

*The following are the Special Conditions of Issue of the PIBS as varied in accordance with an Extraordinary Resolution passed by the holders of the PIBS at a meeting on 9 April 2018. The following supersedes and replaces the original Special Conditions of Issue of the PIBS, as varied on 4 September 2009, with effect from 10 April 2018.*

## **SPECIAL CONDITIONS OF ISSUE OF THE PIBS**

*The following are the special conditions of issue of the PIBS in the form in which, subject to the removal of the wording in italics which does not form part of the special conditions, they will appear on the reverse of each PIBS Certificate:*

The PIBS holders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of the Rules (as defined below) of the Society (as defined below). The PIBS (as defined below) are also issued subject to, and with the benefit of, these special conditions of issue (the “**Conditions**”). In the event of inconsistency between the Rules and these Conditions, the Rules will prevail.

### **1 General**

- (1) The “**Society**” means West Bromwich Building Society.
- (2) The “**PIBS**” means £75,000,000 6.15 per cent. Permanent Interest Bearing Shares of the Society and, unless the context otherwise requires, includes any further permanent interest bearing shares issued pursuant to Condition 11 and forming a single series with the PIBS.
- (3) “**PIBS holder**” means a Person whose name is entered in the PIBS Register as the holder of PIBS or, in the case of a joint holding of PIBS, the first person whose name is entered in the PIBS Register in respect of the joint holding of the PIBS.
- (4) “**PIBS Register**” means the records of the Society maintained for the purposes of the PIBS.
- (5) “**Registrar**” means Lloyds TSB Registrars or such other registrar appointed by the Society from time to time in respect of the PIBS.
- (6) Terms defined in the Rules of the Society for the time being (the “**Rules**”) will, unless the context otherwise requires, have the same meanings when used in these Conditions.
- (7) The PIBS:
  - (a) are deferred shares for the purposes of section 119 of the Act;
  - (b) are not protected deposits for the purpose of the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000;
  - (c) are not withdrawable; and
  - (d) are Permanent Interest Bearing Shares for the purposes of the Rules.
- (8) The expressions “**Creditors**” and “**Relevant Supervisory Consent**” shall have the meanings given thereto in Conditions 5(3) and 5(6) respectively.
- (9) Upon a transfer of PIBS by a PIBS holder the Society will procure that the new PIBS holder is issued with a PIBS Certificate within 14 days after the lodgement of the

instrument of transfer if he holds his PIBS in certificated form. The PIBS Certificate will be made available at the offices of the Registrar.

- (10) The PIBS may be held jointly by up to four Persons.
- (11) Rights to Conversion Benefits to which a PIBS holder may become entitled by reason of his holding of PIBS shall not be required to be assigned to a charity nominated by the Society pursuant to any scheme for charitable assignment established by the Society for the time being. In the event that a holder of PIBS is a Member of the Society other than by reason of its holding of PIBS and has made a declaration to assign any Conversion Benefits to a charity, that assignment declaration shall not apply to Conversion Benefits derived from his holding of PIBS. If there is a conflict between these Conditions and any other provisions for the assignment of Conversion Benefits to which a Member is subject, then these Conditions shall prevail in relation to Conversion Benefits derived from PIBS held by any PIBS holder, whenever the assignment of Conversion Benefits is made. For these purposes, "**Conversion Benefits**" shall mean any benefits under the terms of any future transfer of the Society's business to a company and, if the Society merges with any other building society, "**Society**" shall, after the date of such merger, extend to such other society.

## **2 Form and denomination**

The PIBS are in registered form and are available and transferable in accordance with the Rules in amounts and integral multiples of £1,000.

