

PFG

Provident
Financial Group

**Notice of the
58th Annual General Meeting
of Provident Financial plc**

**10.00 am on 9 May 2018
No.1 Godwin Street
Bradford
BD1 2SU**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you should contact your stockbroker, bank manager, solicitor, accountant or other independent professional advisor immediately who, if you are taking advice in the United Kingdom, is duly authorised pursuant to the Financial Services and Markets Act 2000 or an appropriately authorised independent financial advisor if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your ordinary shares in Provident Financial plc, please pass this document to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass this document to the person who now holds the shares.

Registered Office:
No. 1 Godwin Street
Bradford
West Yorkshire
BD1 2SU

15 March 2018



Dear Shareholder,

Notice of Annual General Meeting

I am pleased to be writing to you with details of our Annual General Meeting ("AGM") which will be held at our head office at No. 1 Godwin Street, Bradford, West Yorkshire BD1 2SU on Wednesday, 9 May 2018 at 10.00am. Directions and a map of how to get to our offices are set out on page 10. I look forward to welcoming you to the Meeting and to our offices. Light refreshments will be available on arrival.

Full details of the resolutions that will be put to shareholders, including explanatory notes, are set out in the formal Notice of Meeting which is set out on pages 4 to 9 of this document.

As previously announced, in light of the disruption to trading in 2017, the Board will not be recommending a final dividend payment in respect of the 2017 financial year.

Rights Issue

The Company announced a 17 for 24 fully underwritten £331 million rights issue on 27 February 2018 (the "Rights Issue"). The Company intends to seek the necessary authority for the Rights Issue at the general meeting of the Company to be held on 21 March 2018, for which shareholders should already have received a separate notice of general meeting.

As a consequence of the anticipated Rights Issue, all the authorities being proposed for approval at the AGM have been calculated taking account of an additional number of ordinary shares of the Company to be allotted and issued pursuant to the Rights Issue, subject to shareholder approval. If the Rights Issue does not complete, and the authorities granted at the AGM are exercised, the directors will only exercise those authorities up to the limits recommended by corporate governance guidelines and the Pre-Emption Group based on the issued share capital of the Company at the date of this Notice.

Business of the Meeting

Amongst the resolutions being proposed this year, I would like to draw your attention specifically to the following resolutions:

Remuneration (Resolution 2)

This ordinary resolution seeks shareholder approval for the annual report on remuneration and the annual statement by the chairman of the remuneration committee, which together form the directors' remuneration report. The directors' remuneration report can be found on pages 102 to 119 (inclusive) of the Annual Report and Financial Statements 2017.

The annual report on remuneration gives details of (a) the implementation of the Company's current remuneration policy during the year ended 31 December 2017 and (b) how the remuneration policy will be applied in practice during the 2018 financial year in terms of payments and share awards. As in previous years, this resolution will be advisory in nature and the directors' entitlement to remuneration is not conditional on the resolution being passed.

Authority to disapply pre-emption rights (Resolutions 14 and 15)

Each year at the AGM, shareholders are invited to grant the board a power to allot shares for cash (otherwise than in connection with a rights issue or a similar pre-emptive issue) without first offering those shares to existing shareholders in proportion to their existing holdings. This power to disapply pre-emption rights was amended in 2016 in line with the revised guidelines on the disapplication of pre-emption rights issued by The Pre-Emption Group in 2015.

Specifically, the guidelines were relaxed to allow companies the opportunity to finance expansion opportunities as and when they arise.

The board would like to continue to have the flexibility that this change affords and accordingly, the Company is again seeking, in addition to the customary disapplication power over 5% of the total issued equity share capital of the Company which is sought under Resolution 14, a disapplication power over a further 5% of the total issued equity share capital of the Company (provided that the additional power sought under Resolution 15 is only used in connection with acquisitions and specified capital investments). Further information is set out in the notes to Resolutions 14 and 15, both of which are special resolutions.

Recommendation

The board considers that all resolutions proposed are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. Your board unanimously recommends that shareholders vote in favour of them.

Shareholder Questions

If you are unable to attend the AGM, you may submit questions relating to the business to be conducted at the AGM in advance, by email to shareholder.questions@providentfinancial.com by no later than 8 May 2018. We will consider all questions received and, if appropriate, address them at the AGM.

