

# NOTICE OF GENERAL MEETING

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

Incorporated and registered in England and Wales with registered number 00990937

NOTICE IS HEREBY GIVEN that a General Meeting of The Co-operative Bank p.l.c. (the “**Bank**”) will be held at 10 Upper Bank Street, Canary Wharf, London, E14 5JJ on 21 August 2017 at 9.30 a.m. (or as soon thereafter as the Members’ Scheme Court Meeting have been concluded or adjourned) for the purposes of considering and, if thought fit, passing the following resolutions of which Resolutions 2, 4, 5 and 6 will be proposed as ordinary resolutions and Resolutions 1, 3 and 7 will be proposed as special resolutions. Only Independent Shareholders are permitted to vote on Resolutions 4, 5 and 6. All Resolutions will be taken on a poll.

Unless expressly stated otherwise, terms defined in the circular of the Bank dated 28 July 2017 (the “**Circular**”) shall have the same meaning in this Notice of General Meeting.

### RESOLUTION 1 – ARTICLES OF ASSOCIATION

THAT, subject to and conditional upon the passing of Resolutions 2 to 7 (inclusive):

(A) the articles of association of the Bank be and are hereby amended as follows:

By including the following new article as Article 21(e):

“The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the board may determine.”; and

By including the following new article as Article 135:

#### “135. Scheme of arrangement

- (a) In this article 135 references to the “Scheme” are to the scheme of arrangement between the Company and its Scheme Shareholders dated 28 July 2017 as it may be modified or added to in accordance with its terms, and expressions defined in the Scheme shall have the same meaning when used in this article 135.
- (b) Notwithstanding any other provision in these articles, if any Ordinary Shares are allotted and issued to any person (a “New Member”) other than Balloon Street Holdings Limited (“Holdco”) and/or its nominee(s) after the adoption of this article 135 and on or before the Entitlements Record Time (other than any Ordinary Shares issued to Holdco or its nominees or any member of its group), such Ordinary Shares shall be allotted and issued subject to the terms of the Scheme and shall accordingly constitute Scheme Shares for the purposes thereof, and any New Members, and any subsequent holder other than Holdco and/or its nominee(s), shall be bound by the terms of the Scheme.
- (c) Subject to the Scheme taking effect, if any Ordinary Shares shall be issued after the Entitlements Record Time and on or before the Settlement Date to any New Member, such Ordinary Shares shall be allotted and issued on terms that, immediately upon their allotment or issue or, if later, immediately after the Settlement Date, they shall be transferred to Holdco and/or its nominee(s).
- (d) The consideration for any transfer provided for in article 135(c) of this article 135 shall be the allotment and issue by Holdco to the New Member of such number of A Shares in Holdco as the New Member would have been entitled to had each Ordinary Share so transferred been a Scheme Share (excluding, for the avoidance of doubt, any Early Bird Members’ Premium or any entitlement pursuant to the Members’ Equity Subscription).

The A Shares allotted and issued in consideration of such transfer shall be credited as fully paid and shall rank *pari passu* in all respects with all other A Shares in issue at that time (other than as regards any dividend or distribution payable by reference to a record date preceding the date of allotment).

- (e) The number of Ordinary Shares to be issued or transferred to the New Member under this article 135 may be adjusted by the directors of the Company following any variation in the share capital of either the Company or Holdco or such other event as the directors of the Company considers fair and reasonable on such adjusted terms as the directors of the Company may determine provided that no such adjustment may be made unless the auditors have confirmed in writing to the directors of the Company that, in their opinion, such adjustment is fair and reasonable, and provided always that any fractions of A Shares shall be disregarded and shall be aggregated and sold for the benefit of the Company or as the Company may direct.
  - (f) In order to give effect to any transfer required by this article 135, the company secretary or any person appointed by him or her may execute and deliver on behalf of the New Member or subsequent holder of Ordinary Shares a form of transfer in favour of Holdco, and agree for and on behalf of such person to become a member holding A Shares. Pending the registration of Holdco as holder of any share to be transferred pursuant to this article 135, Holdco shall be empowered to appoint a person nominated by the directors to act as attorney on behalf of any holder of such share in accordance with such directions as Holdco may give in relation to any dealing with or demerger of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and any holder of such shares shall exercise all rights attached thereto in accordance with the directions of Holdco but not otherwise.
  - (g) If the Scheme shall not have become effective by the Long Stop Date, this article 135 shall be of no effect.”; and
- (B) with effect from the Settlement Date, the draft articles of association produced to the meeting, marked “A” and for the purposes of identification signed by the Chairman of the meeting be approved and adopted as the articles of association of the Bank in substitution for, and to the exclusion of, all existing articles of association of the Bank.

