

Company number: 3416658

The Companies Act 1985 - 2006

**Private Company Limited by Guarantee
and not having a share capital**

**Articles of Association
of
The Northern Rock Foundation**

Preliminary

- 1 The Foundation is established for the purposes expressed in the Memorandum of Association
2. In these Articles, except where the subject or context otherwise requires, the following words shall bear the following meanings

“1985 Act” means the Companies Act 1985 including any modification or re-enactment thereof for the time being in force including without limitation any replacement or substitute provisions of the 2006 Act,

“2006 Act” means the Companies Act 2006 including any modification or re-enactment thereof for the time being in force;

“Articles” means these articles of association as altered from time to time by special resolution,

“auditors” means the auditors for the time being of the Foundation,

“board” means the Trustees or any of them acting as the board of directors of the Foundation and shall include in relation to the exercise of any power properly delegated to them in accordance with Article 36, any committee consisting of one or more Trustees;

“Chief Executive” means the chief executive officer of the Foundation from time to time;

“clear days” means the period excluding the day when a notice is given or deemed to be given and the day for which it is given or on which it is to take effect,

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“Companies Acts”	means both the 1985 Act and the 2006 Act;
“Foundation”	means this company;
“member”	means a member of the Foundation;
“Memorandum”	means the memorandum of association of the Foundation as amended from time to time,
“office”	means the registered office of the Foundation,
“register”	means the register of members of the Foundation,
“seal”	means the common seal of the Foundation;
“secretary”	means the secretary of the Foundation and includes a joint, assistant, deputy or temporary secretary and any other person appointed to perform the duties of the secretary;
“Trustees”	means the directors for the time being of the Foundation; and
“United Kingdom”	means Great Britain and Northern Ireland

References to a document being executed include references to its being executed under hand or under seal or by any other method.

References to writing include references to any visible substitute for writing and to anything partly in one form and partly in another form.

Words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender, and words denoting persons include corporations

Save as aforesaid any words or expressions defined in the Companies Acts (but excluding any statutory modification thereof not in force at the date of adoption of these Articles) shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

Subject to the preceding paragraph, references to any provision of any enactment or of any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force.

Headings are inserted for convenience only and do not affect the construction of these Articles

3. In these Articles, (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto; (b) no power of delegation

shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and (c) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

Members

- 4 The Trustees for the time being shall be the members of the Foundation
- 5 Membership shall not be transferable and shall cease on the member ceasing to be a Trustee.

General Meetings

6. All general meetings of the Foundation other than annual general meetings shall be called extraordinary general meetings.
- 7 In each year the board shall convene and the Foundation shall hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it. Not more than 15 months shall elapse between the date of one annual general meeting of the Foundation and that of the next
- 8 Subject to the provisions of Article 7, the board may call general meetings whenever and at such times and places as it shall determine. If there are not within the United Kingdom sufficient Trustees to call a general meeting, any Trustee of the Foundation may call a general meeting.

Notice of General Meetings

- 9 Unless provisions of the Companies Acts require a longer period of notice, an annual general meeting shall be called by at least twenty-one clear days' notice. All other general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:
 - (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat, and
 - (b) by a majority in number of the members having the right to attend and vote being a majority together holding not less than ninety per cent of the total voting rights at the meeting of all the members.
10. The notice shall specify the time and place of the meeting and the general nature of business to be transacted.

The notice shall, in the case of an annual general meeting, specify the meeting as such, and, in the case of a meeting to pass a special resolution, specify the intention to propose the resolution as a special resolution.

The notice shall state with reasonable prominence that a member entitled to attend and vote at the meeting being called is entitled to appoint one or more proxies to attend and vote on his behalf, and that a proxy need not also be a member.

- 11 Subject to the provisions of these Articles, the notice shall be given to all the members, to the auditors for the time being of the Foundation and if required under the Companies Acts, the former auditors of the Foundation.
12. The accidental omission to give notice of a meeting to any person entitled to receive the same, or the non-receipt of a notice of meeting by any such person, shall not invalidate the proceedings at that meeting.

