

Company No. SC258780

PRIVATE COMPANY LIMITED BY SHARES

COPY RESOLUTION


of

YCB DC Trustee Limited (the "Company")

The following resolution was duly passed on 11 December 2019 as a special resolution by way of written resolution under Chapter 2 of Part 13 of the Companies Act 2006.

SPECIAL RESOLUTION

1. **THAT** the articles of association in the form attached to this written resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.

Signed 
Stuart Stephen, Company Secretary
For and on behalf of YCB DC Trustee Limited



David P. Dale 'A'
Company Secretary

THE COMPANIES ACTS 1985 AND 1989

ARTICLES OF ASSOCIATION

of

YCB DC Trustee Limited¹

1. PRELIMINARY

1.1 Definitions

In these Articles unless the contrary intention appears:

"Act "	means the Companies Act 1985;
"Articles"	means these articles of association as altered or added to from time to time and a reference to a provision of these Articles is a reference to that provision as altered or added to from time to time;
"Alternate Director"	means a person appointed as alternate director under Article 16;
"Auditor"	means the auditor or auditors for the time being of the Company;
"Chairman"	means the chairman of the board of directors of the Company and "Deputy Chairman" means the deputy chairman of the board;
"Charge"	includes a mortgage;
"Clydesdale Bank"	means Clydesdale Bank PLC (company number SC001111)
"Committee " and "Committee of Directors"	means any Director or Directors acting as a committee of Directors;
"Company "	means YCB DC Trustee Limited;
"Director"	means a director of the Company, and where appropriate includes an Alternate Director;
"Directors"	means all or some of the Directors acting as a board;
"Executive Director"	means a person appointed as executive director under Article 15;

¹ The Company changed its name from National Australia Bank Pension Trustee (UK) Limited by Special Resolution on 17 November 2015.

"Managing Director"	means a person appointed as managing director under Article 15, and where appropriate includes an assistant managing director or an acting managing director;
"Member"	means a person for the time being entered in the Register as a member of the Company;
"Memorandum"	means the memorandum of association of the Company as altered or added to from time to time;
"Paid"	in relation to Shares and capital, includes credited as paid;
"Parent Company"	means Virgin Money UK PLC (company number 09595911);
"Register"	means the register of Members kept in accordance with the Act, and where appropriate includes a branch register;
"Registered Office"	means the registered office for the time being of the Company;
"Related Body Corporate"	means the Parent Company and any other company which is a holding company (as defined in section 1159 of the Companies Act 2006) of the Company and any company (other than the Company) which is a Subsidiary of any such holding company
"Representative"	means a representative appointed by a corporation which is a Member in accordance with section 375 of the Act;
"Seal"	includes the common seal of the Company and any official seal of the Company;
"Secretary"	means a person appointed as a secretary or joint secretary of the Company, and where appropriate includes an acting secretary and a person appointed by the Directors to perform all or any of the duties of a secretary of the Company;
"Share"	means share in the capital of the Company;
"Statutes"	means the Act, the Companies Act 1989 and every other act for the time being in force concerning companies and affecting the Company;
"Subsidiary"	has the meaning ascribed thereto in section 1159 of the Companies Act 2006.

Interpretation

- 1.2 In these Articles unless the contrary intention appears:
- (a) the word person includes a firm, a body corporate, an unincorporated association or an authority;
 - (b) the singular includes the plural and vice versa;
 - (c) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
 - (d) a reference to writing includes typewriting, printing, telegram, facsimile and other modes of representing or reproducing words in a visible form; and
 - (e) a reference to a section is a reference to a section of the Act;
 - (f) save as expressly provided in Article 1.1, any words or expressions defined in the Statutes shall (if not inconsistent with the subject or context) bear the same meanings in these Articles;
 - (g) a Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles; and
 - (h) any reference to a statutory provision shall be deemed to include that provision as the same has been or may from time to time hereafter be amended or re-enacted.
- 1.3 Headings are inserted for convenience and do not affect the interpretation of these Articles.
- 1.4 Powers conferred on the Parent Company, Clydesdale Bank, the Company, the Directors, a Committee of Directors, a Director or a Member may be exercised at any time and from time to time.

Exclusion of Table A

- 1.5 Table A contained in the Companies (Tables A to F) Regulations 1985 and any re-enactment and modification thereof shall not apply to the Company.

Notice from Parent Company and/or Clydesdale Bank

- 1.6 The Parent Company and/or Clydesdale Bank may exercise a power or give its consent or a direction for a purpose under these Articles by notice in writing:
- (a) under its common seal; or
 - (b) signed by:

- (i) the Chairman or a Managing Director of the Parent Company and/or Clydesdale Bank, or
- (ii) any other person authorised in that behalf either generally or in a particular case by notice in writing in accordance with paragraph (a) or sub-paragraph (b)(i) of Article 1.6,

delivered to or sent by facsimile addressed to the Company at its Registered Office and marked for the attention of the Chairman or the Secretary or handed to the Chairman of a general meeting or a meeting of the Directors.