Action to be taken

Whether or not you propose to attend the AGM, please complete and submit a proxy appointment form in accordance with the Explanatory Notes to the Notice of the Meeting set out on pages 8 and 9. All shareholders who are entitled to attend and vote at the meeting 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 meeting. The proxy appointment form must be received at the address for delivery specified in the Explanatory Notes by 10.00am on Monday 7 May 2018.

Important Information – online voting at future shareholder meetings

Your vote is important to the Company and I encourage you to vote on all shareholder matters. In order to make voting easier for shareholders, reduce our environmental impact and to make a cost saving, the Company is considering not providing paper proxy cards for future AGMs and you may be required to vote online.

Yours faithfully

Stuart Sinclair

Interim non-executive Chairman

Notice of Annual General Meeting and Explanatory Notes

The Fifty-Eighth Annual General Meeting of Provident Financial plc will be held at No.1 Godwin Street, Bradford, West Yorkshire BD1 2SU on Wednesday 9 May 2018 at 10.00am.

Shareholders will be asked to consider and pass the resolutions below. Resolutions 13 to 16 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

An ordinary resolution will be passed at the Meeting on a show of hands if it is passed by a simple majority of (i) the members who (being entitled to do so) vote in person on the resolution and (ii) the persons who vote on the resolution as duly appointed proxies of members entitled to vote. A special resolution will be passed at the meeting on a show of hands if it is passed by a majority of not less than 75% of (i) the members who (being entitled to do so) vote in person on the resolution and (ii) the persons who vote on the resolution as duly appointed proxies of members entitled to vote.

For ease of reference, the formal resolutions are in bold black text.

ANNUAL REPORT AND FINANCIAL STATEMENTS

Ordinary Resolution 1: That the directors' and auditor's reports and the audited financial statements of the Company for the year ended 31 December 2017 be received.

The directors' and auditor's reports and the audited financial statements of the Company for the year ended 31 December 2017, together with the Annual Report and Financial Statements 2017 (the annual report) have been made available to shareholders and will be presented at the AGM. The annual report may also be accessed on the Company's website at www.providentfinancial.com. In accordance with the UK Corporate Governance Code 2016, the Company proposes this resolution on the annual report at the AGM.

REMUNERATION

Ordinary Resolution 2: That the annual statement by the chairman of the remuneration committee and the directors' annual remuneration report for the year ended 31 December 2017 as set out on pages 102 to 119 (inclusive) of the Annual Report and Financial Statements 2017 be approved.

The directors' annual report on remuneration for the year ended 31 December 2017 is contained in the annual report. It may also be accessed on the Company's website at www.providentfinancial.com, in the Investors section. This vote is advisory only and does not affect the actual remuneration paid to any individual director.

The directors' remuneration policy was approved by shareholders at the AGM on 12 May 2017 for a period of up to three years and is, therefore, not required to be put to shareholders for approval at this year's AGM. It will be put to shareholders for approval again by no later than the AGM in 2020. A summary of the directors remuneration policy can be found on pages 120 to 126 of the annual report and the full remuneration policy can be found on the company's website at www.providentfinancial.com within the Company's Annual Report and Financial Statements 2016.

DIRECTORS

Ordinary Resolution 3: That Malcolm Le May be reappointed as a director of the Company.

Ordinary Resolution 4: That Andrew Fisher be reappointed as a director of the Company.

Ordinary Resolution 5: That Stuart Sinclair be reappointed as a director of the Company.

Ordinary Resolution 6: That Andrea Blance be reappointed as a director of the Company.

Ordinary Resolution 7: That John Straw be reappointed as a director of the Company.

Ordinary Resolution 8: That Rob Anderson be reappointed as a director of the Company.

The Articles of Association of the Company state that each director should retire, but may be reappointed, at least at every third AGM as well as the first AGM following appointment. Furthermore, each director must offer himself for reappointment annually once he/she has served for nine years or more. However, in accordance with the annual reappointment recommendations of the UK Corporate Governance Code 2016 all directors will, as in previous years, retire at the AGM and offer themselves for reappointment.

There is information about all the directors and the board committees on which they sit in Appendix I on pages 11 to 13 of this document and on pages 68 and 69 of the annual report.

In accordance with the UK Corporate Governance Code 2016, confirmation is given by the Chairman and the Senior Independent Director that a formal performance evaluation has been carried out and each of the directors to be reappointed continue to be an effective member of the board and to demonstrate commitment to the role. Rob Anderson's term of office was due to expire on 30 March 2018. However, given the significant number of changes to the board composition in 2017, the board determined that the Company would benefit from stability by retaining his knowledge and experience gained over the previous nine years. Accordingly, he has agreed to continue as a non-executive director and his term of office has been extended to 31 December 2018 pending the appointment of further non-executive directors to strengthen the board.

