



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about its contents or the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000.

If you have recently sold or transferred all of your shares in Shawbrook Group plc, please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Shawbrook Group plc

Lutea House
Warley Hill Business Park
The Drive
Great Warley
Brentwood
Essex CM13 3BE

5 May 2017

Dear Shareholder

I am pleased to send you details of the Annual General Meeting ('AGM') of Shawbrook Group plc (the 'Company').

The AGM will be held on 6 June 2017 at Instinctif Partners, 65 Gresham Street, London EC2V 7NQ and will start at 10.00 a.m. Shareholder registration will be available from 9.15 a.m. **A map showing how to get to Instinctif Partners is set out at the end of my letter.**

The following documentation is enclosed with this letter:

- > Notice of AGM, which sets out the details of the resolutions to be proposed at the AGM; and
- > Form of Proxy (and prepaid envelope).

Please note that the Company's Annual Report and Accounts in respect of the financial year ended 31 December 2016 (the 'Report and Accounts') are available to view and to download electronically on the Company's website at investors.shawbrook.co.uk.

If you have previously indicated that you would prefer to receive a printed copy of the Report and Accounts, then you will also find a copy of the Report and Accounts enclosed.

The AGM is an opportunity for shareholders to express their views directly to the Board and I hope that you will take the opportunity to do so.

What to do next

The business of the meeting will be conducted on a poll. The Board considers that a poll is a more transparent method of voting as shareholders' votes are to be counted according to the number of shares held. If you cannot attend the AGM I strongly encourage you to exercise your right to vote by appointing a proxy to vote at the AGM on your behalf. To appoint a proxy please complete the enclosed Form of Proxy, and return it in the prepaid envelope provided (no postage is required if posted within the UK) to the Company's Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA so as to arrive as soon as possible but in any event not later than 10.00 a.m. on 2 June 2017. Alternatively if you would prefer to appoint a proxy or proxies electronically, you may do so via the website run by Equiniti at www.sharevote.co.uk using the Voting ID, Task ID and Shareholder Reference Number provided on the Form of Proxy or, if you are a CREST member, by following the procedure explained in paragraph 7 of the Notes to the Notice of AGM. In any event, your proxy appointment must be received by Equiniti by 10.00 a.m. on 2 June 2017. The appointment of a proxy will not prevent you from attending the AGM and voting in person should you so wish. Further details relating to voting by proxy are set out in the Notes to the Notice of AGM on pages 10 to 12 of this document.

Shareholder Helpline

If you have any questions relating to the enclosed documents, please call the Company's Registrars, Equiniti, on 0371 384 2030. Lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday. If calling from overseas, please call the following number instead: +44 121 415 7047. The helpline cannot give any financial, legal or tax advice.

Shawbrook Group plc

01 Notice of Annual General Meeting 2017

Documents available for inspection

The following documents are available for inspection at the registered office of the Company during usual business hours on any weekday (public holidays excepted) from the date of the Notice of AGM until the conclusion of the AGM and will also be available for inspection at the AGM venue from at least 15 minutes before the AGM until it ends:

- > a copy of the Company's memorandum of association and articles of association;
- > copies of the service contracts or letters of appointment of the Directors of the Company; and
- > the Report and Accounts.

Explanatory notes

Explanatory notes on each of the resolutions to be considered at the AGM are set out on pages 6 to 9 of this document.

Biographical details of each director seeking election or re-election can be found on the Company's website:

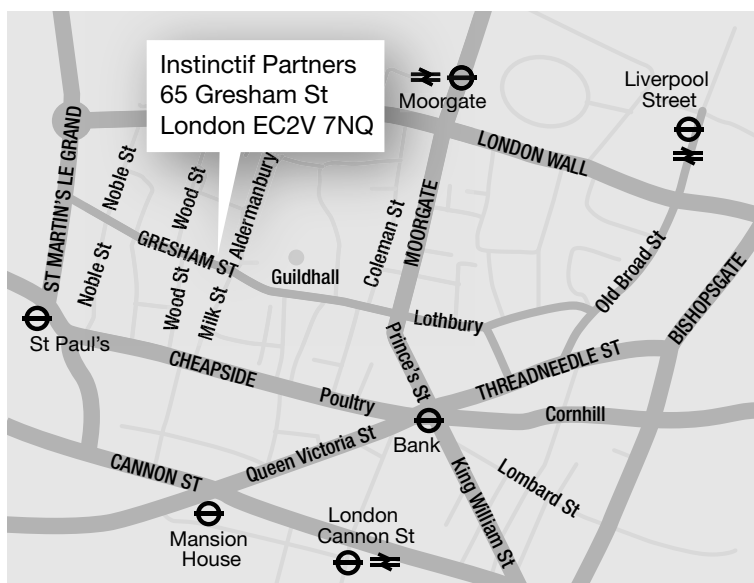
investors.shawbrook.co.uk/company-information and at pages 66 to 68 of the Report and Accounts.