## **3 PIBS Register**

- (1) The Society has appointed the Registrar to act as registrar in respect of the PIBS under the terms of a registrar agreement (the "**Registrar Agreement**") dated 29 July 2005 and made between the Society and the Registrar. PIBS holders are deemed to have notice of all the provisions of the Registrar Agreement applicable to them.
- (2) Pursuant to the Registrar Agreement, the Society shall procure that the Registrar maintains the PIBS Register, in which shall be entered the name and address of each PIBS holder. Each PIBS holder shall notify the Registrar immediately of any change of name or address and shall produce such evidence of change of name or address as the Registrar may reasonably require.
- (3) A PIBS holder must provide the Registrar with a written order containing such instructions and other information as the Society and the Registrar may require to complete, execute and deliver a PIBS Certificate to such PIBS holder. On receipt of such documents, the Society shall instruct the Registrar to arrange for the authentication of, and the Registrar to deliver to, or to the order of, the person or persons named in such written order of a PIBS Certificate, registered in the name or names requested by such person or persons.
- (4) Transfers and other documents or instructions relating to or affecting the title of any PIBS shall be recorded in the PIBS Register. No charge shall be made in respect of any entry in the PIBS Register. The PIBS Register shall be maintained at the principal office of the Registrar or at such other place as the Society and the Registrar shall agree.
- (5) The Registrar shall, on behalf of the Society, issue a PIBS Certificate in respect of each holding of all PIBS held by each PIBS holder (or, in the case of a joint holding, to the joint holder whose name appears first in the PIBS Register in respect of such joint holding) within 14 days after one is requested.

#### 4 Interest

- (1) The PIBS bear interest from and including 29 July 2005 (the “**Issue Date**”) to but excluding 5 April 2021 at the rate of 6.15 per cent. per annum and thereafter at a rate calculated in accordance with paragraph (2) below (each a “**Rate of Interest**”) payable, subject as set out below, in arrear by half-yearly instalments on 5 April and 5 October in each year, commencing on 5 April 2006 (each an “**Interest Payment Date**”). The period from and including the Issue Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”. Interest on the PIBS is non-cumulative.

Where it is necessary to calculate an amount of interest in respect of any PIBS for a period which is not an Interest Period, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, 29 July 2005) to (but excluding) the date on which the relevant interest is payable, divided by the product of (a) the actual number of days in the period from (and including) such Interest Payment Date (or, if none, 29 July 2005) to (but excluding) the next (or first) scheduled Interest Payment Date and (b) two.

- (2) (a) The Rate of Interest payable in respect of the PIBS from and including 5 April 2021 in respect of each Reset Period (as defined below) shall be determined by such leading bank or investment banking firm in London as shall be appointed by the Society (the “**Agent Bank**”) on the following basis. On the Determination Date (as defined below) relating to each Reset Period, the Agent Bank shall determine the Gross Redemption Yield (as defined below). The Rate of Interest for the relevant Reset Period shall be the aggregate of 2.80 per cent. per annum and the Gross Redemption Yield for that Reset Period, as determined by the Agent Bank.

In these Conditions:

“**Benchmark Gilt**” means, in respect of a Reset Period, such fixed income United Kingdom government security denominated in sterling having a maturity date on or about the last day of such Reset Period as the Agent Bank, with the advice of the Reference Market Makers, may determine to be appropriate;

“**Determination Date**” means, in relation to any Reset Period, the 45th day prior to the first day of such Reset Period; provided that if such day is not a day on which banks are open for business in London, it shall be postponed to the next such day;

“**Gross Redemption Yield**” means, in respect of a Reset Period, the gross redemption yield (as calculated by the Agent Bank on the basis set out by the United Kingdom Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields” page 4, Section One: Price/Yield Formulae “Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published 8 June 1998 and as updated on 15 January 2002) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) of the Benchmark Gilt in respect of that Reset Period, with the price of the Benchmark Gilt for this purpose being the arithmetic average (rounded up (if necessary) to four decimal places) of each of the bid and offered prices of such Benchmark Gilt quoted by the Reference Market Makers at 11.00 a.m. (London time) on the relevant Determination Date on a dealing basis for settlement on the next following dealing day in London;

**“Reference Market Makers”** means three gilt edged market makers selected by the Agent Bank, failing which such other three persons operating in the gilt edged market as are selected by the Agent Bank;

**“Reset Date”** means 5 April 2021 and every fifth successive year thereafter; and

**“Reset Period”** means the period beginning on and including a Reset Date and ending on and including the day immediately preceding the next succeeding Reset Date.