AUDITOR

Ordinary Resolution 9: That Deloitte LLP be reappointed as auditor of the Company.

The Company is obliged by law to appoint an auditor annually to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid. Deloitte LLP were first appointed by the Company at the 2013 AGM. This resolution proposes that Deloitte LLP now be reappointed as the Company's auditor following recommendation from the audit committee.

Ordinary Resolution 10: That the audit committee be authorised to determine the auditor's remuneration, for and on behalf of the board.

This resolution authorises the audit committee to set the auditor's remuneration.

POLITICAL DONATIONS

Ordinary Resolution 11: That from the date of this resolution until the earlier of 30 June 2019 and the conclusion of the Company's next annual general meeting, the Company and all companies that are subsidiaries at any time during such period are authorised to:

- a. make political donations to political parties and/or independent election candidates;

- b. make political donations to political organisations other than political parties; and
- c. incur political expenditure;

up to an aggregate total amount of £50,000, with the amount authorised for each of heads (a) to (c) above being limited to the same total. Any such amounts may comprise sums paid or incurred in one or more currencies. Any sum paid or incurred in a currency other than sterling shall be converted into sterling at such a rate as the board may decide is appropriate. Terms used in this resolution have, where applicable, the meanings they have in Part 14 of the Companies Act 2006 on "Control of Political Donations and Expenditure".

This resolution renews the resolution that was passed at the 2017 AGM and seeks approval from shareholders to enable the Company to make political donations or incur political expenditure which it would otherwise be prohibited from making or incurring by the Companies Act 2006.

Amongst other things, the Companies Act 2006 prohibits companies and their subsidiaries from making political donations, or incurring political expenditure in excess of an aggregate of £5,000 in relation to a political party or other political organisation or an independent election candidate in any 12 month period unless such donations and expenditure have been approved in advance by the Company's shareholders. The Company and its subsidiaries do not currently make donations to political parties and do not intend to do so in the future. However, the Companies Act 2006 contains wide definitions of "political donation", "political organisation", "political expenditure" and "political party" and, as a result, it is possible that the Company and its subsidiaries may be prohibited from supporting bodies which it is in the shareholders' interests for the Company to support; for example, bodies concerned with policy review or law reform, with the representation of the business community or sections of it or special interest groups. If this resolution is passed the Company and its subsidiaries will be authorised to make political donations and incur political expenditure which might otherwise be prohibited by legislation, up to a limit of, in aggregate, £50,000. The directors consider that the authority is necessary to provide the Company with comfort that it will not, because of uncertainties as to the scope and interpretation of the legislation, unintentionally commit a technical breach of it. It will allow the Company and its subsidiaries to provide financial and other support to organisations which it is in the shareholders' interests for the Company to support.

As permitted under the Companies Act 2006, the resolution extends not only to the Company but to all companies which are subsidiaries of the Company at any time during which the authority is in place.

AUTHORITY TO ALLOT SHARES

Ordinary Resolution 12: That the directors are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 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 ("Allotment Rights"), but so that:

- a. the maximum amount of shares that may be allotted or made the subject of Allotment Rights under this authority are shares with an aggregate nominal value of £17,321,084;
- b. this authority shall expire on 30 June 2019 or, if earlier, on the conclusion of the Company's next annual general meeting;

- c. the Company may make any offer or agreement before such expiry which would or might require shares to be allotted or Allotment Rights to be granted after such expiry; and
- d. all authorities vested in the directors on the date of the Notice of this Meeting to allot shares or to grant Allotment Rights that remain unexercised at the commencement of this Meeting are revoked (except for any authority granted at the General Meeting convened for 21 March 2018).

The directors are currently authorised to allot shares (which include ordinary shares and preference shares) in the Company and to grant rights to subscribe for or convert any security into shares but the authority is due to expire at the 2018 AGM. In accordance with best practice the directors are seeking the annual renewal of this authority. The authority granted at the 2017 AGM will be revoked although such revocation will not have retrospective effect. Any authority granted at the General Meeting convened for 21 March 2018 (which is intended to permit the Rights Issue to proceed) shall not be revoked.

This resolution would give the directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to a maximum aggregate nominal value equal to £17,321,084 (representing 83,566,637 ordinary shares). This represents approximately 33% of the total issued equity share capital of the Company (on the basis of the Company's expected issued ordinary share capital following completion of the Rights Issue). The renewed authority will remain in force until 30 June 2019 or, if earlier, the conclusion of the Company's next AGM. As at 9 March 2018, the Company did not hold any treasury shares.