1.7 A notice under Article 1.6 takes effect on and from:

- (a) the time at which it is received at the Registered Office or is handed to the Chairman of the relevant meeting, as the case may be; or
- (b) if a later time is specified in the notice for that purpose, that later time.

2. SHARES

Issue of Shares and grant of options

- 2.1 The Shares shall be under the control of the Directors who may allot, grant options over, or otherwise deal with or dispose of any relevant securities (as defined by section 80(2) of the Act) of the Company to such persons and generally on such terms and in such manner as they may, with the agreement in writing of the Parent Company, think fit.
- 2.2 The general authority conferred by paragraph 2.1 of this Article shall extend to all relevant securities of the Company which are unissued at the date of adoption of these Articles, and shall expire on the fifth anniversary of such date unless varied or revoked or renewed by the Company in general meeting.
- 2.3 The Directors shall be entitled under the general authority conferred by this Article 2 to make, at any time before the expiry of such authority, any offer or agreement which will or may require relevant securities to be allotted after the expiry of such authority.
- 2.4 The provisions of section 89(1) and section 90 sub-sections (1) to (6) of the Act shall not apply to the Company.

Preference Shares

- 2.5 The Company may not issue any preference Shares nor may any issued Shares be converted into preference Shares unless the rights of the holders of the preference Shares with respect to repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting, and priority of payment of capital and dividend in relation to other Shares or other classes of preference Shares are set out in these Articles.

- 2.6 Subject to the Act and the prior consent of the Parent Company, the Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the shareholder, on such terms and in such manner as the Directors, with the agreement in writing of the Parent Company, determine before the issue.

3. TRANSFER OF SHARES

Registration

- 3.1 A transfer of Shares must not be registered unless there has been lodged with the Company a proper instrument of transfer, duly stamped if necessary, executed by the transferor and, in the case of a Share which is not fully paid, by the transferee.
- 3.2 The transferor remains the holder of the Shares and the Member in respect of them until the name of the transferee is entered in the Register.

Instruments of transfer

- 3.3 Subject to any applicable law an instrument of transfer must be in a usual or common form or in any other form acceptable to the Directors and must be delivered to the Company for registration accompanied by the certificate for the Shares to be transferred.

Restrictions on transfer

- 3.4 The Directors may not register a transfer of Shares except with the prior consent of the Parent Company and shall register a transfer of Shares if required to do so in writing by the Parent Company.

4. INCREASE, REDUCTION AND ALTERATION OF CAPITAL

- 4.1 The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into Shares of such amounts as the resolution shall prescribe. All new Shares shall be subject to the provisions of the Statutes and any resolution passed in accordance with such provisions and to the provisions of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
- 4.2 The Company may by ordinary resolution:
- (a) consolidate and divide all or any of its Share capital into Shares of larger amount than its existing Shares;
 - (b) cancel any Shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the Shares so cancelled;
 - (c) sub-divide its Shares, or any of them, into Shares of smaller amount than is fixed by the Memorandum (subject, nevertheless, to the provisions of the

Statutes) and so that the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-division, one or more of the Shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restriction, as the Company has power to attach to unissued or new Shares.

Reduction of capital

- 4.3 The Company may by special resolution reduce its Share capital, any capital redemption reserve fund or any Share premium account in any manner authorised by law.

5. BORROWING POWERS

The Directors may exercise all the Company's powers to borrow and raise money and secure any debts, liabilities, contracts or obligations incurred or undertaken by the Company in such manner and on such terms as they think fit and in particular may accept deposits, issue perpetual or redeemable debentures and give a Charge or other security over the whole or any part of the Company's undertaking and property (present and future) including its uncalled and called but unpaid capital for the time being.

6. GENERAL MEETINGS

- 6.1 The Directors may convene a general meeting whenever they think fit and shall do so whenever requested by the Parent Company.

Notice of general meeting

- 6.2 Subject to the provisions of the Act as to short notice, not less than 14 days' notice of a general meeting, or in the case of an annual general meeting or a general meeting convened to consider a special resolution not less than 21 days' notice, must be given in writing to each Member.
- 6.3 A notice convening a meeting of the Company or of any class of Members must specify the place, day and hour of the meeting and in the case of special business the general nature of the special business to be dealt with at the meeting and, in the case of an annual general meeting, shall specify the meeting as such, and there must appear in the notice with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not be a Member.