#### **RESOLUTION 2 – AUTHORITY TO ALLOT NEW ORDINARY SHARES**

THAT, subject to and conditional upon the passing of Resolution 1 and 3 to 7 (inclusive), in addition to any existing powers and authorities, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Bank to allot New Ordinary Shares in the Bank to Holdco for the purposes of the Holdco Subscriptions, up to an aggregate nominal amount of £3,000,000, such authority to expire (unless previously revoked, varied or renewed) on the fifth anniversary of this resolution, save that the Bank may make offers and enter into agreements before the authority expires which would, or might, require New Ordinary Shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority expires and the Directors may allot New Ordinary Shares or grant such rights under any such offer or agreement as if the authority had not expired.

#### **RESOLUTION 3 – DISAPPLICATION OF PRE-EMPTION RIGHT**

THAT, subject to and conditional upon the passing of Resolutions 1 and 2 and Resolutions 4 to 7 (inclusive), in addition to any existing powers and authorities, the Directors be generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash pursuant to the authority granted by Resolution 2, free of the restriction in section 561 of the Companies Act 2006, such power to expire (unless previously revoked, varied or renewed) on the fifth anniversary of this resolution, but in each case, so that the Company may make offers and enter into agreements before the

power expires which would, or might, require equity securities to be allotted after the power expires and the directors may allot the New Ordinary Shares under any such offer or agreement as if the authority had not expired.

#### **RESOLUTION 4 – APPROVAL OF GROUP RELATED PARTY TRANSACTION**

THAT, subject to and conditional upon the passing of Resolutions 1 to 3 (inclusive) and Resolutions 5 to 7 (inclusive), the entering into and/or completion of the Group Related Party Transaction, and any other agreement or arrangement incidental or ancillary to the agreements to which the Bank is a party in connection with the Group Related Party Transaction, be and are hereby approved and that the Directors of the Bank be and are hereby generally and unconditionally authorised to take all such steps as may be necessary or desirable in relation to the Group Related Party Transaction and any other arrangements and matters provided therein or related thereto to be completed, including, at their discretion, the variation or extension of any terms of any agreement or document connected with the Group Related Party Transaction.

#### **RESOLUTION 5 – APPROVAL OF GOLDENTREE RELATED PARTY TRANSACTION**

THAT, subject to and conditional upon the passing of Resolutions 1 to 4 (inclusive), and Resolutions 6 and 7, the entering into and/or completion of the GoldenTree Related Party Transaction, and any other agreement or arrangement incidental or ancillary to the agreements to which the Bank is a party in connection with the GoldenTree Related Party Transaction, be and are hereby approved and that the Directors of the Bank be and are hereby generally and unconditionally authorised to take all such steps as may be necessary or desirable in relation to the GoldenTree Related Party Transaction and any other arrangements and matters provided therein or related thereto to be completed, including, at their discretion, the variation or extension of any terms of any agreement or document connected with the GoldenTree Related Party Transaction.

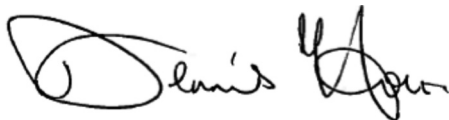
#### **RESOLUTION 6 – APPROVAL OF SILVER POINT CAPITAL RELATED PARTY TRANSACTION**

THAT, subject to and conditional upon the passing of Resolutions 1 to 5 (inclusive) and Resolution 7, the entering into and/or completion of the Silver Point Capital Related Party Transaction, and any other agreement or arrangement incidental or ancillary to the agreements to which the Bank is a party in connection with the Silver Point Capital Related Party Transaction, be and are hereby approved and that the Directors of the Bank be and are hereby generally and unconditionally authorised to take all such steps as may be necessary or desirable in relation to the Silver Point Capital Related Party Transaction and any other arrangements and matters provided therein or related thereto to be completed, including, at their discretion, the variation or extension of any terms of any agreement or document connected with the Silver Point Capital Related Party Transaction.

#### **RESOLUTION 7 – AUTHORITY TO EFFECT THE MEMBERS’ SCHEME**

THAT, subject to and conditional upon the passing of Resolutions 1 to 6 (inclusive), for the purpose of giving effect to the scheme of arrangement dated 28 July 2017 between the Bank and the Scheme Shareholders, a print of which has been produced to this meeting marked “B” and for the purposes of identification signed by the Chairman of the meeting, in its original form or subject to such modification, addition or condition made or introduced in accordance with its terms (the “**Members’ Scheme**”), the directors of the Bank be generally authorised to take all such action as they may consider necessary or appropriate for carrying the Members’ Scheme into effect.

