

Company Number 03087587

**THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES**

**VIRGIN MONEY HOLDINGS (UK) LIMITED (the "Company")**

**WRITTEN RESOLUTION**

The following resolution was adopted by the Company on 19 May 2006 by way of written resolution in accordance with Section 381A of the Companies Act 1985 (as amended):

THAT the new Articles of Association of the Company as annexed to this written resolution be and are hereby adopted.



.....  
Company Secretary



Company Number: 03087587

**THE COMPANIES ACT 1985**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**

**OF**

**VIRGIN MONEY HOLDINGS (UK) LIMITED<sup>1</sup>**

**(Adopted by Written Resolution passed on 19 May 2006)**

**PRELIMINARY**

1.

- (1) The regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (as amended from time to time) (hereinafter called "**Table A**") shall apply to the Company save in so far as they are varied or excluded by or are inconsistent with these articles.
- (2) Regulation 1 of Table A shall apply to the Company as if references in it to 'these regulations' included references to these articles; and these articles shall also be interpreted as if the Interpretation Act 1978 applied to them in the same manner as, and to the same extent to which, it applies to Table A.
- (3) In these articles -
  - (a) references to a power are to a power of any kind, whether administrative, discretionary or otherwise; and
  - (b) references to the seal are to the common seal (if any) of the Company and an official seal (if any) kept by the Company by virtue of Section 40 of the Act, or either of them as the case may require.

2. Regulations 24 to 26 (inclusive), 28, 40, 54, 57, 64, 73 to 80 (inclusive), 94 to 97 (inclusive), 101, 105 and 118 in Table A shall not apply to the Company.

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<sup>1</sup> Name changed by Certificate of Incorporation on Change of Name dated 26 September 1995 from Speed 6038 Limited to Virgin Direct Limited. Name changed by Certificate of Incorporation on Change of Name dated 4 February 2002 from Virgin Direct Limited to Virgin Money Group Limited. Name changed by Certificate of Incorporation on Change of Name dated 21 July 2005 from Virgin Money Group Limited to Virgin Money Holdings (UK) Limited.

## SHARES

3. The share capital of the Company at the date of the adoption of these articles is £800 divided into 800,000 Virgin A Ordinary Shares of 0.1p each.
4. Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up with the consent in writing of the holders of more than one-half of the votes which may be cast on a poll in respect of shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of that class, but not otherwise. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal value of the issued shares of the class unless all the shares of any class are registered in the name of a single shareholder in which case the quorum shall be that person his proxy or duly authorised representative of such shareholder (but so that if, at any adjourned meeting of such holders, a quorum as above defined is not present those members who are present shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

## ALLOTMENT OF SHARES

5. Subject to the provisions of the Act and these articles, the unissued shares in the Company shall be at the disposal of the directors, who may issue, offer, allot, grant options over or otherwise dispose of them to such persons and on such terms, subject to such rights or restrictions, as the directors think fit.
6. Sections 89(1) and 90(1) to (6) (inclusive) of the Act, in their application to allotments by the Company of equity securities, are hereby excluded.

## TRANSFER OF SHARES

7. Regulation 23 in Table A shall apply to the Company as if the instrument of transfer of any share shown in the memorandum of association to have been taken by a subscriber to it need not be executed by or on behalf of the transferee, even where the share is not fully paid.
8. The Company shall be entitled to retain any instrument of transfer which is registered.

## LIEN

9. If any shares are to be sold in the enforcement of the Company's lien or rights of forfeiture those shares shall be offered first to the holders of Virgin A Ordinary Shares and thereafter shall be offered to such persons as the holders of a majority of the Virgin A Ordinary Shares shall agree. Regulation 9 shall be modified accordingly.

## NOTICE OF GENERAL MEETINGS

10. Notice of every general meeting shall be given to all members (other than any who, under the provisions of these articles or any restrictions attached to any shares, are not entitled to receive such notice) and to the auditors. The last sentence of Regulation 38 in Table A shall not apply to the Company.