Auditor's and Directors' rights to attend general meetings

- 6.4 The Auditor or, in the case of an Auditor which is a body corporate or a partnership, an agent authorised by the Auditor in writing for the purpose is entitled to attend any general meeting, to receive all notices of and other communications relating to any general meeting which a Member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns the Auditor in that capacity, and is entitled to

be heard notwithstanding that the Auditor retires at that meeting or a resolution to remove the Auditor from office is passed at that meeting.

- 6.5 A Director is entitled to attend any general meeting and any separate meeting of the holders of any class of Shares, to receive all notices of and other communications relating to any such meeting which a Member or the holder of any class of Shares is entitled to receive and to be heard at any such meeting on any part of the business of the meeting.

Cancellation or postponement of general meeting

- 6.6 Where a general meeting (including an annual general meeting but excluding a meeting convened on a requisition or by requisitionists in accordance with the Act) is convened by the Directors, they may, whenever they think fit, subject to the prior consent of the Parent Company cancel the meeting or postpone the holding of the meeting to a date and time determined by them.
- 6.7 *Written notice of postponement of a general meeting must be given to all persons entitled to receive notices of general meetings from the Company at least three days before the date for which the meeting is convened and must specify the reason for postponement.*

7. PROCEEDINGS AT GENERAL MEETINGS

Business of annual general meeting

- 7.1 The business of an annual general meeting is to receive and consider the profit and loss account, the balance sheet and the reports of the Directors and the Auditor, to appoint Directors, to re-appoint the retiring Auditor (other than an Auditor last appointed otherwise than by the Company in general meeting) and to determine the remuneration of the Auditor or the manner in which such remuneration is to be determined.

Special business

- 7.2 All business other than that referred to in Article 7.1 which is transacted at an annual general meeting and all business transacted at any other general meeting is special business.

Quorum

- 7.3 Subject to Articles 7.4 and 7.7, two Members present in person or by proxy or Representative are a quorum at a general meeting.
- 7.4 If and for so long as the Company has only one Member, that Member present in person or by proxy or if that Member is a corporation by a duly authorised representative shall be a quorum.
- 7.5 An item of business may not be transacted at a general meeting unless a quorum is present when the meeting proceeds to consider it, but if a quorum is present at the beginning of a meeting it is to be deemed present throughout the meeting unless the Chairman of the meeting on the

Chairman's own motion or at the instance of a Member, proxy, or Representative who is present otherwise declares.

- 7.6 If within 15 minutes after the time appointed for a meeting a quorum is not present, the meeting:
- (a) if convened on requisition of Members, is dissolved; and
 - (b) in any other case stands adjourned to the same day in the next week and the same time and place, or to such other day, time and place as the Directors appoint by notice to the Members and others entitled to notice of the meeting.
- 7.7 Subject to Article 7.4, at any such adjourned meeting two persons each being a Member, proxy, or Representative present at the meeting are a quorum and, if a quorum is not present within 15 minutes after the time appointed for the adjourned meeting, the meeting is dissolved.

Chairman

- 7.8 The Chairman is entitled to preside at general meetings, but if the Chairman is not present and able and willing to act within 15 minutes after the time appointed for a meeting or has signified an intention not to be present and able and willing to act, the following may preside (in order of entitlement): the Deputy Chairman, a Director chosen by a majority of the Directors present, the only Director present, a Member, proxy or Representative chosen by a majority of the Members, proxies, and Representatives present.
- 7.9 If there is an equality of votes the Chairman of the meeting has both on a show of hands and on a poll, a casting vote in addition to any votes to which the Chairman is entitled as a Member or proxy or Representative of a Member. The Chairman has a discretion both as to whether or not to use the casting vote and as to the way in which it is used.

How questions decided

- 7.10 Every question submitted to a meeting is to be decided by a show of hands, unless before or on the declaration of the result of the show of hands a poll is demanded by the Chairman of the meeting or any Member present in person or by proxy or Representative and having the right to vote at the meeting, and the demand for the poll is not withdrawn. A demand by a person as proxy or Representative for a Member shall be the same as a demand by the Member.
- 7.11 Unless a poll is so demanded and the demand is not withdrawn, a declaration by the Chairman of the meeting that the motion has been carried or carried unanimously or without dissent or by a particular majority or lost and an entry to that effect in the minutes of the meeting are conclusive evidence of that and it is not necessary to prove the number or proportion of votes cast in favour of or against the motion.

Adjournment

- 7.12 The Chairman of a meeting may with the consent of the meeting adjourn the meeting from time to time and place to place, but the only business that may be transacted at an adjourned meeting is the business left unfinished at the meeting from which the adjournment took place.