Proceedings at General Meetings

13. No business shall be transacted at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting. Three members entitled to vote on the business to be transacted, present in person or by proxy, or for a corporation by a duly authorised representative, shall be a quorum.
14. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved, and in any other case shall stand adjourned to such time and place as the chairman of the meeting may determine. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting, the meeting shall be dissolved.
- 15 The chairman, if any, of the Trustees or, in his absence, any deputy chairman of the Trustees or, in his absence, some other Trustee nominated by the board, shall preside as chairman of the meeting, but if neither the chairman, deputy chairman nor such other Trustee (if any) is present within fifteen minutes after the time appointed for holding the meeting or is not willing to act as chairman, the Trustees present shall elect one of their number to be chairman. If there is only one Trustee present and willing to act, he shall be chairman.
- 16 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for thirty days or more or for an indefinite period, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
17. A resolution put to the vote of a general meeting shall be decided on a show of hands unless, before or on the declaration of a result of a vote on the show of

hands or on the withdrawal of any other demand for a poll, a poll is duly demanded. Subject to the provisions of the Companies Acts, a poll may be demanded by

- (a) the chairman of the meeting; or
- (b) at least two members present in person or by proxy having the right to vote at the meeting; or
- (c) any member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting,

and a demand by a person as proxy for a member shall be the same as a demand by the member.

- 18. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution
- 19. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If the demand for a poll is withdrawn, the chairman or any other member entitled may demand a poll
- 20. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded
- 21. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have
- 22. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 23. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded

In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

24. Where for any purpose an ordinary resolution of the Foundation is required, a special resolution shall also be effective.
25. Subject to the provisions of the Companies Acts, a resolution in writing executed by or on behalf the requisite proportion of members who would have been entitled to vote upon it if it had been proposed at a general meeting at which they were present shall be as effectual as it if had been passed at a general meeting properly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more of the members.

Votes of Members

26. On a show of hands every member present in person or by proxy or, in the case of a corporation, by duly authorised representative, shall have one vote. Upon a show of hands at a general meeting, the member and any of his proxies, or as the case may be, corporate representatives, shall only be entitled to one vote between them regardless of how many proxies (or corporate representatives) have been appointed. On a poll, every member present in person or by proxy or, in the case of a corporation, by duly authorised representative shall have one vote
27. A member in respect of whom an order has been made by any court or official having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court or official, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the board of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable
28. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is tendered, and every vote not disallowed at such meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

Proxies

29. The instrument appointing a proxy shall be executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as

circumstances allow or in any other form which is usual or which the Trustees may approve)

“The Northern Rock Foundation

I/We, [], of [] being a member/members of the above-named Foundation, hereby appoint [] of [], or failing him, [] of [], as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Foundation to be held on [] 20[], and at any adjournment thereof

Signed on [] 20[].”

- 30 Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Trustees may approve)

“The Northern Rock Foundation

I/We, [], of [] being a member/members of the above-named Foundation, hereby appoint of [], or failing him, [] of [], as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Foundation to be held on [] 20[] ”

This form is to be used in respect of the resolutions mentioned below as follows

Resolution No 1 * for *against

Resolution No 2 * for * against

* Strike out whichever is not desired

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed on [] 20[] ”

31. The instrument appointing a proxy and any power of attorney or other written authority under which it is executed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or written authority shall
- (a) be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Foundation in relation to the meeting not less than 48 hours before the time appointed for holding

the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or

- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll, or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any Trustee,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

32. A vote given or poll-demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Foundation at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll

Number of Trustees

33. Unless otherwise determined by ordinary resolution, the number of Trustees shall be not less than three but shall not be subject to any maximum

Powers of the Board

34. Subject to the provisions of the Companies Acts, the Memorandum and these Articles and to any directions given by special resolution, the business of the Foundation shall be managed by the board which may exercise all the powers of the Foundation. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the board by these Articles and a meeting of the board at which a quorum is present may exercise all powers exercisable by the board
35. The board may, by power of attorney or otherwise, appoint any person or persons to be the agent or agents of the Foundation for the purposes of the day-to-day management of the Foundation, with such powers and authorities (not exceeding those vested in the board) and on such conditions as the board determines, and may revoke or vary such delegation. The board shall exercise reasonable supervision of such agent or agents.

Delegation of Powers of the Board

- 36 The board may delegate any of its powers to any committee consisting of one or more Trustees. The board may also delegate to the Chief Executive such of its powers as the board considers desirable to be exercised by him and in particular may delegate to him the day-to-day management of the Foundation save that such delegation shall not include the exercise of any dispositive discretion. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more Trustees (whether or not acting as a committee) all or any of the powers delegated and may be made subject to such conditions as the board may specify, and may be revoked or altered. Subject to any conditions imposed by the board, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of Trustees so far as they are capable of applying.

