

TRUSTEE MEMORANDUM OF ASSOCIATION

No. 2132959

THE COMPANIES ACT 1995

PRIVATE COMPANY LIMITED BY SHARES

NEW MEMORANDUM OF ASSOCIATION OF HALIFAX GROUP QUEST (2) TRUSTEE LIMITED (adopted by Special Resolution passed on 16 March 2000)

- 1 The name of the Company is "Halifax Group QUEST (2) Trustee Limited".(*)
- 2 The registered office of the Company will be situate in England.
- 3 The objects for which the Company is established are
 - a* To undertake and perform the office and duties of trustee, custodian trustee, executor, administrator, attorney or nominee of or any employee trust, person, corporation, association, scheme, unit trust, pension or other trust fund, government, state, local authority or other body.
 - b* To exercise any trust, power or discretion lawfully exercisable in connection with any such office as aforesaid and to take any proceedings necessary or which the Directors of the Company may deem to be expedient in connection therewith.
 - c* To undertake and execute any trust or discretion, and the distribution amongst the beneficiaries, pensioners or other persons entitled to it, of any income, capital or annuity, and whether in money or specie, in furtherance of any discretion, obligation or permission.
 - d* To disclaim any trust, retire from any trusteeship or other office and to exercise any authority vested in it by any means whatsoever enabling it to appoint new trustees.
 - e* For the above purposes to hold, deal with, manage, direct the management of, buy, sell, exchange, mortgage, charge, lease, dispose of, or grant any right or interest in over or upon any real or personal property of any kind, including contingent and reversionary interests in any property, and to undertake and carry on any business undertaking or transaction.
 - f* To employ and pay an agent, whether a solicitor, accountant, stockbroker, banker or other person to transact any business or do any act required to be transacted or done in the execution of a trust.



(*) Name changed from Halifax Savings Bank Limited by Special Resolution dated 16 March 2000.

g To afford indemnities against liability for any breach of trust (not being of a fraudulent character) to any person or company from time to time acting jointly with the Company in the execution of any trust.

4 The liability of the members is limited.

5 The capital of the Company is £100 divided into one hundred shares of £1 each.

WE, the several persons whose names, addresses, and descriptions are hereunto subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF
SUBSCRIBERS

Number of Shares taken by
each Subscriber

AC Jowett
14 Hall Rise
Bramhope
Leeds
LS16 9JG

ONE

Solicitor

ED Smith
2 Gordon Terrace
Leeds
LS6 4HX

ONE

Solicitor

DATED this

day of

1987

WITNESS to the above Signatures

TRUSTEE ARTICLES OF ASSOCIATION

No. 2132959

THE COMPANIES ACT 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

OF

HALIFAX GROUP QUEST (2) TRUSTEE LIMITED

(adopted by Special Resolution passed on 16th March 2000)

PRELIMINARY

1. Subject as hereinafter provided and except insofar as the same are excluded or modified by these Articles, the regulations contained in Table A in The Companies (Tables A to F) Regulations 1985 as amended by The Companies (Tables A to F) (Amendment) Regulations 1985 (hereinafter referred to as "Table A") shall apply to the Company and, together with these Articles, shall constitute the Articles of the Company, to the exclusion of all other regulations and articles.

INTERPRETATION

2. Unless the context otherwise requires, words and expressions which bear particular meanings in Table A shall bear the same respective meanings in these Articles.

TRANSFER OF SHARES

3. Subject as provided in the next following Article, the directors may in their absolute discretion and without assigning any reason therefor decline to register any transfer of any share whether or not it is a fully paid share. Regulation 24 of Table A shall not apply.
4. (a) For the purpose of this Article the expression "the Holding Company" means the body corporate (if any), being a member of the Company, which is within

the meaning of section 736 of the Act a holding company of the Company, and a copy of any resolution of the board of directors (or equivalent body) of the Holding Company certified by a director or the secretary (or equivalent officer) of the Holding Company and deposited at the office or delivered at a meeting of the directors to the chairman or to the secretary or to any director shall be sufficient evidence of the passing thereof.

- (b) The Holding Company may by resolution of its board of directors (or equivalent body) declare that any share of the Company is held by the registered holder thereof as the nominee of the Holding Company (or in the case of a share registered in the name of a deceased or bankrupt holder was so held at the time of his death or bankruptcy) and name some other person as authorised by the Holding Company to sign transfers in the place of the holder or the deceased or bankrupt holder and the directors shall be entitled and bound to give effect to any instrument of transfer of that share signed by the person so named as transferor in all respects as if the instrument were signed by the registered holder or by his personal representatives or trustee in bankruptcy and notwithstanding that it may not be accompanied by the certificate for that share.