8. VOTES OF MEMBERS

Number of votes

- 8.1 Subject to the rights and any restrictions attached to or affecting any Shares:
- (a) on a show of hands, each Member present in person and each other person present as proxy or Representative of a Member has one vote; and
 - (b) on a poll, each Member present in person has one vote for each Share held by the Member and each person present as proxy or Representative of a Member has one vote for each Share held by the Member that the person represents.

Right to appoint proxy

- 8.2 A Member entitled to attend at a meeting of the Company or of any class of Members is entitled to appoint one or more persons (whether Members or not) as proxy or proxies to attend and to vote on behalf of such Member at the meeting.

Instrument of proxy

- 8.3 An instrument appointing a proxy must be in writing under the hand of the appointor or of the appointor's attorney duly authorised in writing or if the appointor is a body corporate under its common or official seal or the hand of a duly authorised officer of the body corporate and, if and to the extent that the Directors permit, may be in respect of more than one meeting.
- 8.4 An instrument appointing a proxy may be in any usual or common form or in any other form acceptable to the Directors.
- 8.5 A resolution in writing signed or approved by letter or facsimile transmission by or on behalf of all the Members or all the holders of a class of Shares (as the case may be) for the time being entitled to vote on the relevant resolution shall be as valid and effective as if it had been passed at a general meeting of the Company or a separate meeting of such class (as the case may be) duly convened and held and when signed or approved may consist of several documents each signed or approved by one or more of the persons aforesaid and shall be deemed to have been passed at the time the resolution was last signed or approved as aforesaid.
- 8.6 In the case of a Member which is a corporation the signature of any Director or the secretary of that corporation or, in the case of a Share registered in the name of joint holders, the signature of any one or more of them, shall be

deemed to be and shall be accepted as the signature of the Member concerned for all purposes including the signature of any form of proxy and the signature of any resolution in writing or other document signed or approved pursuant to Article 8.5.

9. DIRECTORS

Number of Directors

- 9.1 The number of Directors must not be less than two.

No share qualification

- 9.2 A Director does not require a share qualification.

Appointment

- 9.3 Clydesdale Bank may by notice to the Company appoint a person as a Director either to fill a casual vacancy or as an additional Director. Subject to Articles 9.6 and 12.1 a person appointed a Director under this Article 9.3 or Article 9.5 who is not a full-time employee of the Company or a Related Body Corporate holds that office for the term of three years from the date of appointment or such other period as set by the Clydesdale Bank, but is eligible for re-appointment under these Articles from the expiration of that term.
- 9.4 Each person holding office as a Director at the date on which these Articles come into operation is to be deemed appointed by Clydesdale Bank under Article 9.3 with effect from that date.
- 9.5 The Directors may with the approval of Clydesdale Bank appoint a person as a Director to fill a casual vacancy.

Removal

- 9.6 Clydesdale Bank may by notice to the Company remove any Director from office.

10. REMUNERATION AND EXPENSES

- 10.1 A Director is entitled to be paid out of the funds of the Company as remuneration for services as a Director such sum accruing from day to day as the Parent Company determines.
- 10.2 If a Director, at the request of the Directors, performs additional or special duties for the Company, the Company may remunerate that Director by payment of a fixed sum or salary to be determined by the Directors and that remuneration may be either in addition to or in substitution for that Director's remuneration under Article 10.1.
- 10.3 A Director is also entitled to be reimbursed out of the funds of the Company such reasonable travelling, accommodation and other expenses as the Director may incur when travelling to or from meetings of the Directors or a Committee or when otherwise engaged on the business of the Company.

11. RETIREMENT BENEFIT

- 11.1 Subject to the provisions of the Act, a Director or former Director may with the prior consent of the Parent Company be paid a retirement benefit, as determined by the Directors.
- 11.2 A retirement benefit includes any pension, gratuity or other benefit paid in consequence of or in connection with the death of the Director or loss by the Director of, or resignation by the Director from, the office of Director, or the termination of the Director's employment by the Company or any Related Body Corporate.
- 11.3 Where a retirement benefit is payable in consequence of the death of a Director or former Director the payment may be made to the Director's widow, widower or children or other person or persons who, in the opinion of the Directors, is or are at the time of the Director's death financially dependent on the Director, or to such of them and in such shares as the Directors determine.
- 11.4 The Company and the Director may enter into a contract for the purpose of providing for or giving effect to the payment of a retirement benefit in accordance with Article 11. The Directors may contribute to any fund and pay premiums for the purchase or provision of any such retirement benefit.

