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**THE CO-OPERATIVE BANK P.L.C.**

*(Incorporated in England & Wales under the Companies Act 1948, registered number 00990937)*

*Registered Office:*

P.O. Box 101  
1 Balloon Street  
Manchester  
M60 4EP

*Directors:*

Dennis Holt  
Aidan Birkett  
Glyn Smith  
William Gennydd Thomas  
Laura Carstensen  
Maureen Laurie  
Derek Weir  
Charles Bralver  
Alistair Asher  
Liam Coleman  
John Worth

13 February 2017

To: Pace Trustees Limited

Dear Trustee,

As you may have seen, this morning, The Co-Operative Bank p.l.c. (the "**Company**") made an announcement that it is commencing a sale process to seek buyers for the Company. The result of this announcement is that the Company has entered an offer period under the City Code on Takeovers and Mergers (the "**Code**"). The text of the announcement released by the Company can be accessed at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-detail/42RQ/13125092.html>.

Whilst there can be no certainty as to the outcome of any sale process, if a firm offer is made to purchase the Company (an "**Offer**"), you should be aware of the right of pension trustees under Rule 25.9(b) of the Code to have a separate opinion on the effects of the Offer on pension schemes appended to the Company's Offer circular, when published. The Company will be responsible for the costs of publishing any such opinion and for the costs reasonably incurred by the pension trustees in obtaining the advice required for the verification of the information contained in any such opinion.

Please be aware that if there is a possible offer, or a firm offer for the Company, addresses, electronic addresses and certain other information provided by you for the receipt of communications from the Company may be provided to possible bidders (if any) during the offer period as required by the Code to allow possible bidders (if any) to contact you directly in connection with any such possible or firm offer.

Yours sincerely

*/s/ Tracey Kneller*

**HR Director**

This notification is being given in accordance with Rule 2.11(d) of the Code.