Recommendation

The Directors believe that all the proposed resolutions to be considered at the AGM are in the best interests of the Company and shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the resolutions, as they intend to do in respect of their own beneficial holdings.

Yours sincerely

Iain Cornish
Chairman



Directions to the AGM – 6 June 2017 at 10.00 a.m.

Arrival by train

Bank underground station, served by the Central, Northern, District, Circle, DLR and Waterloo & City lines, is five minutes walk from the venue.

St. Paul's underground station, served by the Central line, is five minutes walk from the venue.

Cannon Street, Liverpool Street and Moorgate stations, served by National Rail services, are 7-10 minutes walk from the venue.

Arrival by bus

Bus numbers 8, 25 and 242 stop on Cheapside which is located two minutes walk from the venue.

Unfortunately, we cannot offer car parking spaces.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2017 Annual General Meeting ('AGM') of Shawbrook Group plc (the '**Company**') will be held at Instinctif Partners, 65 Gresham Street, London EC2V 7NQ on 6 June 2017 at 10.00 a.m. to transact the business set out below. Resolutions 1 to 18 (inclusive) will be proposed as ordinary resolutions and 19 to 24 (inclusive) as special resolutions:

Ordinary resolutions

Report and accounts

1. To receive the accounts of the Company for the financial year ended 31 December 2016 and the reports of the Directors and the auditors thereon (the '**Report and Accounts**').

Dividend

2. That a final dividend of 2.7 pence per ordinary share in respect of the financial year ended 31 December 2016 be declared.

(Re-) election of Directors

3. To re-elect Robin Ashton as a Director of the Company.
4. To re-elect Iain Cornish as a Director of the Company.
5. To elect Andrew Didham as a Director of the Company.
6. To re-elect David Gagic as a Director of the Company.
7. To re-elect Sally-Ann Hibberd as a Director of the Company.
8. To re-elect Stephen Johnson as a Director of the Company.
9. To re-elect Paul Lawrence as a Director of the Company.
10. To re-elect Roger Lovering as a Director of the Company.
11. To re-elect Lindsey McMurray as a Director of the Company.
12. To elect Dylan Minto as a Director of the Company.
13. To re-elect Steve Pateman as a Director of the Company.

Remuneration report

14. To approve the Annual Report on Remuneration and the annual statement of the Chairman of the Remuneration Committee contained in the Report and Accounts, set out on pages 91 to 104 of the Report and Accounts, in accordance with section 439 of the Companies Act 2006.

Re-appointment of Auditors

15. To re-appoint KPMG LLP as auditors of the Company, to hold office until the conclusion of the next AGM of the Company at which accounts are laid.

Remuneration of Auditors

16. To authorise the Audit Committee to determine KPMG LLP's remuneration as auditors of the Company.

Allotment of shares

17. That the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006, in substitution for all subsisting authorities, to exercise all the powers of the Company to allot shares in the Company, and to grant rights to subscribe for or to convert any security into such shares in the Company:

(A) for any purpose up to an aggregate nominal amount of £835,000 (such amount to be reduced by any allotments or grants made under paragraph (B) below in excess of such sum); and

(B) comprising equity securities (as defined in section 560 of the Companies Act 2006) up to an aggregate nominal amount of £1,670,000 (including within such limit the aggregate nominal value of any allotments or grants under paragraph (A) above) in connection with an offer by way of rights issue:

(i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and

(ii) to holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary,

and so that the Directors may in connection with such a rights issue impose any limits or restrictions, and make any arrangements, which they consider necessary or appropriate to deal with treasury shares, fractional entitlements or shares represented by depository receipts, record dates, legal, regulatory or practical problems in or arising under the laws of any territory or the requirements of any regulatory body or stock exchange or any other matter whatsoever,

such authority to apply until the end of next year's AGM (or, if earlier, until the close of business on 6 September 2018 but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreements as if the authority had not ended.

Allotment of Additional Tier 1 Securities

18. That, in addition to the authority proposed under Resolution 17, the Directors be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006, to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:

- (a) up to an aggregate nominal amount of £501,000 in relation to the issue of Additional Tier 1 Securities where the Directors consider that an issuance of Additional Tier 1 Securities would be desirable, including in connection with, or for the purposes of, complying with or maintaining compliance with, the regulatory requirements or targets applicable to the Company and its subsidiaries from time to time; and
- (b) subject to applicable law and regulation, at such conversion prices (or such maximum and minimum conversion price methodologies) as may be determined by the Directors from time to time.

This authority shall expire at close of business on 6 September 2018, or, if earlier, on the conclusion of the next AGM of the Company.

The Company may, before this authority expires, make an offer or agreement which would, or might, require shares to be allotted or rights to be granted after it expires and the Directors may allot shares or grant rights in pursuance of any such offer or agreement as if this authority had not expired.