By order of the Board



**Dennis Holt**  
*Chairman*  
28 July 2017

*Registered Office:*  
Company Secretary  
P.O. Box 101  
1 Balloon Street  
Manchester M60 4EP

Registered in England and Wales  
with registered number 00990937

## NOTES:

### Transfer

1. If you have sold or transferred all your Ordinary Shares in the Bank, you should forward this document and the accompanying pink Form of Proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was made, so that they can pass them to the person who now holds the shares.

### Right to vote

2. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Bank of the votes they may cast), members must be registered in the register of members of the Bank at 5.00 p.m. on 17 August 2017 (or, if the meeting is adjourned, at 5.00 p.m. on the day which is two Business Days prior to the adjourned meeting). Changes to entries on the register after this time shall be disregarded in determining the rights of any persons to attend and vote (and the number of votes they may cast) at the meeting or adjourned meeting.
3. In the case of joint holders of ordinary shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Bank in respect of the joint holding.
4. Resolutions 2, 4, 5 and 6 are proposed as ordinary resolutions, which must each receive votes in favour representing more than 50 per cent. of the votes cast in order to be passed. Resolutions 1, 3, and 7 are proposed as special resolutions, which must each receive votes in favour representing at least 75 per cent. of the votes cast in order to be passed.
5. CBG must abstain from voting on Resolution 4. GoldenTree must abstain from voting on Resolution 5. Silver Point must abstain from voting on Resolution 6.
6. All Resolutions will be taken on a poll.

### Voting by proxy

7. A member entitled to attend and vote at the meeting may appoint another person(s) to exercise all or any of his/her rights to attend, speak and vote at the meeting. A pink Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice.
8. A member can appoint more than one proxy in relation to the meeting, **provided that** each proxy is appointed to exercise the rights attaching to different shares held by that member. A proxy does not need to be a member of the Bank but must attend the meeting to represent you. Your proxy could be the Chairman, another director of the Bank or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the meeting for your vote to be counted. Appointing a proxy does not preclude you from attending the meeting and voting in person.
9. In the case of a joint holding, a proxy need only be signed by one joint holder. If more than one such joint holder lodges a proxy only that of the holder first on the register of members will be counted. Any alterations made to this proxy should be initialled. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. In the case of a corporation this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised.
10. To be valid, the pink Form of Proxy must be returned so as to be received by the Bank's registrars, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom no later than 9.30 a.m. on 17 August 2017 (or in the case of: (i) an adjourned meeting to be held more than 48 hours after the time fixed for holding the original meeting, not less than 24 hours (excluding non-working days) prior to the time and date set for the adjourned meeting; or (ii) an adjourned meeting to be held 48 hours or less after the time fixed for holding the original meeting, to be received by the Chairman of the meeting or the secretary or any director at the original meeting),

together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or, where the Form of Proxy has been signed by an officer on behalf of a corporation, a notarially certified copy of the authority under which it is signed.

11. Shareholders who would prefer to register the appointment of their proxy electronically via the internet can do so by visiting [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and following the instructions provided. In order for a proxy appointment made electronically to be valid it must be sent to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and received no later than 9.30 a.m. on 17 August 2017. Any communication found to contain a computer virus will not be accepted.
12. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
13. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Bank's agent, Computershare Investor Services PLC (CREST participant ID 3RA50), no later than 9.30 a.m. on 17 August 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Bank's agent is able to retrieve the message by enquiry to CREST in the manner prescribed.
14. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Bank may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(A) of the Uncertificated Securities Regulations 2001.

### **Nominated Persons**

15. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between him and the shareholder by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Members' Scheme Court Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies above does not apply to Nominated Persons. The rights described in these paragraphs can be exercised only by shareholders of the Bank.

### **Voting by corporate representatives**

16. A member of the Bank which is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Bank, **provided that** they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

### **Issued share capital and total voting rights**

17. As at 25 July 2017 (being the latest practicable date prior to the publication of this Notice), the Bank's issued voting share capital consists of 451,456,510 Ordinary Shares, each of which carries one vote. Therefore the total voting rights in the Bank at that date were 451,456,510.

### **Documents available for inspection**

18. Copies of the following documents will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted), at the registered office of the Bank, 1 Balloon Street, Manchester, M60 4EP, and will be available at the place of the meeting from 15 minutes before the start of the meeting until its conclusion:
- (i) the Articles of Association;
  - (ii) the new articles of association of the Bank proposed to be adopted with effect from the Settlement Date pursuant to Resolution 1(B);
  - (iii) the Bank's Annual Report and Accounts 2016, the Bank's Annual Report and Accounts 2015 and the Bank's Annual Report and Accounts 2014; and
  - (iv) the Circular.

### **Electronic Communications**

19. You may not use any electronic address provided in this Notice to communicate with the Bank for any purposes other than those expressly stated.