## **PROCEEDINGS AT GENERAL MEETINGS**

11. Where the Company has only one member, Regulation 40 in Table A shall apply to the Company as if the reference to two persons were a reference to one, and the word "each" were omitted.
12. If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting, or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting save that this paragraph shall not apply to resolutions to be passed pursuant to sections 303 and 391 of the Act.
13. A resolution in writing in accordance with Regulation 53 shall be deemed to have been duly executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders the signature of any one of them on behalf of all such joint holders shall be sufficient for the purposes of that regulation. The directors shall cause a record of each resolution in writing, and of the signatures to it, to be entered in a book in the same way as minutes of a general meeting of the Company and to be signed by a director or the secretary of the Company.
14. A general meeting or a meeting of any class of members of the Company may consist of a conference between members some or all of whom are in different places provided that each member who participates is able:
  - 14.1 to hear each of the other participating members addressing the meeting; and
  - 14.2 if he so wishes, to address all of the other participating members simultaneously, whether directly, by telephone conference or by any other form of communication equipment (whether in use when these articles are adopted or not), or by a combination of those methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number of members required to form a quorum. A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

## **VOTES OF THE MEMBERS**

15. Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote (provided that if he is present in more than one capacity he shall not have more than one vote on a show of hands), and on a poll every member shall have one vote for every share of which he is the holder.

## **DELIVERY OF PROXIES**

16. Regulation 62 in Table A shall apply to the Company as if, after the words "in a manner so permitted", there were inserted the words "or in such other manner as the directors may determine".

## **APPOINTMENT RETIREMENT AND REMOVAL OF DIRECTORS**

17. A member or members holding a majority in nominal value of the issued shares in the company may appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, and may remove from office any director however appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members concerned or, in the case of a corporate member, by its duly authorised representative, and delivered to the office or tendered at a meeting of the directors or a general meeting of the company.

18. The directors may appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.
19. The company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director and, without prejudice to the provisions of the act, may by ordinary resolution remove a director from office.
20. The removal of a director under these articles shall be without prejudice to any claim the director may have for breach of any contract of service between him and the Company.
21. No person shall be disqualified from being or becoming a director by reason of his attaining or having attained the age of 70 or any other age, nor shall it be necessary by reason of his age to give special notice under the Act of any resolution appointing, reappointing or approving the appointment of a director.
22. The last sentence of Regulation 84 shall not apply.

## **DIRECTORS**

23. Unless otherwise determined by ordinary resolution the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one.

## **PROCEEDINGS OF DIRECTORS**

24. A director who has duly declared his interest (so far as he is required to do so) may vote at a meeting of the directors or of a committee of the directors on any resolution concerning a matter in which he is interested, directly or indirectly. If he does, his vote shall be counted; and whether or not he does, his presence at the meeting shall be taken into account in calculating the quorum.
25. Where the company has only one member and only one director, that director may exercise all the powers conferred on the directors by Regulation 70 in Table A or otherwise by virtue of these articles, notwithstanding any restriction in Regulation 89 (as to the quorum for the transaction of the business of the directors) or Regulation 90 (as to the purposes for which a sole continuing director may act).
26. A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates in the meeting is able:
  - 26.1 to hear each of the other participating members addressing the meeting; and
  - 26.2 if he so wishes, to address all of the other participating members simultaneously, whether directly, by conference telephone or by any other form of communication equipment (whether in use when this article is adopted or developed subsequently) or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number and designation of directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates at the start of the meeting.

## **DIVIDENDS**

27. Regulation 106 in Table A shall apply to the Company as if, after the words "to the order of", there were inserted the words "or to".
28. A general meeting declaring a dividend may, upon the recommendation of the directors, and/or the directors declaring and paying an interim dividend in accordance with Regulation 103 may, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle

the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

#### **INDEMNITY**

29. Subject to the provisions of the Act, the company may:
- (a) indemnify any person who is or was a director, directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the company or any associated company; and/or
  - (b) purchase and maintain insurance for any person who is or was a director against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the company or any associated company.

For the purposes of this article, "associated company" has the same meaning as in section 309A of the Act.

#### **SEAL**

30. If the Company has a seal, it shall only be used with the authority of the Directors or a committee of the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or second Director. The obligation under Regulation 6 relating to the sealing of share certificates shall apply only if the Company has a seal.
31. If the Company has a common seal, the Company may also have an official seal for use abroad under the provisions of the Act, where and as the Directors shall determine, and the Company may be writing under the common seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company, for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the common seal of the Company, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.