Appointment and Removal of Trustees

37. The provisions of this Article 37 shall govern the appointment and retirement of Trustees of the Foundation
- (a) Immediately following the passing of the resolution pursuant to which these Articles are adopted and at every subsequent annual general meeting one-third of the Trustees who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office, but, if there is only one Trustee who is subject to retirement by rotation, he shall retire
 - (b) Subject to the provisions of the Act, the Trustees to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Trustees on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
 - (c) If the Foundation at the meeting at which a Trustee retires by rotation does not fill the vacancy, the retiring Trustee shall, if willing to act and subject to the provisions of Article 37(e) be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Trustee is put to the meeting and lost
 - (d) No person other than a Trustee retiring by rotation shall be appointed or reappointed a Trustee at any general meeting unless
 - (i) he is recommended by the Trustees; or
 - (ii) not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the Foundation of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the Foundation's register of Trustees together with

a notice executed by that person of his willingness to be appointed or re-appointed

- (e) Subject to Article 37 (f), with effect from and including the general meeting at which these Articles were adopted by resolution dated 12 May 2008, a retiring trustee who remains qualified may be re-appointed for a maximum of three consecutive terms of office. A term of office is three years. For the avoidance of doubt, any appointment or re-appointment occurring prior to the date of adoption of these Articles should be disregarded
- (f) A Trustee retiring by rotation that is ineligible for re-appointment pursuant to Article 37(e) may by ordinary resolution of the members be re-appointed for a period of office not exceeding one year if the members judge it to be in the best interests of the Company to do so, having regard to the need for planned and progressive refreshing of the board. Such Trustee shall not be taken into account when calculating which Trustees shall be subject to retirement by rotation at any subsequent annual general meeting
- (g) No person may be appointed as a Trustee:
 - (i) unless he has attained the age of 18 years; or
 - (ii) in circumstances such that, had he already been a Trustee, he would have been disqualified from acting under the provisions of Article 38
- (h) Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all persons who are entitled to receive notice of the meeting of any person (other than a Trustee retiring by rotation at the meeting) who is recommended by the Trustees for appointment or reappointment as a Trustee at the meeting or in respect of whom notice has been duly given to the Foundation of the intention to propose him at the meeting for appointment or reappointment as a Trustee. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the Charity's register of Trustees.
- (i) Subject as aforesaid, the Foundation may by ordinary resolution passed at an annual general meeting appoint a person who is willing to act to be a Trustee either to fill a vacancy or as an additional Trustee, and may also determine the rotation in which any additional Trustees are to retire.
- (j) The Trustees may appoint a person who is willing to act to be a trustee either to fill a vacancy or as an additional trustee. A Trustee so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the Trustees who are to retire by rotation at the meeting. If not reappointed at such

annual general meeting, he shall vacate office at the conclusion thereof

- (k) Subject as aforesaid, a Trustee who retires at an annual general meeting may, if willing to act, be reappointed.

Disqualification and Removal of Trustees

38. The office of a Trustee shall be vacated if
- (a) he ceases to be a Trustee by virtue of any provisions of the Companies Acts or these Articles or he becomes prohibited by law from being a director; or
 - (b) he is disqualified from acting as a trustee of a charity by virtue of section 72 of the Charities Act 1993 (or any statutory re-enactment or modification of that provision), or
 - (c) he becomes bankrupt or makes any arrangement or composition with his creditors generally or shall apply to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act, or
 - (d) he is, or may be, suffering from mental disorder and either:
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - (ii) 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; or
 - (e) he resigns his office by at least seven days' notice to the Foundation, or such shorter period of notice as the board may approve; or
 - (f) he shall cease to hold office in accordance with Article 37

Remuneration of Trustees

39. The provisions of the Memorandum of Association as to the remuneration of Trustees shall apply.

Trustees' Expenses

40. The Trustees may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the board

or committees of the board or general meetings or otherwise in connection with the discharge of their duties

Trustees Appointments and Interests

41. Subject to the provisions of the Companies Acts, and provided that he has disclosed to the Trustees the nature and extent of any material interest of his, and provided that the Trustee is absent from all relevant meetings and takes no part in any discussions concerning the matter and provided that the other Trustees are satisfied that the transactions or arrangements in question are in the best interests of the Foundation, a Trustee notwithstanding his office

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Foundation or in which the Foundation is otherwise interested,
- (b) may be a director or other office of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Foundation or in which the Foundation is otherwise interested, and
- (c) shall not, by reason of his office, be accountable to the Foundation 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.

42 For the purposes of Article 41

- (a) a general notice given to the Trustees that a Trustee 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 Trustee has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a Trustee has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

Voting Rights

43 The board may exercise the voting power conferred by the shares in any body corporate held or owned by the Foundation in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing its members or any of them directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate).