Special resolutions

General disapplication of pre-emption rights

19. That, subject to and conditional upon the passing of Resolution 17, the Directors be empowered, in substitution for all subsisting powers which are in force at the commencement of this meeting, to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority granted by Resolution 17 and/or to sell ordinary shares held by the Company as treasury shares for cash, in either case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited to:

- (a) the allotment of equity securities and/or sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (B) of Resolution 17, by way of rights issue only):
 - (i) to holders of ordinary shares on the register on any fixed record date in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares; and
 - (ii) to holders of any other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws of any territory or the requirements of any regulatory body or any stock exchange or any other matter whatsoever; and

- (b) in the case of the authority granted under paragraph (A) of Resolution 17 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares (otherwise than pursuant to paragraph (a) above) up to an aggregate nominal amount of £125,250,

Such power to expire at close of business on 6 September 2018 or, if earlier, on the conclusion of the next AGM of the Company but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (or treasury shares to be sold) after the power expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not expired.

Specific disapplication of pre-emption rights in connection with an acquisition or specified capital investment

20. That, subject to and conditional upon the passing of Resolution 17, the Directors be empowered, in addition to any power granted under resolution 19 but in substitution for all subsisting powers which are in force at the commencement of this meeting, to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority granted by Resolution 17 and/or to sell ordinary shares held by the Company as treasury shares for cash, in either case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be:

- (a) limited to the allotment of equity securities and/or sale of treasury shares up to a nominal amount of £125,250; and
- (b) used only for the purposes of financing (or refinancing, if the power is to be used within six months after the original transaction) a transaction which the Board of Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Dis-applying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,

Such power to expire at close of business on 6 September 2018 or, if earlier, on the conclusion of the next AGM of the Company but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (or treasury shares to be sold) after the power expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not expired.

Notice of Annual General Meeting continued

Disapplication of pre-emption rights in relation to Additional Tier 1 securities.

21. That, subject and conditional upon the passing of Resolution 18, and in accordance with section 570 of the Companies Act 2006 the Directors be generally empowered to allot equity securities (as defined in section 560 of the Companies Act 2006) wholly for cash pursuant to the authority conferred in Resolution 17 up to an aggregate nominal amount of £501,000 in relation to any issue of Additional Tier 1 Securities as if section 561 of the Companies Act 2006 did not apply to any such allotment.

This authority shall apply until the close of business on 6 September 2018, or, if earlier, on the conclusion of the next AGM of the Company.

The Company may, before this authority expires, make an offer or agreement which would, or might, require shares to be allotted or rights to be granted after it expires and the Directors may allot shares or grant rights in pursuance of any such offer or agreement as if this authority had not expired.

This authority shall be in addition to the authority proposed under Resolution 19.

Cancellation of capital redemption reserve

22. That the entire amount standing to the credit of the capital redemption reserve of the Company be cancelled.

Market purchases of shares

23. That the Company be and is hereby generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693 of that Act) of ordinary shares of 1 pence each in its capital on such terms and in such manners as the Directors may determine from time to time, provided that:

- (a) the maximum aggregate number of such shares that may be acquired under this authority is 25,050,000;
- (b) the minimum price (exclusive of expenses) which may be paid for such a share is its nominal value;
- (c) the maximum price (exclusive of expenses) which may be paid for such a share is the higher of: (i) an amount equal to 105% of the average of the middle market quotations of an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent purchase bid at the time on the trading venue on which the purchase is carried out,

such authority to expire at close of business on 6 September 2018 or, if earlier, on the conclusion of the next AGM of the Company but during this period the Company may enter into a contract to purchase ordinary shares which would, or might, be completed or executed wholly or partly after the authority ends and the Company may purchase ordinary shares pursuant to any such contract as if the authority had not ended.

Notice of general meetings, other than Annual General Meetings

24. That any general meeting of the Company, other than an AGM, may be called on not less than 14 clear days' notice, such authority to expire at the conclusion of the next Annual General Meeting of the Company.

Registered Office
Shawbrook Group plc
Lutea House
Warley Hill Business Park
The Drive
Great Warley
Brentwood CM13 3BE

By order of the Board
Daniel Rushbrook
General Counsel and Company
Secretary

5 May 2017

Registered in England: 07240248

Explanatory notes on the resolutions

Ordinary resolutions

Resolution 1

The Directors are required to present the Company's Report and Accounts for the financial year ended 31 December 2016 (including the strategic report, financial statements, the Directors' reports and the Independent Auditor's report) before the shareholders at the AGM. Shareholders are being asked to receive the Report and Accounts.

Resolution 2

The Board recommends a final dividend of 2.7 pence per ordinary share in respect of the financial year ended 31 December 2016. Subject to approval by shareholders pursuant to this Resolution, the dividend will be paid on 30 June 2017 to shareholders named on the register of members as at the close of business on 2 June 2017. Payment of the final dividend is not conditional on the cancellation of the Company's capital redemption reserve proposed under Resolution 22.