12. VACATION OF OFFICE AND CONFLICT OF INTEREST

12.1 Vacation of office

The office of a Director is automatically vacated if the Director:

- (a) ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a director;

- (b) becomes bankrupt or insolvent or makes an arrangement or composition with creditors of the Director's joint or separate estate generally;
- (c) becomes in the opinion of the other Directors incapable by reason of mental disorder (within the meaning of the Mental Health Act 1983) of discharging his duties as a Director;
- (d) resigns office by notice in writing to the Company;
- (e) without the prior written consent of Clydesdale Bank accepts or holds office in a corporation which carries on banking or a related business and is not Clydesdale Bank or a Related Body Corporate of Clydesdale Bank;
- (f) in the case of a Director who is not a full-time employee of the Company or a Related Body Corporate, at the expiration of three years from the date of the Director's appointment under Article 9.3 unless the Director is re-appointed pursuant to Article 9.3 or Article 9.5 on or prior to the expiration of that period;
- (g) is removed from office by Clydesdale Bank in accordance with Article 9.6.

Director's interests

12.2 Subject to the provisions of the Act and subject to compliance with the provisions of Articles 12.3 to 12.5 inclusive, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested and may participate in any association, institution, fund, trust, scheme or arrangement for past or present employees or Directors of the Company, a Related Body Corporate or any of their respective predecessors in business or their dependants or persons connected with them; and
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any Related Body Corporate or any other body corporate of which the Company is a member or in which the Company is otherwise interested; and
- (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

12.3 A Director who has a material personal interest in a matter that is being considered at a meeting of the Directors:

- (a) shall not vote on the matter; and
- (b) shall not be present while the matter is being considered at the meeting.

12.4 Article 12.3 does not apply to an interest that a Director has:

- (a) as a director of the Company or of a Related Body Corporate; or
- (b) as a member of the Company in common with the other members of the Company; or
- (c) as a member or beneficiary of any retirement benefits scheme of which the Company is for the time being a trustee.

12.5 The Parent Company may relax or suspend the operation of Article 12.3 to any extent and either generally or in respect of any particular matter or class of matters.

12.6 For the purposes of Article 12.2:

- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

12.7 An interested Director may attest the affixing of the Seal to a contract or any other document or, as a Director, sign any contract or other document which is executed by the Company in accordance with Article 19.5.

12.8 In Article 12, where the context admits, "contract" includes an arrangement and a proposed contract or arrangement.

13. POWERS OF DIRECTORS

13.1 The management of the business of the Company is vested in the Directors and they may exercise all such powers and do all such things as the Company is by its Memorandum or otherwise authorised to exercise and do and are not by these Articles or by the Statutes required to be exercised or done by the Company in general meeting, subject nevertheless to the provisions of the Statutes and of these Articles, but the Directors may not sell or dispose of the Company's main undertaking without the prior written consent of the Parent Company.

13.2 No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the Directors have been in any way restricted hereunder or as to whether any requisite consent of the Parent Company and/or Clydesdale Bank has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors.

14. PROCEEDINGS OF DIRECTORS

Meetings

- 14.1 The Directors may meet for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit.

Quorum

- 14.2 Until otherwise determined by the Directors two Directors present in person or by an alternate are a quorum.
- 14.3 An interested Director is to be counted in a quorum notwithstanding the Director's interest.

Effect of vacancy

- 14.4 The continuing Directors may act notwithstanding a vacancy in their number but, if and so long as their number is reduced below the minimum fixed by Article 9.1, the continuing Directors may, except in an emergency, act only for the purpose of filling vacancies in accordance with Article 9.5 to the extent necessary to bring their number up to that minimum or of summoning a general meeting.

Convening meetings

- 14.5 A Director may, and the Secretary on the request of a Director shall, convene a meeting of the Directors.

Chairman and Deputy Chairman

- 14.6 The Directors shall elect a Chairman and may elect a Deputy Chairman and may determine the period during which each is to hold office.
- 14.7 The Chairman or Deputy Chairman may be removed from that office by a resolution of the Directors of which not less than 14 days' notice has been given to all the Directors for the time being.
- 14.8 The Chairman is entitled to preside at meetings of the Directors but, if the Chairman is not present and able and willing to act within 15 minutes after the time appointed for a meeting or has signified an intention not to be present and able and willing to act, the following may preside (in order of entitlement): the Deputy Chairman, a Director chosen by a majority of the Directors present.

How questions decided

- 14.9 Questions arising at a meeting of the Directors are to be decided by a majority of votes and in the event of an equality of votes the Chairman of the meeting has a casting vote.

Committees

- 14.10 The Directors may delegate any of their powers to Committees consisting of such Director or Directors as they think fit and may revoke that delegation.
- 14.11 A Committee in the exercise of the powers so delegated is to conform to any regulations imposed by the Directors.
- 14.12 Subject to Article 14.11, the meetings and proceedings of a Committee consisting of two or more Directors are governed by the provisions of these Articles as to the meetings and proceedings of the Directors so far as they are applicable.