- (a) As soon as practicable after 11.00 a.m. (London time) on each Determination Date, the Agent Bank shall determine the Rate of Interest for the relevant Reset Period and calculate the amount of interest payable on each £1,000 principal amount of PIBS (the **“Interest Amount”**) on each of the 10 Interest Payment Dates that fall after the commencement of the Reset Period to which such Determination Date relates. The Society shall cause such Rate of Interest, Reset Period and each such Interest Amount to be notified to the Registrar as soon as practicable after their determination and calculation and shall procure that the Registrar gives notice thereof to the PIBS holders.
  - (b) The Society may from time to time appoint any leading bank or investment banking firm in London (as determined by the Society) as the Agent Bank in substitution for any existing Agent Bank. In the event of the appointed office of the Agent Bank being unable or unwilling to continue to act as the Agent Bank, the Society shall forthwith appoint the London office of such other leading bank or investment banking firm in London to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.
  - (c) All notifications, opinions, advice, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4(2) by the Agent Bank shall (in the absence of wilful default, bad faith or manifest error) be binding on the Society, the Agent Bank, the Registrar and all PIBS holders and (in the absence as aforesaid) no liability shall attach to the Agent Bank or the Reference Market Makers in connection with the exercise or non-exercise of their powers, duties and discretions.
- (3) (a) If, on any day within the 30 days preceding a scheduled Interest Payment Date, the Board:
- (i) after consultation with the Supervisory Authority (as defined below) and having taken appropriate legal advice, is of the opinion that on the relevant date, the Society is, or payment of the relevant interest payment will result in the Society being, or there is a reasonable likelihood that payment of the relevant interest payment will in the foreseeable future result in the Society being, in non-compliance with any requirement relating to capital adequacy imposed on the Society by or pursuant to the Financial Services and Markets Act 2000, including any statutory modification or re-enactment thereof; and
  - (ii) passes a resolution cancelling or, as the case may require, reducing the interest to such extent as may be necessary to secure that, in the opinion of the Board (after consultation with the Supervisory Authority and having taken appropriate legal advice), such payment would not cause or contribute to such non-compliance,

then the Society shall, as soon as practicable, give notice to all PIBS holders of such resolution in accordance with Condition 10(12), and such interest payment or part thereof, as the case may be, shall not be made. On the passing of a resolution cancelling or reducing an interest payment, each PIBS holder shall cease to have any right to the interest for that period so cancelled or, as the case may be, any interest other than the reduced amount payable in accordance with that resolution.

- (b) If, in circumstances other than as set out in Condition 4(3) above, on any day within the 30 days preceding a scheduled Interest Payment Date, the Board passes a resolution cancelling or requiring a reduction in the interest payable on such Interest Payment Date, then the Society shall, as soon as practicable, give notice to all PIBS holders of such resolution in accordance with Condition 10(12) and such interest payment shall not be made. On the passing of any such resolution, each PIBS holder shall cease to have any right to the interest for that period so cancelled or, as the case may be, any interest other than the reduced amount payable in accordance with that resolution.

- (c) For the purpose of these Conditions:

**“Supervisory Authority”** means the Financial Services Authority (or any successor body performing for the time being the same or similar functions in relation to building societies (or, in the event that the Society transfers its business to a company under section 97 of the Act, companies of that nature) in the United Kingdom).

- (4) Any amount representing principal of or interest on a PIBS in respect of which no cheque or warrant has been cashed and no payment claimed shall cease to be payable after 12 years from the due date and shall revert to the Society.