Resolutions 3 to 13

In accordance with the Company's Articles of Association and the UK Corporate Governance Code, any Director appointed by the Board, but who has not been elected by shareholders, may hold office only until the next AGM, when the Director must stand for election by the shareholders.

Andrew Didham was appointed to the Board on 1 February 2017 and Dylan Minto to the Board on 6 February 2017. Both offer themselves for election by the shareholders for the first time. All other Directors are seeking re-election in accordance with the Company's Articles of Association.

The Board considers the Directors should be elected (or, as the case may be, re-elected) to maintain the appropriate balance of skills, knowledge and experience of the Board.

The biographies of each of the Directors standing for election (or re-election) can be found on the Company's website: investors.shawbrook.co.uk/company-information/ and at pages 66 to 68 of the Report and Accounts.

Controlling shareholder & independence

Rules of the Financial Conduct Authority ('FCA') provide protections for the minority of shareholders of a premium-listed company in which there is a 'controlling shareholder' (defined by the FCA as 'any person who exercises or controls, on their own or together with any person with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at general meetings of the company'). Under these rules, the election or re-election by the shareholders of an independent director must be approved by ordinary resolution of the shareholders and separately approved by ordinary resolution of those shareholders who are not controlling shareholders (the '**Independent Shareholders**'). If the ordinary resolution to approve the election or re-election of an independent director is passed, but separate approval by the Independent Shareholders is not given, the FCA's Listing Rules permit an independent director to remain in office pending a further ordinary resolution of all the shareholders to approve the election of that director. Such a resolution may only be voted on within the period of between 90 days and 120 days following the date of the original vote.

The Company intends to seek the separate approval of its Independent Shareholders for each of resolutions 3 to 7, 9 and 10 proposing the election or re-election (as appropriate) of Robin Ashton, Iain Cornish, Andrew Didham, David Gagie, Sally-Ann Hibberd, Paul Lawrence and Roger Lovering as independent Directors. Such approval will be sought following the vote on each of those resolutions by the Company's shareholders and will be sought by discounting from the result of the vote on each such resolution the votes of those shareholders who are identified as controlling shareholders of the Company as at 6.30 p.m. on 2 June 2017. As at 20 April 2017, Special Opportunities Fund (Guernsey) LP held 38.81% of the Company's issued share capital and is a controlling shareholder for the purpose of these rules.

Separate approval will be given by the Independent Shareholders if it is given by Independent Shareholders representing a simple majority of the total voting rights of Independent Shareholders who vote. The Company will, on announcing the result of the AGM, announce, in respect of resolutions 3 to 7, 9 and 10, the result of both the vote of the Company's shareholders and the vote of the Independent Shareholders.

If separate Independent Shareholder approval is not given for any relevant resolution, the Company intends that the relevant appointment will continue for 120 days from the date of the original vote, unless a further ordinary resolution for election is passed. If a further resolution to approve the election or re-election of the relevant Director is defeated, his or her appointment will cease on that resolution being defeated.

An external evaluation of the performance of the Board was conducted at the end of 2016, by Praesta Partners, an independent facilitator with no links to the Group. Following this review, the Board considers that each of the Directors continues to be effective and to demonstrate commitment to the role, including commitment of time for Board and committee meetings and any other duties. The Board is content that each of the independent Directors offering themselves for election is independent in character and there are no relationships or circumstances which are likely to affect their character or judgement.

As required by the FCA's Listing Rules, the Company confirms that, as at the date of this Notice:

1. There are no existing, nor have there been any prior, relationships, transactions or arrangements between any independent Director and the Company or any of its Directors or the controlling shareholder or any associate (as defined in the FCA's Listing Rules) of the controlling shareholder.
2. The independent Directors continue to contribute to the performance of the Board and demonstrate commitment to their roles. Further biographical details and information relating to the contribution of the independent Directors can be found on the company's website: investors.shawbrook.co.uk/company-information/ and at pages 66 to 68 of the Report and Accounts.

Explanatory notes on the resolutions continued

3. The Company assesses the independence of its Directors in accordance with the recommendations of the UK Corporate Governance Code 2014. The Company determined that the independent Directors were independent on their appointment and ensures that they remain independent by periodically reviewing their character and judgement and the absence of any such relationships as are referred to above.
4. The Nomination Committee has made recommendations to the Board during the year in relation to the appointment of new independent Directors.

Further information on the work of the Nomination Committee is set out on pages 77 to 79 of the Report and Accounts.

Resolution 14

This Resolution seeks to approve the Annual Report on Remuneration which may be found on pages 94 to 104 of the Report and Accounts and which gives details of the Directors' remuneration for the year ended 31 December 2016, together with the annual statement of the Chairman of the Remuneration Committee, which may be found on pages 91 to 93, in each case in accordance with section 439 of the Companies Act 2006. This vote is advisory only and does not affect the actual remuneration paid to an individual Director.

Resolution 15

The auditors of a company must be re-appointed at each general meeting at which accounts are laid.

