

THE COMPANIES ACT 2006

Public Company Limited by Shares

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**RESOLUTIONS**

**of**

**PARAGON BANKING GROUP PLC**

**(Passed on 15 February 2018)**

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AT AN ANNUAL GENERAL MEETING of the above named Company, duly convened, and held at the offices of Jefferies International Limited at Vintners Place, 68 Upper Thames Street, London, EC4V 3BJ on 15 February 2018 at 9.00am the following resolutions were passed:

**Ordinary Resolutions**

- 18 THAT the Board be and it is hereby generally and unconditionally authorised (in substitution for all subsisting authorities to the extent unused) to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £88,500,000 PROVIDED THAT this authority shall expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 14 May 2019) but in each case, prior to its expiry, the Company may make offers, or 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 such expiry and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not expired.
- 19 THAT, subject to the passing of resolution 18, the Board be authorised to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash under the authority given by resolution 18 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited:
- (a) to the allotment of equity securities in connection with a rights issue, open offer or any other pre-emptive offer in favour of ordinary shareholders and in favour of all holders of any other class of equity security in accordance with the rights attached to such class where the equity securities respectively attributable to the interests of all such persons on a fixed record date are proportionate (as nearly as may be) to the respective numbers of equity securities held by them or are otherwise allotted in accordance with the rights attaching to such equity securities (subject in either case to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates or legal or practical problems arising in any overseas territory, the requirements of any regulatory body or any stock exchange in any territory or any other matter whatsoever); and
  - (b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £13,200,000 (representing not more than 5 percent of the Company's issued ordinary share capital excluding treasury shares),

such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 14 May 2019) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

- 20 THAT, subject to the passing of resolution 18, the Board be authorised in addition to any authority granted under resolution 19 to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal value of £13,200,000; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,

such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 14 May 2019) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

- 21 THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (within the meaning of section 693(4) of the Act) on the London Stock Exchange PLC of ordinary shares of £1 each in the share capital of the Company ('Ordinary Shares') PROVIDED THAT:

- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 26,500,000 (representing approximately 10 percent of the Company's issued ordinary share capital excluding treasury shares);
- (b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is 10p;
- (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is the higher of: (i) an amount equal to 105 percent of the average of the middle market price shown in the quotations for an Ordinary Share 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) the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out;
- (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company and the close of business on 14 May 2019; and

- (e) the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts as if the authority had not expired.
- 22 THAT, in addition to the authority granted under resolution 18 (if passed), the Board be and it is hereby generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £39,800,000 in relation to the issue by the Company or any subsidiary or subsidiary undertaking of the Company of any Additional Tier 1 Securities that automatically convert into or are exchanged for ordinary shares in the Company in prescribed circumstances where the directors consider that the issue of such Additional Tier 1 Securities would be desirable, including for the purpose of complying with, or maintaining compliance with, the regulatory requirements or targets applicable to the Company and its subsidiaries and subsidiary undertakings from time to time PROVIDED THAT this authority shall expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 14 May 2019) but in each case, prior to its expiry 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 expires and the Board may allot shares or grant rights to subscribe for or convert securities into shares under such an offer or agreement as if the authority had not expired.
- 23 THAT, subject to the passing of resolution 22 and in addition to the power granted pursuant to resolution 20 (if passed), the Board be authorised to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash under the authority given in resolution 22 up to an aggregate nominal amount of £39,800,000 in relation to the issue of Additional Tier 1 Securities as if section 561 of the Companies Act 2006 did not apply to any such allotment, such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 14 May 2019) but, in each case, prior to its expiry the Company may make offers, or enter into agreements which would, or might, require equity securities to be allotted after the authority expires and the Board may allot equity securities under any such offer or agreement as if the authority had not expired.
- 24 THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.
- 25 THAT the Articles of Association of the Company shall be amended with effect from the conclusion of the Annual General Meeting by deleting Article 108 (1) and replacing it with the following Article:
- “108. (1) The directors shall be paid out of the funds of the Company by way of remuneration for their services, fees not to exceed in aggregate £2,000,000 per annum (to be divided between the directors in such proportions as they shall determine) or such higher aggregate amount as the Company may by ordinary resolution determine, and accrues from day to day. A director holding office, for part only of a year shall be entitled to a proportionate part of a full year's remuneration.”