a show of hands every person who is present and is a proxy or representative or a Holder who produces a Bond Certificate shall have one vote and on a poll every person who is so present shall have one vote in respect of each £1,000 principal amount of the 13% Bonds in respect of which he is a proxy or representative or in respect of each £1,000 principal amount of the 13% Bonds represented by the Bond Certificate so produced.

4. To be passed, the Resolution requires a majority in favour consisting of not less than three-quarters of the votes cast. If passed, the Resolution will be binding upon all the Holders, whether or not present at such Meeting and whether or not voting.

REGISTRAR

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
United Kingdom

TRUSTEE

The Law Debenture Trust Corporation p.l.c.
Fifth Floor
100 Wood Street
London EC2V 7EX
United Kingdom

This Notice is given by:

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

Dated 4 November 2013.