This Resolution seeks approval to re-appoint KPMG LLP as auditors of the Company, to hold office until the conclusion of the next AGM of the Company.

Resolution 16

Shareholders are being asked to authorise the Audit Committee to determine KPMG LLP's remuneration as auditors.

Resolution 17

The Directors may only allot shares or grant rights to subscribe for, or convert any security into, shares if authorised to do so by shareholders. The authority conferred on the Directors at the AGM held on 9 June 2016 to allot shares or grant rights to subscribe for, or convert any security into, shares in the share capital of the Company expires on the date of this AGM. Resolution 17 will, if passed, replace the authority granted in 2016.

Paragraph (A) of this Resolution would authorise the Directors to allot shares or grant rights to subscribe for, or convert any security into, shares in the Company up to a maximum aggregate nominal amount of £835,000, representing 83,500,000 ordinary shares of 1 pence, and is equivalent to approximately 33% of the Company's existing issued ordinary share capital as at 20 April 2017 (being the latest practicable date prior to publication of the Notice). The Company currently holds no shares in treasury.

In accordance with the guidelines issued by The Investment Association (formerly the Association of British Insurers), paragraph (B) of this Resolution would also allow the Directors to allot shares or grant rights to subscribe for, or convert any security into, shares in the Company in connection with a pre-emptive offer by way of a rights

issue up to a maximum aggregate nominal amount of £1,670,000, representing 167,000,000 ordinary shares of 1 pence, equivalent to approximately 66% of the Company's existing issued share capital as at 20 April 2017 (being the latest practicable date prior to publication of the Notice). The amount of such authority in relation to any rights issue under paragraph (B) of this Resolution would be reduced by the nominal amount of any ordinary shares already issued in accordance with paragraph (A) of this Resolution, so that the Directors would not have power to allot, in total pursuant to the authority granted by this Resolution, shares representing more than 66% of the existing issued ordinary share capital of the Company.

This Resolution would give the Directors the maximum flexibility permitted by investor guidelines to respond to market developments; however, the Directors have no present intention of exercising this authority, except to satisfy options and awards under the Company's employee share option and share incentive schemes. If they do exercise the authority, the Directors intend to follow best practice as regards its use, as recommended by The Investment Association.

This authority will expire (unless previously renewed, varied or revoked) on the conclusion of the 2018 AGM of the Company or on 6 September 2018, whichever is earlier.

This Resolution will, if passed, be in addition to the authority proposed under Resolution 18 in relation to the issue of Additional Tier 1 Securities, but in substitution for all existing authorities under section 551 of the Companies Act 2006.

Resolution 18

This Resolution will, if passed, give the Directors authority to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company, in accordance with section 551 of the Companies Act 2006 up to an aggregate nominal amount of £501,000 in connection with the issue of Additional Tier 1 Securities ('AT1 Securities') which is, in aggregate, equivalent to approximately 20% of the issued ordinary share capital of the Company as at 20 April 2017 (being the latest practicable date prior to publication of this Notice).

The Directors believe it is in the best interests of the Company to have the flexibility to issue AT1 Securities from time to time. Before deciding to use the authority sought in this Resolution, the Directors would take into account a number of factors including the specific regulatory requirements at the time, the efficiency of the Company's overall capital structure and the regulatory and market assessment of appropriate capital ratios as well as market conditions at the time and demand for the issue of AT1 Securities. However, the request for authority in this Resolution should not be taken as an indication that the Company will nor will not issue any or any given amount of, AT1 Securities.

This authority is in addition to the authority proposed in Resolution 17, which is the usual authority sought by companies on an annual basis in line with the guidance issued by The Investment Association.

This authority will expire (unless previously renewed, varied or revoked) on the conclusion of the 2018 AGM of the Company or on 6 September 2018, whichever is earlier.

The Company currently has no ordinary shares held in treasury.

Special resolutions

Resolution 19

This Resolution will, if passed, give the Directors power to allot equity securities (as defined by section 560 of the Companies Act 2006), pursuant to the authority to allot granted by Resolution 17, or to sell ordinary shares held as treasury shares, in either case for cash without first offering them to existing shareholders in proportion to their existing holdings: (a) in relation to pre-emptive offers (and associated offers to holders of other equity securities); or (b), up to a maximum nominal amount of £125,250 which represents 12,525,000 ordinary shares of 1 pence or approximately 5% of the Company's issued ordinary share capital as at 20 April 2017 (being the latest practicable date prior to the date of this Notice).

The Directors intend to adhere to the provisions in the Pre-Emption Group's Statement of Principles, as updated in 2015 (the '**2015 Statement of Principles**'). The Directors also confirm their intention to follow the provisions of the 2015 Statement of Principles regarding the cumulative usage of authorities within a rolling three year period. Those Principles provide that a company should not issue shares for cash (other than to satisfy share scheme requirements) representing more than 7.5% of the company's issued ordinary share capital in any rolling three-year period, other than to existing shareholders, without prior consultation with shareholders. This cumulative limit excludes any ordinary shares issued in connection with an acquisition or specified capital investment (see the explanatory note on Resolution 20 below).