TRANSMISSION OF SHARES

- 5. The directors may at any time give notice requiring any person becoming entitled to a share in consequence of the death or bankruptcy of a member to elect to be registered as holder of the share and if the notice is not complied with within ninety days the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been satisfied. Regulation 31 of Table A shall be modified accordingly.

NOTICE OF GENERAL MEETING

- 6. Regulation 38 of Table A shall apply subject to the omission of the words "or a resolution appointing a person as a director", the addition of the words "in the case of special business" before the words "the general nature" in the penultimate paragraph thereof and the deletion of the last paragraph thereof. Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all members and to the directors.

PROCEEDINGS AT GENERAL MEETINGS

- 7. Regulation 41 of Table A shall apply subject to the addition of the following sentence:
"If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved."
- 8. Regulation 53 of Table A shall apply subject to the addition of the words "or approved in writing" after the word "executed" in each place that it occurs in the said Regulation.

VOTES OF MEMBERS

9. Regulation 56 of Table A shall be subject to the addition, after the word "exercised" in the second sentence of the said Regulation, of the following words:
- "or be delivered at any time before the time appointed for the holding of such meeting or adjourned meeting to any director or to the secretary at the place appointed for the holding of such meeting or adjourned meeting".
10. Regulation 62 of Table A shall apply subject to the following additions:
- (a) the addition, after the word "vote" in paragraph (a) of the said Regulation, of the words "or be delivered at any time before the time appointed for the holding of such meeting or adjourned meeting to any director or to the secretary at the place appointed for the holding of such meeting or adjourned meeting"; and
 - (b) the addition, after the words "taking of the poll" in paragraph (b) of the said Regulation and after the word "director" in paragraph (c) of the said Regulation, of the words "or be delivered at any time before the time appointed for the taking of the poll".

DIRECTORS

11. The provisions of this Article 11 shall have effect for so long as the Company is trustee of the Halifax Group plc Qualifying Employee Share Ownership Trust to be constituted by a deed between Halifax Group plc (1) and the Company (2) ("the Trust Deed").
- (a) There shall be three directors, comprising one Professional Trustee Director, one Employee Trustee Director and one Executive Trustee Director. Regulations 64 and 89 of Table A shall be modified accordingly. At all times each and every director shall be resident in the United Kingdom for the purposes of United Kingdom taxation.
 - (b) A reference in these Articles to a "Non-Professional Trustee Director" is a reference to any director who is not a Professional Trustee Director.
 - (c) Each Employee Trustee Director shall be a person who:-
 - (i) is a bona fide employee of any company which is a member of the Group;
 - (ii) does not have and has not had a Material Interest in any company (including the Company) which is a member of the Group; and
 - (iii) was selected for appointment as an Employee Trustee Director by the procedures set out in Schedule 2 to the Trust Deed.
 - (d) Each Executive Trustee Director shall be a person, subject to Article 11(a), who is nominated as such pursuant to this Article 11(d) by Halifax Group plc and who is not an Employee Trustee Director or a Professional Trustee Director.

- (e) The Professional Trustee Director shall be a person who:-
- (i) is a solicitor or a member of such other professional body as the Board of Inland Revenue may allow for the purposes of paragraph 3C(5) of Schedule 5 to the Finance Act 1989; and
 - (ii) is not an employee of any company within the Group; and
 - (iii) is not a director of any company within the Group; and
 - (iv) is selected for appointment by (and only by) those individuals who are the Non-Professional Trustee Directors.
- (f) Subject to Article 11(g) a Professional Trustee Director may be removed from office by a simple majority of the Non-Professional Trustee Directors unless there shall be only two Non-Professional Trustee Directors in which case an unanimous resolution of the Non-Professional Trustee Directors will be required.
- (g) No Professional Trustee Director may be removed from office pursuant to Article 11(f) unless another Professional Trustee Director is appointed as such by the Non-Professional Trustee Directors with immediate effect.
- (h) A Professional Trustee Director may be appointed a director of the Company upon such terms as to remuneration and otherwise as may be agreed at the time of his appointment between Halifax Group plc (on the one hand) and the Professional Trustee Director (on the other hand) PROVIDED ALWAYS that such agreement provides that such Professional Trustee Director may be removed at any time in accordance with Article 11(f).
- (i) A director shall retire and his office as a director vacated if:-
- (i) he ceases for any reason to be resident in the United Kingdom for the purposes of United Kingdom taxation
 - (ii) he becomes bankrupt or makes any arrangement or confirmation with his creditors generally; or
 - (iii) he is, or may be, suffering from mental disorder and either:
 - (aa) he is admitted to hospital in pursuance of an application for admission for treatment under either the Mental Health Act 1983 or, in Scotland, under the Mental Health (Scotland) Act 1960; or
 - (bb) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs
- (j) In addition to the requirements of Article 11(i) an Employee Trustee Director shall retire from office if:-
- (i) he ceases to be an employee of the Group; or
 - (ii) he acquires a Material Interest in any company which is a member of the Group.

