

NOTICE OF DIRECTOR NOMINATION RESOLUTION

THE CO-OPERATIVE BANK P.L.C. (REGISTERED NUMBER 990937)

€34,980,000 Floating Rate Callable Step-up Dated Subordinated Notes due 2016 (ISIN: XS0254625998)

£37,775,000 5.875% Subordinated Callable Notes due 2019 (ISIN: XS0189539942)

£275,000,000 9.25% Subordinated Notes due April 2021 (ISIN: XS0620315902)

£8,747,000 Fixed/Floating Rate Subordinated Notes due November 2021 (ISIN: XS0274155984)

£235,402,000 7.875% Subordinated Notes due 2022 (ISIN: XS0864253868)

£200,000,000 5.75% Dated Callable Step-up Subordinated Notes due 2024 (ISIN: XS0188218183) and

£150,000,000 5.875% Subordinated Notes due 2033 (ISIN: XS0145065602)

issued by The Co-operative Bank p.l.c. (the **Company**)

Reference is made to the notice dated 4 December 2013 (the **Scheme Meeting Convening Notice**) of the convening of a meeting of a single class of Scheme Creditors that has been ordered by the Court for the purposes of considering and, if thought fit, approving the scheme of arrangement proposed to be made between the Company and the Scheme Creditors referred to in the Scheme Meeting Convening Notice (the **Scheme**). Capitalised terms used in this notice have the meanings given to those terms in the Explanatory Statement (as defined in the Scheme Meeting Convening Notice).

NOTICE IS HEREBY GIVEN THAT, at the Scheme Meeting, although not a term of the Scheme, the Scheme Creditors may be asked to consider and, if thought fit, approve the nomination for appointment to the board of up to two persons (the **Nominated Directors**). In the event that the Modified Scheme Purchasers notify the Company of a person or persons to be designated as the Nominated Directors at least 7 Business Days prior to the Scheme Meeting the Company will notify the Noteholders of the Nominated Directors no later than 5 Business Days prior to the Scheme Meeting by the issue of an announcement to each Noteholder through the relevant Clearing System and on the Scheme Website at <http://www.cooperative.coop/Bondholders>.

The Company has agreed to procure the appointment of each Nominated Director, if its appointment is approved by a separate resolution of the Noteholders. A majority in number representing at least 75 per cent. in value of the Noteholders present and voting in person or by proxy will be required to approve the appointment of each Nominated Director. If a Nominated Director or Nominated Directors are notified in accordance with the preceding paragraph the vote on these separate resolutions will take place at the Scheme Meeting following and independently of the vote in respect of the Scheme.

Noteholders are requested to refer to pages 62 to 63 of the Explanatory Statement for more information and instructions on how to vote on the resolutions or to contact the Information Agent on the contact details in the Scheme Meeting Convening Notice.

The Scheme may be approved by the requisite majorities of Scheme Creditors at the Scheme Meeting and be sanctioned by the Court at the Scheme Sanction Hearing and become effective in accordance with its terms, irrespective of whether either resolution to appoint the Nominated Directors is passed.

Dated 4 December 2013

The Co-operative Bank p.l.c.