The directors have no present intention of exercising this authority. The purpose of giving the directors this authority is to maintain the Company's flexibility to take advantage of any appropriate opportunities that may arise.

If the Rights Issue does not complete, and the authority granted in this resolution is exercised, the directors will only exercise the authority up to limits recommended by corporate governance guidelines and the Pre-Emption Group based on the issued share capital of the Company at the date of this Notice.

AUTHORITY TO PURCHASE OWN SHARES

Special Resolution 13: That the Company be generally and unconditionally authorised, for the purpose of section 701 of the Companies Act 2006, to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its own ordinary share of 20^p each ("ordinary shares"), such power to be limited:

- a. to a maximum aggregate number of 25,323,223 ordinary shares; and
- b. by the condition that the minimum price which may be paid for an ordinary share is the nominal value of that share and that the maximum price which may be paid for an ordinary share is the highest of:
 - (i) an amount equal to 5% above the average market value of an ordinary share, based on the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange on the trading venue where the purchase is carried out,

in each case exclusive of expenses;

such power to expire on 30 June 2019 or, if earlier, on the conclusion of the Company's next Annual General Meeting; but in each case so that the Company may, before such expiry, enter into a contract to purchase ordinary shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase ordinary shares pursuant to any such contract as if the power had not ended.

This resolution renews the authority given to the Company at the 2017 AGM to purchase its own shares in the market. No shares were purchased pursuant to that authority. The resolution sets out the maximum number of shares which may be purchased, which is approximately 10% of the total expected issued equity share capital of the Company following completion of the Rights Issue, the highest and lowest prices which may be paid and the date when this authority expires. If any shares are purchased, they will be either cancelled or held as treasury shares, as determined by the directors at the time of purchase on the basis of shareholders' best interests. If the directors decide to hold them as treasury shares, then any subsequent issue of these treasury shares for the purposes of equity-based incentive schemes will be treated as being included in the 10% anti-dilution limit in those schemes.

The directors are committed to managing the capital of the Company effectively. Any purchases would be made only if to do so would result in an increase in earnings per share of the Company and would be in the best interests of the Company and of shareholders generally. Earnings per share is the profit after tax of the Company divided by the weighted average number of shares in issue during the year. The directors have no present intention of making purchases of the Company's shares pursuant to this authority.

As at 9 March 2018 there were options/awards outstanding over 1,924,233 ordinary shares in the capital of the Company which represents 1.298% of the Company's total issued equity share capital as at that date. As at 9 March 2018 (being the latest practicable date prior to the publication of this document) the Company did not hold any treasury shares.

In connection with the Rights Issue, the number of options/awards outstanding may be adjusted as appropriate by the remuneration committee in due course. If the Rights Issue were to complete and the remuneration committee were to adjust the number of options/awards outstanding using the standard adjustment formula and the authority to purchase the Company's ordinary shares was executed in full, the options/awards outstanding would represent 1.048% of the total issued equity share capital of the Company at that time (calculated using the closing price of £9.36 on 9 March 2018).

If the Rights Issue does not complete, and the authority granted in this resolution is exercised, the directors will only exercise the authority up to limits recommended by corporate governance guidelines based on the issued share capital of the Company at the date of this Notice.

AUTHORITY TO DISAPPLY PRE-EMPTION RIGHTS

Special Resolution 14: That the directors be empowered to allot equity securities (as defined in the Companies Act 2006) for cash pursuant to the authority conferred by Resolution 12, as set out in the Notice of this Meeting, and 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 such allotment or sale, such power to be limited to:

a. the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or an

invitation to apply for, equity securities (whether by way of rights issue, open offer or otherwise):

- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and**
- (ii) to holders of other equity securities, as required by the rights of those securities or, as the board otherwise considers necessary,**

subject to any limits, restrictions or arrangements which the board considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

b. the allotment of equity securities and/or sale of treasury shares for cash (other than pursuant to paragraph a. above) up to an aggregate nominal amount of £2,624,406,

such power to expire when the authority conferred on the directors by Resolution 12 in the Notice of this Meeting expires save that, before the expiry of this power, 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 power ends and the board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

This resolution seeks to renew the directors' power granted at the 2017 AGM to allot equity securities for cash and to sell treasury shares other than to existing holders of ordinary shares in proportion to their holdings.