Proceedings of Trustees

- 44 Subject to the provisions of these Articles, the board may regulate its proceedings as it thinks fit. A Trustee may, and the secretary at the request of a Trustee shall, call a meeting of the board. It shall not be necessary to give notice of a board meeting to any Trustee who is for the time being absent from the United Kingdom. Notice of a board meeting shall be deemed to be properly given to a Trustee if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Foundation for this purpose. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. Any Trustee may waive notice of a meeting and any such waiver may be retrospective.
45. The quorum for the transaction of the business of the board may be fixed by the board and unless so fixed at any other number shall be two. Any Trustee who ceases to be a Trustee at a board meeting may continue to be present and to act as a Trustee and be counted in the quorum until the termination of the board meeting if no Trustee objects.
- 46 The continuing Trustees or a sole continuing Trustee may act notwithstanding any vacancies in their number, but, if the number of Trustees is less than the number fixed as the quorum, the continuing Trustees or Trustee may act only for the purpose of calling a general meeting or filling vacancies.
- 47 The Trustees may elect a Trustee as chairman and a Trustee as deputy chairman. Subject to the requirement of such Trustees to retire by rotation in accordance with Article 37, the chairman and deputy chairman shall each be elected for a term of three years, and may serve a maximum of three successive terms of three years. Unless he is willing to do so, the Trustee appointed as chairman, or in his stead the Trustee appointed as deputy chairman, shall preside at every meeting of the board at which he is present. If there is no Trustee holding either of those offices, or if neither the chairman nor the deputy chairman is willing to preside or neither of them is present within five minutes after the time appointed for the meeting, the Trustees present may appoint one of their number to be chairman of the meeting.
- 48 All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a Trustee, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Trustee or any member of the committee or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Trustee and had been entitled to vote.
49. A resolution in writing signed by all the Trustees entitled to receive notice of a meeting of the board or of a committee of the board (not being less than the number of Trustees required to form a quorum of the board) shall be as valid and effectual as if it had been passed at a meeting of the board or (as the case may be) a committee of the board duly convened and held and for this purpose a resolution may consist of several documents to the same effect each signed by one or more Trustees.

- 50 Without prejudice to the first sentence of Article 44, a meeting of the board or of a committee of the board may consist of a conference between Trustees who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously. A Trustee taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group, where the chairman of the meeting then is. The word "meeting" in these Articles shall be construed accordingly.
51. Save as otherwise provided by these Articles, a Trustee shall not vote at a meeting of Trustees or of a committee of Trustees on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Foundation. For the purposes of this Article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this Article becomes binding on the Foundation), connected with a Trustee shall be treated as an interest of the Trustee.
- 52 A Trustee shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 53 The Foundation may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a Trustee from voting at a meeting of Trustees or of a committee of Trustees.
- 54 Where proposals are under consideration concerning the appointment of two or more Trustees to offices or employments with the Foundation or any body corporate in which the Foundation is interested the proposals may be divided and considered in relation to each Trustee separately and (provided he is not for another reason precluded from voting) each of the Trustees concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
55. If a question arises at a meeting of Trustees or of a committee of Trustees as to the right of a Trustee to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Trustee other than himself shall be final and conclusive.

Secretary

- 56 Notwithstanding section 270 of the 2006 Act, the Foundation shall have a company secretary. The secretary shall be appointed by the Trustees for such term, at such remuneration and upon such conditions as it may think fit, and any secretary so appointed may be removed by the board, but without prejudice to any claim for damages for breach of any contract of service between him and the Foundation.

Minutes

57. The board shall cause minutes to be made in books kept for the purpose
- (a) of all appointments of officers made by the board; and
 - (b) of all proceedings at meetings of the Foundation, of the board, and of committees of the board, including the names of the Trustees present at each such meeting.

Any such minutes, if purporting to be signed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts therein stated.

The Seal

58. The seal shall only be used by the authority of a resolution of the board or of a committee of the board. The board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by at least one Trustee and the secretary or by at least two Trustees
59. Where the Companies Acts so permit, any instrument signed, with the authority of a resolution of the board or of a committee of the board, by one Trustee with that signature attested to by a witness and expressed to be executed by the Foundation as a deed shall have the same effect as if executed under the seal, provided that no instrument which makes it clear on its face that it is intended by the persons making it to have effect as a deed shall be signed without the authority of the board.
60. A document which is executed by the Foundation as a deed shall not be deemed to be delivered by the Foundation solely as a result of its having been executed by the Foundation