Written resolution

- 14.13 A resolution in writing signed or approved by letter or facsimile transmission by all the Directors or all the members of a Committee, in either case being at least a quorum, is as valid and effectual as if it had been passed at a meeting of the Directors or of that Committee duly called and constituted at the time the resolution was last signed and may consist of several documents in like form each signed or approved by one or more of the Directors or members of that Committee.

Telephone meetings

- 14.14 In determining whether a quorum exists, fixed by or in accordance with these Articles as that necessary for the transaction of the business of the Directors, the following shall be counted in the quorum:-
- (a) in the case of a resolution agreed by the Directors in telephone communication, all such Directors,
 - (b) in the case of a meeting of the Directors, in addition to the Directors present at the meeting any Director in telephone communication with the meeting; and
 - (c) in the case of a resolution agreed by the Directors by exchange of facsimile transmissions, all Directors taking part in such exchange.
- 14.15 For the purposes of these Articles the contemporaneous linking together by telephone or other means of instantaneous communication ("**telephone**") of a number of the Directors, being at least a quorum, is to be deemed to constitute a meeting of the Directors or, as the case may be, of a Committee of Directors and all the provisions of these Articles as to meetings of the Directors apply to such a meeting if the following conditions are met:
- (a) all the Directors entitled to notice of a meeting of the Directors or, as the case may be, of a Committee of Directors received notice of the meeting and for this purpose notice of the meeting may be given on the telephone;
 - (b) all the Directors wanting to take part in the meeting are linked by telephone for the purposes of the meeting; and
 - (c) at the commencement of the meeting each Director taking part acknowledges the respective Director's presence for the purposes of the meeting to all other

Directors taking part and acknowledges that the Director is able to hear each of the other Directors taking part.

- 14.16 A Director may not leave a telephone meeting by disconnecting the telephone without the consent of the Chairman of the meeting and a Director is to be deemed to be present and form part of the quorum throughout the meeting unless the Director has obtained the consent of the Chairman of the meeting to leave the meeting.
- 14.17 A minute of the proceedings at a telephone meeting is sufficient evidence of the proceedings and the observance of all necessary formalities if it is certified as a correct minute by the Chairman of the meeting.

Validity of acts of Directors

- 14.18 All acts of the Directors, a Committee or a person acting as a Director or Committee or member of a Committee are valid notwithstanding that it is afterwards discovered that there was some defect in the appointment, election or qualification of them or any of them or that they or any of them were disqualified or had vacated office.

15. MANAGING AND EXECUTIVE DIRECTORS

Appointment and removal

- 15.1 The Directors may with the prior approval of Clydesdale Bank appoint one or more of their number to the office of Managing Director or Executive Director either for a fixed term or without limitation as to period of appointment but not for life, and may with like approval remove a person so appointed and appoint another instead.
- 15.2 A Managing Director or Executive Director, subject to the provisions of any contract with the Company, is subject to the same provisions as to resignation and removal as the other Directors and automatically ceases to be a Managing Director or Executive Director on ceasing to be a Director. The removal from office of a Managing Director or Executive Director pursuant to the provisions of these Articles shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between such Managing Director or Executive Director and the Company.

Remuneration

- 15.3 The Directors may with the prior approval of the Parent Company determine the remuneration of a Managing Director or Executive Director.

Powers

- 15.4 The Directors may with the prior approval of Clydesdale Bank confer on a Managing Director or Executive Director such of the powers conferred on the Directors by these Articles, for such time, to be exercised for such purposes, on such terms and with such restrictions as they think fit and all or any of those powers may be conferred collaterally with but not to the exclusion of

the powers of the Directors and may with the like approval be revoked or varied by the Directors.

16. ALTERNATE DIRECTORS

16.1 A Director ("**appointor**") may by writing under the appointor's hand or by telegram, facsimile or other form of visible communication, appoint a person approved by Clydesdale Bank to act as an Alternate Director in the appointor's place whether for a stated period or periods or until the happening of a specified event or from time to time.

16.2 An Alternate Director:

- (a) may be removed or suspended from office by Clydesdale Bank or by notice in writing from the appointor;
- (b) subject to these Articles is entitled to receive notice of meetings of the Directors and to attend and vote if the appointor is not present and, if also a Director in the Alternate Director's own right or Alternate Director for another Director as well, to have a separate vote on behalf of the appointor in addition to the Alternate Director's own or that other Director's vote;
- (c) may exercise all the powers and, subject to the Act, perform all the duties of the appointor (other than the power to appoint an Alternate Director and any additional powers and duties specifically vested in or delegated to a Managing Director or Executive Director in his capacity as such) in so far as the appointor has not exercised or performed them;
- (d) automatically ceases to be an Alternate Director if the appointor ceases to be a Director;
- (e) whilst acting as a Director is responsible to the Company for the Alternate Director's own acts and defaults and the appointor is not responsible for them;
- (f) may not receive any remuneration from the Company as a Director except for any special services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director; and
- (g) may not be taken into account separately from the appointor in determining the number of Directors.