Equity securities are ordinary shares in the Company (but do not include shares which are allotted under employee share schemes). This power is limited to an offer of equity securities by way of a rights issue or an open offer or similar procedure under which the Company offers existing shareholders the chance to acquire new shares.

The number of shares they can acquire depends on the number of shares they already own. This is one way by which companies can raise extra capital. However, the rules in some countries make it difficult to include shareholders in those countries in such offers.

The power given by this resolution means that the directors can make separate arrangements for those shareholders. The directors may also make separate arrangements for any fractions of shares which are left over.

In addition, this power allows the directors to issue ordinary shares for cash or sell treasury shares for cash in any circumstances (whether or not in connection with an acquisition or specified capital investment) without first having to offer the shares to existing shareholders, up to a maximum aggregate nominal amount of £2,624,406. This is approximately 5% of the total expected issued equity share capital of the Company following completion of the Rights Issue.

If the Rights Issue does not complete, and the authority granted in this resolution is exercised, the directors will only exercise the authority up to limits recommended by corporate governance guidelines and the Pre-Emption Group based on the issued share capital of the Company at the date of this Notice.

All powers to disapply pre-emption rights previously conferred on the board will be revoked, provided that such revocation does not have retrospective effect. The power granted under Resolution 20 in 2017 was not exercised by the directors.

The board confirms its intention to follow the provisions of The Pre-Emption Group's Statement of Principles (Principles) regarding cumulative uses of powers within a rolling three year period.

Those Principles provide that a company should not issue for cash shares representing more than 7.5% of the Company's total issued equity share capital in any rolling three year period, other than to existing equity shareholders, without prior consultation with shareholders.

This 7.5% limit excludes (i) equity securities issues pursuant to a specific disapplication of pre-emption rights; and (ii) equity securities issued pursuant to a general disapplication authority in connection with an acquisition or specified capital investment.

AUTHORITY TO DISAPPLY PRE-EMPTION RIGHTS IN RELATION TO ACQUISITIONS AND SPECIFIED CAPITAL INVESTMENTS

Special Resolution 15: That, in addition to the power contained in Resolution 14 set out in the Notice of this Meeting, the directors be empowered to allot equity securities (as defined in the Companies Act 2006) for cash pursuant to the authority conferred by Resolution 12, as set out in the Notice of this Meeting, and to sell ordinary shares held by the Company as treasury shares for cash, in each case as if section 561 of the Companies Act 2006 did not apply to such allotment or sale, such power to be:

- a. limited to the allotment of equity securities and/or sale of treasury shares up to an aggregate nominal amount of £2,624,406 (calculated, in the case of equity securities which are rights to subscribe for, or to convert securities into, ordinary shares by reference to the aggregate nominal amount of relevant shares which may be allotted pursuant to such rights); 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 power to expire when the authority conferred on the directors by Resolution 12 in the Notice of this Meeting expires save that, before the expiry of this power, 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 power ends and the board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

In accordance with the guidelines issued by The Pre-Emption Group and endorsed by The Investment Association, this resolution seeks to afford the directors an additional power to issue ordinary shares for cash or sell treasury shares for cash without first having to offer the shares to existing shareholders, up to a maximum aggregate nominal amount of £2,624,406. This is approximately 5% of the total expected issued equity share capital of the Company following completion of the Rights Issue.

If the Rights Issue does not complete, and the authority granted in this resolution is exercised, the directors will only exercise the authority up to limits recommended by corporate governance guidelines and the Pre-Emption Group based on the issued share capital of the Company at the date of this Notice.

The board confirms that it intends to use any power conferred by Resolution 15 only in connection with an acquisition or a specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue.

The Principles define a 'specified capital investment' as 'one or more specific capital investment related uses for the proceeds of an issuance of equity securities, in respect of which sufficient information regarding the effect of the transaction on the listed company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return'. Items that are regarded as operating expenditure rather than capital expenditure will not typically be regarded as being within this definition.

NOTICE OF GENERAL MEETINGS

Special Resolution 16: That a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

This resolution renews an authority given at the 2017 AGM and is required as a result of section 307A of the Companies Act 2006 coming into force. The Company currently has power under its Articles of Association to call general meetings (other than annual general meetings) on at least 14 clear days' notice and would like to preserve this ability. In order to do so, shareholders must approve the calling of general meetings on at least 14 clear days' notice. This special resolution seeks such approval. This approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

The shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be in the best interests of shareholders as a whole.

