

CO-EXISTENCE PRINCIPLES

The Co-operative Group Limited (registered number IP00525R) (**Co-op Group**) and The Co-operative Bank p.l.c (registered number 990937) (**Bank**) have agreed to the set of five principles below to regulate the use of CO-OP and CO-OPERATIVE branding by their respective groups.

Co-op Group and the Bank have agreed to formally reflect these principles in a Co-existence Agreement by the effective date of the Bank's proposed scheme of arrangement under Part 26 of the Companies Act 2006.

The principles are as follows:

1. Until Trigger Event Co-op Group cannot conduct any business under a brand that combines the words "Co-operative/Co-op" and "Bank".
2. After the Relationship Agreement ends (min lock up 5 years) but before a Trigger Event, Co-op Bank is free to continue using the term Co-operative/Co-op provided it does so in a way that does not confuse the public into believing that Bank is still part of Group. To the extent that Bank requires a license of a TM from Group to do that, it may have a non-exclusive royalty free license for as long as necessary, up to Trigger Event.
3. After the expiry of the non-compete period (Relationship Agreement 5Y + 3Y), Group is free to conduct any financial services business under any of its brands, subject always to 1 above. Provided that, until the 13th anniversary of the Effective Date (so Relationship Agreement 5Y + NC 3Y + 5Y) the Group will not conduct any such business which competes with the Bank under a main business brand including the words Co-operative/Co-op but may include such words in supporting marketing and advertising materials to make it clear that the business is part of the Co-operative Group.
4. Group and Bank own various TMs, some of which are predominantly used by the other. There will be an exchange of trade mark registrations to ensure that at the outset of the Co-existence Agreement the TMs are owned by the "right" entity.
5. "Banking" for the purposes of the "field of use" must ensure that it is fair to both parties given current and anticipated activities.

Name:

Capacity:

for and on behalf of

Co-operative Group Limited

Date: November 2013

Name:

Capacity:

for and on behalf of

The Co-operative Bank p.l.c

Date: November 2013