17. POWERS OF ATTORNEY

17.1 The Directors may by revocable or, with the prior approval of the Parent Company irrevocable, power of attorney executed under the common seal of the Company or in accordance with Article 19.5 appoint a person to be the attorney of the Company for such purposes and with such powers (not exceeding those conferred on the Directors by these Articles) and for such period and subject to such conditions as the Directors think fit.

17.2 Any such appointment may be made in favour of a body corporate or of the members, directors, nominees or managers of a body corporate or firm or in favour of a fluctuating body of persons whether nominated directly or indirectly by the Directors and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with the attorney as the Directors think fit.

17.3 Any such attorney may be authorised to sub-delegate all or any of the powers vested in that person.

18. SECRETARY

A Secretary holds office on such terms and conditions, as to remuneration and otherwise, as the Directors determine.

19. AUTHENTICATION OF DOCUMENTS

Company seals

19.1 The Company may have a common seal and the Company may also exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

19.2 The Directors shall provide for the safe custody of all seals in such manner as they think fit.

19.3 The common seal or official seal for use abroad may be affixed to a document only by the authority of the Directors or a Committee of the Directors authorised by the Directors in that regard.

19.4 Every instrument to which the Seal shall be affixed shall be signed by two persons each of whom must be:

- (a) a Director;
- (b) a Secretary; or
- (c) a person authorised generally or in a particular case by the Directors for that purpose.

19.5 Notwithstanding the foregoing and for the purposes of Section 36B(3) Companies Act 1985 or otherwise, a document or instrument shall be validly executed on behalf of the Company notwithstanding that the Common Seal of the Company is not affixed thereto if the document or instrument is subscribed on behalf of the Company by:

- (a) two Directors of the Company; or
- (b) a Director and the secretary of the Company; or
- (c) two persons authorised to subscribe the document on behalf of the Company.

For the purposes of Articles 19.4 and 19.5 "persons authorised" shall be all Directors, the secretary and such other persons as the Directors may from time to time determine, and always subject in the case of such other persons, to any limitation in their capacity in this regard stipulated by the Directors.

The provisions of this Article are without prejudice to the powers of the Directors under Article 17 of the Articles or otherwise.

Use of official seal

- 19.6 Every document to which an official seal is affixed must be signed by a person appointed by the Directors to affix that official seal who must in writing under that person's hand certify on the document to which the official seal is affixed the date on which and the place at which it is affixed.

Signatures by mechanical means

- 19.7 The Directors may determine generally or in a particular case that the signature of a Director, Secretary or other person appointed by the Directors for the purpose of signing documents to which a Seal is affixed may be written by a specified mechanical means on documents which bear evidence of examination by the Auditor.

Negotiable instruments

- 19.8 Cheques, bills of exchange, promissory notes and other negotiable instruments may be signed, accepted, drawn, made or indorsed on behalf of the Company in such manner and by such persons (whether Directors or officers of the Company or not) as the Directors determine but not otherwise.

20. RESERVES

- 20.1 The Directors may with the prior approval of the Parent Company before declaring or paying a dividend set aside out of the profits of the Company such sums as they think proper as reserves to be applied, at the discretion of the Directors, for any purpose for which the profits of the Company may properly be applied.
- 20.2 The Directors may carry forward so much of the profits remaining as they consider ought not to be distributed as dividends, without transferring those profits to a reserve.

21. DIVIDENDS

Directors' powers

- 21.1 Subject to the provisions of the Statutes, insofar as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of Shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on Shares of any class of such amounts and on such dates and in respect of such periods as they think fit, provided that no such interim dividend shall be declared or paid without the prior written approval of the Parent Company.
- 21.2 No dividend shall be paid otherwise than out of profits available for the purpose in accordance with the provisions of Part VIII of the Act which apply to the Company.
- 21.3 Except in the case of Shares issued on terms providing to the contrary, all dividends are to be apportioned and paid proportionately to the amounts Paid on the Shares during any portion or portions of the period in respect of which the dividend is declared.
- 21.4 A dividend does not bear interest against the Company.

Effect of transfer

- 21.5 A transfer of Shares does not pass the right to a dividend or other distribution declared or made on them after the transfer and before its registration.

Distribution of specific assets

- 21.6 The Directors, when declaring a dividend or paying an interim dividend, may with the prior approval of the Parent Company resolve that the dividend be satisfied either wholly or partly by the distribution of specific assets to some or all of the persons entitled to the dividend, including Paid up Shares in or debentures of any other body corporate, and may direct that the dividend payable in respect of any particular Shares be satisfied wholly or partly by such a distribution and that the dividend payable in respect of other Shares be paid in cash.