The Company notes the notice period provision in the UK Corporate Governance Code 2016 which recommends at least 14 working days' notice be given for all general meetings (other than annual general meetings). The Company intends to comply with this Code provision in the same way that it currently complies with the 20 working days' notice provision applicable to annual general meetings.

By order of the board

Registered Office:

No.1 Godwin Street
Bradford
West Yorkshire
BD1 2SU
Registered in England and Wales
No. 668987



Kenneth J Mullen
General Counsel
and Company Secretary

15 March 2018

Explanatory Notes

Members' right to appoint a proxy

1. Members who are entitled to attend and vote at the meeting 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 meeting. A member may appoint more than one proxy in relation to the annual general meeting ("AGM or "Meeting") provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
2. The right of a member to vote at the Meeting will be determined by reference to the Register of Members. To be entitled to attend, vote and speak at the AGM, members must be registered in the Register of Members of the Company at close of business on Monday 7 May 2018 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting).
3. A member wishing to attend, vote and speak at the Meeting in person should arrive prior to the time fixed for its commencement. A member that is a corporation can only attend and vote at the meeting in person through one or more representatives appointed in accordance with section 323 of the Companies Act 2006. Any such representative should bring to the meeting written evidence of his/her appointment, such as a certified copy of a board resolution of, or a letter from, the corporation concerned confirming the appointment. Any member wishing to vote at the meeting without attending in person or (in the case of a corporation) through its duly appointed representative must appoint a proxy to do so.
4. A proxy form which may be used to appoint a proxy and give proxy instructions accompanies this Notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Link Asset Services on 0871 664 0300 (calls cost 12p per minute plus network extras, lines are open 9am-5.30pm Mon-Fri).

To be valid, a proxy form must be completed in accordance with the instructions that accompany it and delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF so as to be received by 10.00am on Monday 7 May 2018.

Alternatively, a member may appoint a proxy online by following the instructions for the electronic appointment of a proxy at www.signalshares.com. To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received at the same time as the instructions.

Members who hold their shares in uncertificated form may also use the CREST voting service to appoint a proxy electronically, as explained below. If an instrument of proxy is not received in a manner or within the time limits set out in this Notice it shall be invalid, unless and to the extent that the board, in its absolute discretion in relation to any such instrument, waives any such requirement. Appointing a proxy will not prevent a member from attending and voting in person at the meeting should he/she so wish.

5. 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, under an agreement between him/her and the member by whom he/she was nominated, have a right 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/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in Note 1 above does not apply to Nominated Persons. The rights described in Note 1 can only be exercised by members of the Company.

6. As at 27 February 2018 (being the latest practicable date prior to the publication of the Rights Issue Prospectus) the Company's total issued equity share capital consisted of 148,233,503 ordinary shares, carrying one vote each. As at 27 February 2018, the Company did not hold any treasury shares. Therefore, the total voting rights in the Company as at 27 February 2018 was 148,233,503.
7. Assuming no further shares are issued prior to the record date for the Rights Issue, the proposed Rights Issue will involve the issue of an additional 104,998,731 ordinary shares. Consequently, following completion of the Rights Issue, it is expected that the Company's issued equity share capital will consist of approximately 253,232,234 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company on completion of the Rights Issue is expected to be approximately 253,232,234.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a 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.
9. 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 UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). In order to be valid the message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must be transmitted so as to be received by the issuer's agent (ID RA 10) by 10.00am on Monday 7 May 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application 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.
10. CREST members and, where applicable, their CREST sponsors, or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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, 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.

11. 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.

Members' requests

12. Under section 527 of the Companies Act 2006 members 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 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. The Company may not require the members 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.
13. Under section 338 of the Companies Act 2006 members may require the Company to give, to members of the Company entitled to receive notice of the next annual general meeting, notice of a resolution which may properly be moved and is intended to be moved at the Meeting. Under section 338(A) of the Companies Act 2006 members may request the Company 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 to be dealt with at the Meeting.

Member questions

14. Any member entitled to attend and vote at the meeting 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 meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting 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 meeting that the question be answered.

Documents on display

15. Copies of the service contracts of the executive directors and the non-executive directors' letters of appointment are available for inspection at the Company's registered office during normal business hours and at the place of the meeting from at least 15 minutes prior to the meeting until the end of the meeting.