## 5 Repayment

- (1) The PIBS constitute permanent non-withdrawable deferred shares (as defined in the Act) in the Society and have no specified final maturity.
- (2) The Society may, having obtained Relevant Supervisory Consent (as defined below) and having given not less than 30 nor more than 60 days’ notice to the PIBS holders in accordance with the Conditions, which notice shall be irrevocable, elect to repay all, but not some only, of the PIBS on 5 April 2021 or on any Interest Payment Date thereafter at their principal amount together, subject to Conditions 4(3) and 4(3)(b), with any interest accrued to but excluding the date of repayment.
- (3) The PIBS will become repayable on the date that an instrument or order is made or an effective resolution is passed for the winding-up or, otherwise than by virtue of section 93(5), section 94(10), section 97(9) or section 97(10) of the Act, dissolution of the Society but only if and subject to the condition that all sums due from the Society to Creditors claiming in the winding-up or dissolution have been paid in full.

For the purposes of these Conditions, **“Creditors”** means all creditors (including all subordinated creditors) of the Society and Shareholding Members (other than holders of deferred shares (including the PIBS)) as regards the principal and interest due in respect of their Shares.

- (4) The claims of the PIBS holders in a winding-up or dissolution of the Society will be for the principal amount of their PIBS together, subject to Condition 4, with interest accrued to but

excluding the date of repayment after all sums due from the Society to Creditors have been paid in full. The PIBS holders will not be entitled to any share in any final surplus upon a winding-up or dissolution of the Society.

- (5) The Society may, having obtained prior Relevant Supervisory Consent and, for so long as the PIBS are admitted to the official list maintained by the competent authority designated under Part VI of the Financial Services and Markets Act 2000 (the “**UK Listing Authority**”, which expression shall include any body appointed to perform such functions under any successor legislation), and admitted to trading on the London Stock Exchange plc’s Gilt Edged and Fixed Interest Market (the “**Market**”), subject to and in accordance with the requirements from time to time of the UK Listing Authority and London Stock Exchange plc, purchase any of the PIBS. In the case of purchases by tender, tenders shall be made available to all PIBS holders alike.
- (6) All PIBS repaid or purchased by the Society as aforesaid shall be cancelled forthwith and such PIBS may not be reissued or resold.

For the purposes of these Conditions, “**Relevant Supervisory Consent**” means consent by the Supervisory Authority to the relevant repayment or (as referred to in Condition 5(5)) purchase.

## 6 Payments

All payments in respect of the PIBS will be made by sterling cheque or warrant drawn on a bank or building society in the United Kingdom, posted on the business day immediately preceding the relevant due date and made payable to the PIBS holders (in the case of a joint holding of PIBS, the Representative Joint Shareholder) appearing in the PIBS Register in respect of the PIBS of which he is the holder at the close of business on the fifteenth day before the relevant due date (the “**Record Date**”) at the addresses shown in the PIBS Register on the Record Date. In relation to payments of interest only, upon application of the PIBS holder (or in the case of a joint holding of PIBS, the Representative Joint Shareholder) to the Society, in the form from time to time prescribed by the Society, not less than 15 days before the due date for any interest payment in respect of his PIBS, the interest payment may be made by transfer on the due date or, if the due date is not a business day, on the immediately following business day to a sterling account with a bank or building society in the United Kingdom. In this Condition 6, “**business day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in England.

All payments in respect of the PIBS shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction of the Taxes is required by law.

*For a description of applicable United Kingdom Taxation Considerations see “United Kingdom Taxation” on page 73.*

## 7 Replacement of PIBS Certificates

A PIBS holder who has lost a PIBS Certificate shall immediately give notice in writing of such loss to the Society at its Principal Office and to the Registrar at its specified office. If a PIBS Certificate is damaged or alleged to have been lost, stolen or destroyed, a duplicate PIBS Certificate shall be issued by the Registrar, on behalf of the Society, to the PIBS holder upon request, subject to delivery up of the old PIBS Certificate or (if alleged to have been lost, stolen or destroyed) subject to

compliance with such conditions as to evidence and indemnity as the Society and the Registrar may think fit and to payment of any expenses of the Society and the Registrar in connection therewith. The duplicate PIBS Certificate will be made available at the offices of the Registrar.