- 21.7 If a difficulty arises in regard to such a distribution, the Directors may with the prior approval of the Parent Company settle the matter as they consider expedient and fix the value for distribution of the specific assets or any part of those assets and may determine that cash payments will be made to any Members on the basis of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as the Directors consider expedient.

22. CAPITALISATION OF PROFITS

- 22.1 The Directors may with the prior approval of the Parent Company resolve that any moneys, investments or other assets:

- (a) forming part of the undivided profits of the Company;
- (b) standing to the credit of a reserve;
- (c) in the hands of the Company and available for dividend; or
- (d) representing premiums received and standing to the credit of a Share premium account,

be capitalised and applied, in any of the ways mentioned in Article 22.2, for the benefit of such of the Members as would have been entitled to receive them if distributed by way of dividend and in the proportions to which those Members would have been entitled in such a distribution.

- 22.2 The ways in which moneys, investments or other assets referred to in Article 22.1 may be applied for the benefit of Members under that Article are:

- (a) in paying any amounts (including any premium) unpaid on Shares held by Members;
- (b) in paying up in full (including any premium) unissued Shares (not being redeemable shares) to be issued to Members as fully Paid; or
- (c) partly as mentioned in Article 22.2(a) and partly as mentioned in Article 22.2(b).

23. INSPECTION OF BOOKS

Any person authorised by the Parent Company may at any time inspect the books and documents of the Company or any of them.

24. MINUTES

The Directors shall cause minutes to be made in books kept for the purpose:

- (a) of all appointments of officers made by the Directors; and
- (b) of all proceedings at meetings of the Company, of the holders of any class of Shares, and of the Directors, and of Committees of Directors, including the names of the Directors present at each such meeting.

25. SERVICE OF NOTICES

25.1 A notice may be delivered or served by the Company either personally or by sending it:

- (a) in the case of a Member which does not have a registered address in the United Kingdom, by airmail post; and
- (b) in any other case, by ordinary post.

25.2 A Member whose registered address is not in the United Kingdom may specify in writing an address in the United Kingdom to be deemed the Member's registered address within the meaning of Article 25.

25.3 A notice sent by post is to be deemed received or served on the day next following that on which it was posted and in proving delivery or service it is sufficient to prove that the envelope or wrapper containing the document was properly addressed and stamped and was posted.

25.4 A notice may be served by the Company on a Member or other person receiving notice under these Articles by sending it by facsimile to that person at the person's registered address. A notice so sent is to be deemed served on the day following production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the person's facsimile number.

25.5 Subject to the Act:

- (a) if a given number of days' notice or notice extending over any other period is required to be given, the day on which the notice is to be deemed served and in the case of a notice convening a meeting the day on which the meeting is to be held are to be excluded in calculating the number of days or other period; and
- (b) if these Articles require or permit a notice to be given by the Parent Company, Clydesdale Bank, the Company, the Directors, a Director or the Secretary, neither accidental omission to give the notice nor non-receipt of the notice invalidates the call, meeting, resolution, procedure or matter to which the notice relates.

26. WINDING UP

- 26.1 The Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.
- 26.2 If the Company shall be wound up (whether the liquidation is voluntary, or by the Court) the liquidator may, with the authority of an extraordinary resolution and subject to any provision sanctioned in accordance with the provisions of Section 187 of the Insolvency Act 1986, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability. The liquidator may make any provision referred to in and sanctioned in accordance with the provisions of Section 187 of the Insolvency Act 1986.

27. INDEMNITY

Indemnity of officers, Auditors and agents

- 27.1 Subject to the provisions of and so far as may be permitted by the Statutes, the Company may purchase and maintain for any Director, Executive Director, manager, officer and Auditor insurance against any liability.
- 27.2 Subject to those provisions and to the provisions of the Act but without affecting any indemnity to which a Director may otherwise be entitled:
- (a) no Director or other officer of the Company shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in consequence of the execution of the duties of his office or in relation thereto;
 - (b) every Director or other officer of the Company shall be indemnified out of the assets of the Company against any losses or liabilities incurred by him:
 - (i) in defending any civil or criminal proceedings which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as an officer or employee of the Company, and in which he is acquitted or judgment is given in his favour; and
 - (ii) in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company; and
 - (iii) in or about the execution of the duties of his office or otherwise in relation thereto.
-

Name and Address of Subscriber

National Australia Group Europe Limited
88 Wood Street
London
EC2V 7QQ

Dated this 4th day of November 2003

Witness to the above signature

Jill Brown
40 St Vincent Place
Glasgow G1 2HL
Solicitor