Company website

16. Information relating to the meeting which the Company is required by the Companies Act 2006 to publish on a website in advance of the meeting can be found at www.providentfinancial.com, in the Investors section. A member may not use any electronic address provided by the Company in this document or with any proxy appointment form or on any website for communicating with the Company for any purpose in relation to the meeting other than as expressly stated in it.

Information for members

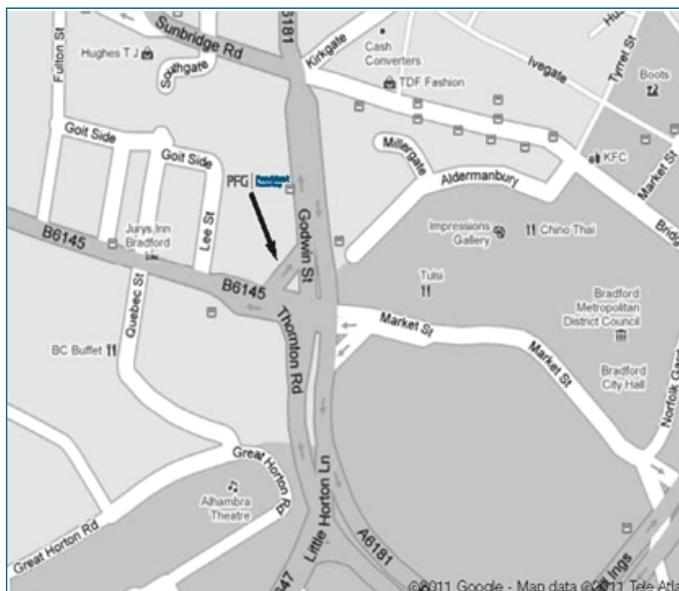
Timings of the Meeting

9.00am – Doors open and registration commences on Level 1 at No. 1 Godwin Street, Bradford BD1 2SU.

10.00am – Annual General Meeting commences.

Directions to No. 1 Godwin Street, Bradford BD1 2SU

Our Head Office is located in the centre of Bradford, near to the Alhambra theatre.



Method of Transport

By rail

Bradford Interchange is the nearest train station to No.1 Godwin Street and is approximately five minutes' walk. Come out of the Interchange, down the hill and over the crossing towards City Hall. Continue past City Hall, turn left and walk through Centenary Square from where the Provident Financial building will be in sight. At the traffic lights, cross over at the crossing. Alternatively, Bradford Foster Square train station is approximately 10 minutes' walk.

By bus

Bus stops closest to the building are 'Thornton Road T6' for services 615 & 616 towards Allerton, Bingley, Cottingley, Eldwick and St Ives and West Holme Street for services 636 & 637 towards Clayton. Most, if not all bus services operate from the Interchange, but there are other central points located on Sunbridge Road and Hall Ings with most services running every 10 minutes.

To get to No.1 Godwin Street from Bradford Interchange (which is also the bus station), see rail directions above.

By car

From the M62

At Junction 26 of the M62, take the M606 towards Bradford. At the end of the M606 take the third exit at the roundabout (the exit after the service station) signposted to the City Centre. The road is Mayo Avenue. Stay in the right hand lane, and at the major traffic lights turn right down Manchester Road. Remain on this road through several sets of traffic lights. Move into the right hand lane to carry on to the City Centre to avoid taking the left filter. At the next roundabout, bear left into the middle lane. At this point, you should be able to see Provident Financial in front of you. Bear into the left hand lane to take the next left at the traffic lights, immediately after the ODEON. This is Thornton Road. Take the first right onto Southgate and the entrance to the NCP car park is straight ahead.

From the north-west

If arriving from Skipton or Keighley via the A629/A650, follow the signs for the M62/M606 into Bradford City Centre and then follow the signs for the M62/M606 into Bradford City Centre and then follow the signs for Bradford Theatres. No 1 Godwin Street is located near the Alhambra theatre.

Appendix I

DIRECTORS STANDING FOR REAPPOINTMENT AND APPOINTMENT



Stuart Sinclair (64)

Interim non-executive Chairman

Appointed to the board: 1 October 2012

Appointed as SID: 27 November 2017

Appointed as Interim non-executive Chairman: 2 February 2018

Committee membership: Audit committee, remuneration committee and disclosure committee.

Chairman: Nomination committee and risk advisory committee.

Key Strengths:

- Extensive experience in the financial services market in the UK and overseas.
- 10 years' experience in US based management consulting, 14 years' experience as CEO or equivalent in retail banking organisations and seven years' experience on the boards of financial services companies.