This power will expire at the close of business on 6 September 2018 or, if earlier, at the conclusion of the 2018 AGM of the Company.

Resolution 20

The 2015 Statement of Principles state that, in addition to the general disapplication of pre-emption rights up to a maximum amount equal to 5% of a company's issued ordinary share capital, as proposed in Resolution 19, the Pre-Emption Group is supportive of extending the general disapplication authority for certain purposes. In May 2016, the Pre-Emption Group recommended that this additional 5% authority be sought in a separate resolution, which is the approach the Company has taken this year. In accordance with the 2015 Statement of Principles, the Company is therefore proposing a separate special resolution seeking approval for the disapplication of pre-emption rights up to an additional maximum aggregate nominal amount of £125,250 which represents 12,525,000 ordinary shares of 1 pence or approximately 5% of the Company's issued ordinary share capital as at 20 April 2017 (being the latest practicable date prior to the date of this Notice). The maximum nominal value of equity securities which could be allotted, if both authorities were used, would be £250,500 which represents 25,050,000 ordinary shares of 1 pence or approximately 10% of the total issued share capital of the Company as at 20 April 2017 (being the latest practicable date prior to the date of this Notice).

The Directors confirm their intention that the additional authority (which represents approximately 5% of the total issued share capital of the Company) will only be used to fund one or more acquisitions or specified capital investments which are announced contemporaneously with the relevant issue, as referred to in the 2015 Statement of Principles. While the Directors have no present intention of exercising this disapplication authority, they consider

that the additional authority sought at this year's AGM will benefit the Company and its shareholders generally since there may be occasions in the future when the Directors need the flexibility to finance acquisitions or capital investments by issuing shares for cash without a pre-emptive offer to existing shareholders.

This power will expire at the close of business on 6 September 2018 or, if earlier, at the conclusion of the 2018 AGM of the Company.

Resolution 21

This Resolution proposes that the Directors be empowered to allot equity securities (as defined in section 560 of the Companies Act 2006) up to a nominal amount of £501,000 in relation to the issue of AT1 Securities, wholly for cash, which is equivalent to 20% of the issued ordinary share capital of the Company as at 20 April 2017 (being the latest practicable date prior to publication of this Notice), as if section 561 of the Companies Act 2006, to the extent applicable, did not apply to any such allotment.

This Resolution would permit the Directors to allot equity securities pursuant to any proposal to issue AT1 Securities without the need to comply with the strict pre-emption requirements of the UK statutory regime thereby granting the flexibility necessary to manage its capital in the most efficient and economic way for the benefit of the shareholders as a whole.

The power sought in this Resolution will be utilised as considered desirable to comply with or maintain compliance with regulatory capital requirements or targets applicable to the Company.

This power will expire at the close of business on 6 September 2018 or, if earlier, at the conclusion of the 2018 AGM of the Company.

Resolution 22

The Directors are proposing to cancel the Company's capital redemption reserve in order to create additional distributable reserves and to reduce the administrative burden in the event a distribution from the Company is required. This Resolution provides the requisite authority under the Companies Act 2006 for the cancellation.

On 31 March 2015, the Company underwent a capital restructuring prior to its Initial Public Offering and Admission to the London Stock Exchange. This resulted in the conversion of certain A, B and C ordinary shares into deferred shares, with the remaining shares being converted into ordinary shares of £1 each. Each ordinary share of £1 was then subdivided into 100 ordinary shares. The deferred shares were repurchased by the Company and cancelled, generating a capital redemption reserve of £183,067,856.

Under the Companies Act 2006, the capital redemption reserve is treated as if it were part of the share capital of the Company and is not available for distribution to shareholders. The Directors are proposing to create additional distributable reserves. This will be achieved by the cancellation of the capital redemption reserve as part of a court-confirmed reduction of capital (the '**Capital Reduction**').

Explanatory notes on the resolutions continued

If the Capital Reduction becomes effective, it will increase the amount of funds that are available for distribution to shareholders. While the Directors do not intend to use these additional funds to deviate from the Company's established dividend policy, the Company currently has only limited distributable reserves available, meaning there is a need to upstream dividends from Shawbrook Bank Limited as and when a distribution is required to be made. Increasing the Company's distributable reserves through the Capital Reduction will facilitate payment of dividends in accordance the Company's established dividend policy and will also provide the Company with flexibility to issue AT1 Securities in the future. Please note that the Capital Reduction itself will not involve any return of capital to shareholders nor any reduction of the Company's net assets.

If the Capital Reduction becomes effective, the amount standing to the credit of the capital redemption reserve (£183,067,856) will be cancelled and credited to the Company's retained earnings. Accordingly, the Company would expect to have created additional distributable reserves of £183,067,856.