## **8 Succession and transfers**

- (1) Upon an amalgamation by the Society with another building society under section 93 of and Schedule 16 to the Act or a transfer of its engagements to any extent to another building society under section 94 of and Schedule 16 to the Act, the PIBS shall become deferred shares in the amalgamated or transferee building society (as appropriate) without any alteration in their terms.
- (2) Upon a transfer by the Society of the whole of its business to a successor in accordance with section 97 of the Act, the successor will, in accordance with section 100(2)(a) of the Act, assume as from the vesting date a liability (subject to this Condition 8(2)) to every qualifying Member of the Society as in respect of a deposit made with the successor corresponding in amount to the value of the qualifying Shares held by the Member in the Society. The liability so assumed by the successor in respect of each PIBS shall be the same as the liability in respect of a non-transferable subordinated deposit carrying the same rate of interest as the PIBS ranking behind any undated subordinated debt previously issued by the Society (each a **"Subordinated Deposit"**). Each Subordinated Deposit will be applied on the vesting date (or as soon as reasonably practicable thereafter), on behalf of the PIBS holder, in the subscription of a principal amount of undated subordinated bonds of the successor ranking behind any undated subordinated debt previously issued by the Society or its successor (the **"Bonds"**) equivalent to the principal amount of the Subordinated Deposit and carrying the same Rate of Interest as the PIBS.

The terms of each Subordinated Deposit and the terms and conditions of the Bonds will be such as to secure in the opinion of the Board that they will be treated as capital designated perpetual subordinated debt (as referred to in Chapter CA of the Interim Prudential Sourcebook for Banks as replaced, amended or supplemented from time to time) or its equivalent (if any) as determined by the auditors of the Society for the purposes of capital adequacy regulations made from time to time by the Financial Services Authority or any other or successor body performing for the time being the same or similar functions in the United Kingdom in relation to companies of a similar nature.

The terms of the Subordinated Deposits and the terms and conditions of the Bonds will, not later than the time at which notice is given to Members of resolutions to be proposed to approve such transfer, be available for inspection by the PIBS holders at the Principal Office of the Society and the specified office of the Registrar at that time and, subject as provided above, will be determined by the Board in its absolute discretion.

- (3) The Society undertakes to procure that any amalgamation or transfer referred to in Condition 8(1) or (2) above will comply with the provisions of Condition 8(1) or, as the case may be, (2) above.

## **9 Variations of these Conditions**

- (1) These Conditions may only be varied by the Society with the consent in writing of the PIBS holders holding not less than three-quarters in principal amount of the PIBS for the time being outstanding or with the sanction of a resolution passed at a separate meeting of the PIBS holders held in accordance with Condition 10.

- (2) The Society undertakes not to initiate any change to the Rules that is both (a) inconsistent with the provisions of these Conditions and (b) materially prejudicial to the interests of the PIBS holders in that capacity.
- (3) These Conditions do not limit the rights of Members to change the Rules.

Any amendment to the Rules that is both (a) inconsistent with the provisions of these Conditions and (b) materially prejudicial to the interests of the PIBS holders in that capacity shall not limit any rights of any PIBS holder to bring an action for breach of contract against the Society in circumstances where the Society is in breach of these Conditions nor afford the Society any defence to any claim made in any such action.

## **10 Meetings of the PIBS holders**

- (1) The Society alone may at any time convene a separate meeting of the PIBS holders. Every meeting shall be held at such place as the Society may approve.
- (2) At least 21 clear days' notice, calculated from the final date for the receipt of proxies under Condition 10(10), specifying the hour, date and place of the meeting shall be given to the PIBS holders entered in the PIBS Register 35 days prior to the date specified for the meeting by sending it by post to the addresses shown in the PIBS Register. The notice shall specify generally the nature of the business to be transacted at the meeting and the terms of any resolution to be proposed to alter these Conditions.
- (3) Any person (who may, but need not, be a PIBS holder) nominated in writing by the Society shall be entitled to take the chair at every meeting but if no nomination is made or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting, the PIBS holders present shall choose one of their number who is present to be chairman.
- (4) At any meeting one or more persons present in person or by proxy and holding or representing in aggregate not less than one-third of the principal amount of the PIBS for the time being outstanding shall form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum shall be present at the commencement of business. Every question submitted to the meeting (other than the choosing of a chairman which will be decided by a simple majority) shall be decided by a poll of one or more persons present and holding PIBS or being proxies and representing in aggregate not less than three-quarters of the principal amount of the PIBS represented at such meeting voting in favour of such question.
- (5) If within half an hour after the time appointed for any meeting a quorum is not present, the meeting shall stand adjourned for such period, being not less than 14 days nor more than 42 days and at such place as may be appointed by the chairman and if at the adjourned meeting a quorum shall not be present within half an hour from the time appointed for the adjourned meeting, the PIBS holders present in person or by proxy at the adjourned meeting shall be a quorum.
- (6) Notice of any adjourned meeting shall be given in the same manner as notice of an initial meeting but as if 10 were substituted for 21 in Condition 10(2).
- (7) A poll shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting.