Previous board and management experience:

Chairman of GE Capital China and GE Capital Bank (UK), chief executive officer of Tesco Personal Finance, director of Virgin Direct, director of Retail Banking at The Royal Bank of Scotland, non-executive director at Liverpool Victoria and TSB plc, council member of the Royal Institute for International Affairs (Chatham House) and senior independent director of Swinton Group Limited.

Current external appointments:

Senior independent director of QBE Insurance (Europe) Limited and QBE Underwriting Limited, non-executive director of Lloyds Banking Group Limited, Bank of Scotland plc and HBOS plc.



Malcolm Le May (60)

Chief Executive Officer

Appointed to the board: 1 January 2014

Appointed as Interim Executive Chairman: 24 November 2017

Appointed as Chief Executive Officer: 2 February 2018

Committee membership: None

Chairman: Executive committee and disclosure committee.

Key Achievements:

- Assumed the position of Interim Executive Chairman and provided effective leadership to the Board following the untimely and tragic death of Manjit Wolstenholme.
- Worked with the Board to redefine roles and responsibilities and initiated a process to ensure the Board has the right skill set to make it fit for purpose.
- Re-established and developed an ongoing and transparent relationship with the group's regulators.
- Appointed an interim group CRO and initiated a process to develop key group roles capable of supporting the group's divisions.

Previous board and management experience:

Co-head of banking for Barclays New York, head of investment banking Europe at UBS, global head of corporate and investment banking at ING Barings, deputy CEO at Morley Fund Management (now Aviva Investors), president of JER Europe, senior independent director at Pendragon plc and non-executive director of RSA Insurance Group plc.

Current external appointments:

Senior independent director of IG Group Holdings plc, non-executive director of Hastings Holdings plc (up until 1 May 2018), senior advisor to Heidrick & Struggles, trustee of the Grange Festival and partner at Opus Corporate Finance and Juno Capital LLP.



Andrew Fisher (60)

Finance Director

Appointed to the board: 17 May 2006

Committee membership: Executive committee and disclosure committee.

Chairman: None.

Key Achievements:

- Worked with the Chief Executive Officer to reposition the group and deliver its successful recapitalisation to both shareholders and its regulators.
- Managed the group's capital and equity positions through the period of uncertainty faced by the group.
- Assisted with the development and implementation of the new group governance structure.

Previous board and management experience:

Finance director of Premier Farnell plc and partner at Price Waterhouse LLP.

Current external appointments:

Non-executive director of Arrow Global Group plc.



Andrea Blance (53)

Senior Independent Director (SID)

Appointed to the board: 1 March 2017

Appointed as Senior Independent Director: 2 February 2018

Committee membership: Nomination committee and risk advisory committee.

Chairman: Audit committee and remuneration committee.

Key Strengths:

- Over 30 years' experience in pension and financial services businesses.
- Extensive experience of risk management, regulation and of developing customer centric strategies to deliver quality customer outcomes.

Previous board and management experience:

Executive committee member of Legal & General Group plc holding various senior leadership roles over a 29 years career including Divisional Chief Financial Officer, Group Financial Controller, Group Chief Risk Officer and Strategy & Marketing Director.

Current external appointments:

Non-executive director at Scottish Widows Group, Lloyds Banking Group Insurance Division and the Mentoring Foundation.



Rob Anderson (59)

Independent non-executive director

Appointed to the board: 2 March 2009

Committee membership: Remuneration committee and nomination committee.

Chairman: None.

Key Strengths:

- Extensive retail experience and knowledge of the type of consumer served by the Group.
- Operational business experience which is relevant to the Group's businesses.

Previous board and management experience:

Director of Childrenswear business unit of Marks & Spencer and chief executive officer of Signet Jewelers Limited's UK Division.

Current external appointments:

None.



John Straw (58)

Independent non-executive director

Appointed to the board: 1 January 2017

Committee membership: Nomination committee, risk advisory committee and audit committee.

Chairman: None.

Key Strengths:

- Experienced digital entrepreneur who has lead and advised on critical digital transformations across a number of sectors.

Previous board and management experience:

Founder and chief executive officer of NetRank Ltd. Head of the digital advisory board of Premier Farnell plc, various digital transformation positions at Internet Marketing Ltd, chairman of the digital advisory board of Thomas Cook Group plc and author of a book on disruptive technology (iDisrupted).

Current external appointments:

Senior advisor at McKinsey and Co, IBM, and Bought by Many Ltd, and non-executive director of CTRLio Ltd.