- (k) The Annual General Meeting of the Company for any year shall be held on the same date and at the same venue as the Annual General Meeting of Halifax Group plc in respect of the same year.
- (l) In these Articles:-
 - (i) "Halifax Group plc" means the company limited by shares registered with number 3474881
 - (ii) "Group" means Halifax Group plc and any other company which is:-
 - (a) resident in the United Kingdom for the purposes of United Kingdom taxation; and
 - (b) is under the control of Halifax Group plc ; and
 - (c) is a subsidiary of Halifax Group plc within the meaning given by section 736 of the Companies Act 1985 ("subsidiary").
 - (iii) "Material Interest" has the meaning given it in paragraph 16 of Schedule 5 to the Finance Act 1989.
- 12. Subject to Article 11 the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 13. The directors initially holding office from the date of adoption of these Articles with their respective offices for the purposes of Article 11(a), shall be the persons named as such in the Table to rule 29 of Schedule 2 to the Trust Deed.
- 14. A director may not appoint an alternate director and regulations 65 to 69 (inclusive) of Table A shall not apply.
- 15. Directors shall not be required to retire by rotation and regulations 73 to 80 (inclusive) of Table A shall not apply.
- 16. The Chairman shall be the [Professional Trustee Director]. Regulation 91 of Table A shall be modified accordingly.
- 17. The quorum for the transaction of the business of the directors shall be three.
- 18. Subject to the Act, a director may vote at a meeting of the directors or of a committee of directors (and may be counted in the quorum present at any such meeting) on any resolution concerning any matter in which he has, directly or indirectly, an interest which conflicts or may conflict with the interests of the Company provided that at or prior to such meeting he complies in respect of such a matter with the disclosure provisions of Section 317 of the Act. Compliance with Section 317 of the Act shall be sufficient disclosure by directors for the purpose of Regulations 85 and 86.
- 19. The directors may exercise all the powers of the Company conferred by the Memorandum to pay and/or provide pensions, annuities, gratuities, superannuation and other allowances, benefits, advantages, facilities and services both for persons who are or have been directors of, or who are or have been employed by the Company or by any subsidiary or associated company of the Company and their dependants and relatives by them or any of them by reason of the exercise of any such powers and Regulation 87 does not apply to the Company.
- 20. Subject to Article 11 the directors shall be entitled to be paid their reasonable travelling, hotel and other expenses of attending and returning from meetings of the Company or otherwise incurred while engaged on the business of the Company or in the discharge of their duties and Regulations 82, 83 and 84 shall be amended accordingly.

21. Any director who, by request of the directors, performs special services for any purpose of the Company which in the opinion of the directors is outside the normal scope of such director's duties shall receive extra remuneration by way of salary, percentage of profits or otherwise as the directors may determine, which shall be charged as part of the Company's ordinary revenue expenses.
22. Any director or member of a committee of the Board may participate in a meeting of the directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and any director or member of the committee participating in a meeting in this manner shall be deemed to be present in person at such meeting.

INDEMNITY

23. Subject to and so far as may be permitted by the Act, but without prejudice to any indemnity to which any person concerned may otherwise be entitled, the directors, auditors, secretary and other officers for the time being of the Company shall be indemnified out of the assets of the Company against any costs, charges, losses, expenses and liabilities incurred by them as such in defending any proceedings, whether civil or criminal, in which judgement is given in their favour, or in which they are acquitted or in connection with any application under the Act in which relief is granted to them by the court. Regulation 118 of Table A shall not apply.