- (8) The chairman may with the consent of (and shall if directed by a resolution of) the meeting adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than business left unfinished or not reached at the meeting from which the adjournment took place.
- (9) Any director or officer of the Society and its professional advisers may attend and speak at any meeting of the PIBS holders. Save as provided above, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any such meeting unless he is a PIBS holder or is a proxy thereof.
- (10) A PIBS holder entitled to attend a separate meeting of the Society:
  - (a) may appoint one Person (whether a PIBS holder or not) as his proxy to attend and, on a resolution, to vote at such meeting instead of him; and
  - (b) may direct the proxy how to vote at the meeting.

A proxy shall be appointed by an instrument in writing which shall be in such form and include such declarations as the Board may from time to time determine. The instrument shall enable the PIBS holder appointing the proxy to direct him how to vote and, if the instrument is not in the form specified by the Society or is not signed by the appointer, the appointment of the proxy shall be invalid. The appropriate forms of declaration shall, with such additional or amended wording as the Board may consider appropriate, be used in the case of a body corporate. If the appropriate declaration is not included in the instrument, the appointment of the proxy shall be invalid. The instrument appointing a proxy or a representative shall be deposited at the Principal Office not less than two clear days before the day appointed for holding the meeting, or adjourned meeting, and in default the instrument shall not be treated as valid. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll but, save as provided by this Condition 10(10), a proxy shall have no right to speak at the meeting. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or mental disorder of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of a PIBS in respect of which the proxy is given, provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Society at its Principal Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

- (11) Any resolution passed at a meeting duly convened and held in accordance with these provisions shall be binding upon all the PIBS holders whether or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence of the circumstances justifying the passing of the resolution. Notice of any resolution duly passed by the PIBS holders shall be given in writing to each PIBS holder by the Society within 14 days of the passing of the resolution, provided that the non-publication of the notice shall not invalidate the resolution.
- (12) Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Society and any minutes purporting to be signed by the chairman of the meeting at which resolutions were passed or proceedings had shall be conclusive evidence of the matters contained in the minutes and until the contrary is proved every meeting in respect of the proceedings of which minutes have been so made and signed shall be deemed to have been duly held

and convened and all resolutions passed or proceedings had to have been duly passed or had.

- (13) The accidental omission to send notice of a separate meeting or to send any document required to be sent with the notice or otherwise before the meeting to, or the non-receipt of notice of a separate meeting or any such document as aforesaid by, any person entitled to receive notices or documents shall not invalidate the proceedings at that meeting.

## **11 Further issues**

The Society shall be at liberty from time to time without the consent of the PIBS holders to create and issue further permanent interest bearing shares either:

- (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding permanent interest bearing shares of any series (including the PIBS); or
- (b) upon such other special terms of issue as the Society may at the time of issue determine provided that the Society shall not issue any permanent interest bearing shares ranking ahead of the PIBS.

## **12 Notices**

All notices regarding the PIBS shall be valid if sent by post to the PIBS holders at their respective addresses in the PIBS register. Any such notice shall be deemed to have been given on the second day following the mailing of such notice.

## **13 Governing law**

The rights and obligations in respect of the PIBS are governed by, and shall be construed in accordance with, English law.