The Capital Reduction is conditional upon: (i) the passing of Resolution 22 as a special resolution; (ii) the confirmation of the High Court of England and Wales (the 'Court'); (iii) the registration of the Court order by the Registrar of Companies; and (iv) if not otherwise being prohibited under applicable law or regulation. Before giving its confirmation, the Court will need to be satisfied that the Capital Reduction does not put any of the Company's creditors at risk of not being paid when due.

If Resolution 22 is passed, the Company intends to take the necessary steps to effect the Capital Reduction later this year. Please note that there are certain circumstances in which the Directors might decide not to proceed with the Capital Reduction, including the Court imposing conditions on its confirmation which are not satisfactory to the Company.

Resolution 23

This Resolution replaces the authority given at the AGM held on 9 June 2016, for the Company to make market purchases of its own ordinary shares as permitted by the Companies Act 2006. The terms of the authority are set out in this Resolution. Approval of this Resolution would enable the Company to purchase up to a maximum of 25,050,000 ordinary shares of 1 pence each in the capital of the Company (representing 10% of the issued ordinary share capital of the Company as at 20 April 2017 (being the latest practicable date prior to publication of the Notice).

The price per ordinary share that the Company may pay is set at a minimum amount of the nominal value of each ordinary share and a maximum amount of the higher of: (i) 105% of the average of the middle market quotations of an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day of purchase; and (ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent purchase bid for an ordinary share as derived from the London Stock Exchange Trading System (SETS).

There are a number of reasons why the Directors may, in the future, consider a buy-back of shares to be in the best interests of the Company and of its shareholders generally. These may include where the directors: (i) expect that such a buy-back would result in an increase in earnings per share; (ii) consider that the Company has excess cash; and/or (iii) determine that it is appropriate to increase the Company's gearing or its share liquidity.

The Directors have no present intention of making such purchases but consider it prudent to retain the ability to do so. The Directors will only exercise the authority if they believe that such exercise would result in an increase in earnings per share and would be likely to promote the success of the Company for the benefit of its shareholders as a whole.

Any ordinary shares purchased pursuant to the authority conferred by this Resolution may be cancelled or held by the Company as treasury shares, within the limits allowed by law. Such treasury shares may subsequently be cancelled, sold for cash or used to satisfy options issued to employees pursuant to the Company's employee share schemes or otherwise disposed of by the Directors in accordance with the requirements of the relevant legislation and the authority relating to rights of pre-emption granted by the shareholders in a general meeting.

Such authority, if given, will expire (unless previously renewed, varied or revoked) at close of business on 6 September 2018 or, if earlier, on the conclusion of the AGM of the Company next year.

During the 12 months ended 31 December 2016, the Company made no market purchase of its own ordinary shares. As at 20 April 2017 (being the latest practicable date prior to publication of the Notice), no treasury shares were held by the Company.

The Company had options and awards outstanding over 6,344,931 ordinary shares, representing 2.5% of the Company's issued share capital, as at 20 April 2017 (being the latest practicable date prior to publication of the Notice). If the authority conferred by Resolution 21 and the equivalent existing authority granted at the Company's AGM in 2016 were to be exercised in full (and assuming no further shares are issued), these outstanding options and awards would represent 2.8% of the issued share capital of the Company.

Resolution 24

Under the Companies Act 2006, the notice period required for general meetings of the Company is 21 days, unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. An AGM must always be held on at least 21 clear days' notice.

This Resolution would, if passed, allow the Company flexibility to call general meetings, other than AGMs, on not less than 14 clear days' notice. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

It is intended that the flexibility offered by this Resolution will only be used for time-sensitive, non-routine business and where merited in the interests of the shareholders as a whole. The Directors also note the recommendations of the UK Corporate Governance Code 2014 as regards notice for general meetings with which the Company would intend to comply.

Notes to the Notice of AGM

1. Only those shareholders registered in the Company's register of shareholders at 6.30 p.m. on 2 June 2017 (or, in the event of any adjournment, 6.30 p.m. on the date which is two business days before the day of the adjourned meeting) shall be entitled to attend and vote at the meeting and a shareholder may vote in respect of the number of ordinary shares registered in that shareholder's name at that time. Changes to the entries in the register of shareholders after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. Any member wishing to vote at the AGM without attending in person must appoint a proxy to do so. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company but must attend the AGM to represent a member. A form of proxy which may be used to make such appointment and give proxy instructions for use at the AGM is enclosed with this Notice. Appointing a proxy will not prevent a member from attending and voting in person at the AGM should he or she so wish, although votes cast by proxy will, in that circumstance, be superseded. To appoint more than one proxy, a member should photocopy the form of proxy enclosed with this Notice. The member should indicate the proxy holder's name and the number of shares in relation to which he or she is authorised to act as the member's proxy (which, in aggregate, should not exceed the number of shares held by the member). The member should also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. If a member appoints more than one proxy and the forms of proxy appointing those proxies would give those proxies the apparent right to exercise votes on behalf of the member in a general meeting over more shares than are held by the member, then each of those forms of proxy will be invalid and none of the proxies so appointed will be entitled to attend, speak or vote at the AGM.
4. To be valid, a form of proxy, (together with any power of attorney or other authority under which it is signed, or a certified copy of such item), duly completed, signed or sealed (as appropriate) and dated must be returned to the Company's Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive no later than 10.00 a.m. on 2 June 2017.
5. The form of proxy must be executed by a shareholder or his or her attorney duly authorised in writing. In the case of a corporation, it must be executed under seal or signed by an officer, attorney, or other person authorised to sign it.
6. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
7. Alternatively a shareholder may appoint a proxy or proxies electronically either via the website run by Equiniti at www.sharevote.co.uk using the Voting ID, Task ID and Shareholder Reference Number provided on the form of proxy or, if such shareholder is a CREST member, by using the procedure described in paragraph 12 below. To be valid, your proxy appointment must be received by Equiniti by 10.00 a.m. on 2 June 2017.
8. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 12 below) will not prevent a member attending the AGM and voting in person if he/she wishes to do so.
9. When two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting or poll, the one which is last received (regardless of its date or of the date of its signature) shall be treated as replacing and revoking the others as regards that share, if the company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.
10. In the case of joint registered holders, the signature of only one holder will be accepted and the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority will be determined by the order in which the names stand on the register of shareholders of the Company in respect of the relevant joint holding.
11. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If a member gives no voting indication on the form of proxy, that member's proxy will vote or abstain from voting at his or her discretion. A member's proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.
12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the purposes of the AGM and any adjournment(s) thereof by using the procedures described in the CREST Manual, which can be viewed at www.euroclear.com. 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.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by no later than 10.00 a.m. on 2 June 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 issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST personal members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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 his 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Notes to the Notice of AGM continued

13. Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its powers, provided that they do not exercise their powers differently in relation to the same shares. Any such representative should bring to the meeting written evidence of their appointment, such as a certified copy of a board resolution of, or a letter from the corporation concerned confirming the appointment.
14. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may have a right, under an agreement between him or her and the shareholder by whom he or she was nominated, to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
15. The statements of the rights of shareholders in relation to the appointment of proxies in paragraphs 2 to 4 above do not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.
16. As at 20 April 2017 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 250,500,000 ordinary shares of 1 pence each, carrying one vote each. Therefore, the total voting rights in the Company as at 20 April 2017 (being the latest practicable date prior to publication of the Notice) are 250,500,000.
17. Under section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the last AGM. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
18. Any shareholder attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.
19. In accordance with section 311A of the Companies Act 2006, the contents of the Notice of AGM, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of the Notice of AGM are available to view and to download on the Company's website at investors.shawbrook.co.uk/.
20. The results of the voting at the AGM will be announced through a Regulatory Information Service and will appear on our website at investors.shawbrook.co.uk/ following the AGM on 6 June 2017.
21. Save as provided above, any communication with the Company in relation to the AGM, including in relation to proxies, should be sent to the Company's Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. No other means of communication will be accepted. In particular, you may not use any electronic address provided either in the Notice of AGM or in any related documents (including the annual report and accounts for the year ended 31 December 2016, the form of proxy or the AGM Shareholder Admission Card) to communicate with the Company for any purposes other than those expressly stated. A member may not use any electronic address provided either in this Notice or any related documents (including the chairman's letter and form of proxy) to communicate with the Company for any purposes other than those expressly stated.
22. A member wishing to attend and vote at the meeting in person should arrive prior to the time fixed for its commencement. Shareholders' attention is drawn to the following security and admissions arrangements for the AGM. The Company does not permit behaviour that may interfere with the security, safety and good order of the AGM, or with the security or safety of any other attendees of the AGM. Attendees of the AGM will be asked to pass through our security systems before entering the meeting and all bags may be checked. No cameras or recording equipment will be permitted at the AGM. All mobile phones and other electronic communication devices should be switched off during the AGM. Guests are not entitled to attend the AGM as of right, but may be permitted entry at the absolute discretion of the Company. Shareholders' co-operation with these arrangements is greatly appreciated. Proxies and corporate representatives should bring copies of the authority or power of attorney under which they have been appointed.
23. Members meeting the threshold requirements in sections 338 and 338A of the Companies Act 2006 have the right to require the Company: (i) to give to members entitled to receive notice of the meeting notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or (as applicable) the matter to be included in the business, must be authenticated by the person or persons making it, must be received by the Company not later than the date which is six 'clear' weeks before the meeting, and (in the case included in the business of a matter to be only) must be accompanied by a statement setting out the grounds for the request.
24. Except as provided above, members who have any special needs or require wheelchair access to the AGM venue should contact the Company Secretary at companysecretary@shawbrook.co.uk in advance of the meeting (no other methods of communication will be accepted).