Certification

61. Any Trustee or the secretary or any person appointed by the board for the purpose shall have power to authenticate any documents affecting the constitution of the Foundation and any resolutions passed by the Foundation or the board or any committee of the board, and any books, records, documents and accounts relating to the business of the Foundation, and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or the minutes of or an extract from the minutes of a meeting of the Foundation or of the board or any committee of the board that is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Foundation upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

Annual Report and Annual Return

62. The Trustees shall comply with their obligations under the Charities Act 1993 (or any statutory re-enactment or modification of that Act) with regard to the

preparation of an annual report and an annual return, and their transmission to the Charity Commissioners

Notices

63. Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the board need not be in writing.
64. Any notice or other communication to be given under these Articles may be served by leaving it or sending it by fax, prepaid recorded delivery or registered post to the registered address of the recipient for the attention, in the case of bodies corporate, of the company secretary of that recipient (or as otherwise notified from time to time). Any notice so served shall be deemed to have been received
- 64 1. if left in accordance with this Article, at the time it is left, or
- 64 2 if sent by recorded delivery or registered post, forty eight (48) hours after the date of posting In proving such service it shall be sufficient to prove that the envelope containing such notice was properly addressed and delivered either into the custody of the postal authorities as a pre-paid recorded delivery or registered post letter as the case may be, or
- 64.3 if sent by fax, twelve (12) hours after the time of despatch. In proving such service it shall be sufficient to prove that the facsimile transmission was made after obtaining in person or by telephone appropriate evidence of the capacity of the addressee to receive the same
- 65 A member whose registered address is not within the United Kingdom and who gives to the Foundation an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise
- 65.1 no such members shall be entitled to receive any notice from the Foundation, and
- 65.2 without prejudice to the generality of the foregoing, any notice of a general meeting of the Foundation which is in fact given or purports to be given to such members shall be ignored for the purpose of determining the validity of the proceedings at such general meeting.
- 66 A member present, either in person or by proxy, at any meeting of the Foundation shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called

Winding Up

- 67 On a winding up and dissolution of the Foundation, clause 8 of the Memorandum of Association shall have effect as if the provisions thereof were repeated in these Articles.

Indemnity

68. Subject to the provisions of the 2006 Act, every Trustee of the Foundation shall be indemnified out of the assets of the Foundation against any liability incurred by him in the performance of his duties as a Trustee (the "indemnity") but only to the extent that such Indemnity is a "qualifying third party indemnity provision" within the meaning of Section 234 of the 2006 Act and the Foundation may provide a Trustee with funds in accordance with Sections 205 and 206 of the 2006 Act to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings but so that any provision of funds will become repayable by the Trustee or any liability of the Foundation under any transaction connected with any provision of funds will become repayable by the director, not later than:-
- 68.1 in the event of the director being convicted in the final proceedings, the date when the conviction becomes final,
 - 68.2 in the event of judgement being given against him in the proceeding, the date when the judgement becomes final, or
 - 68.3 in the event of the Court refusing to grant him relief of the application, the date when the refusal or relief becomes final.
- 69 The Foundation may purchase and maintain insurance against any liability upon its Trustees or other officers or auditors which arises out of their respective duties to the Foundation in relation to its affairs.

Names and Addresses of Subscribers

1. William Reay Atkinson
High Dryburn
Garrigill
Alston
Cumbria, CA9 3EJ

Dated the 30th day of July 1997

Witness to the above signature Shaun Jones

Name Shaun Jones

Address: Springhead
 Salts Lane
 Loose
 Maidstone
 Kent, ME15 0BD

Occupation Company Director

2. John Peter Wainwright
Fullers Gate
Allostock
Knutsford
Cheshire, WA16 9NG

Dated the 31st day of July 1997

Witness to the above signature: J Malcolm

Name James D Malcolm

Address 137 Buckingham Gardens
 East Molesey
 Surrey
 KT8 1TW

Occupation Chartered Surveyor

The Companies Acts 1985 and 1989
Private Company Limited by Guarantee
and not having a Share Capital

Memorandum of Association
of
The Northern Rock Foundation

- 1 The name of the Company (the Foundation) is The Northern Rock Foundation
- 2 The Registered Office of the Foundation is to be situated in England
- 3 The Foundation's objects (the Objects) are to pay or apply the income or (if and when the Trustees, as hereinafter defined, shall see fit) the whole or any part of the capital of the Foundation to any charitable institutions, bodies or funds or for any charitable purposes (according to the laws of England and Wales from time to time) principally in but not limited to the United Kingdom
- 4 In furtherance of the Objects, but not further or otherwise, the Foundation may exercise the following powers
 - a To accept gifts, covenants, bequests and the like of whatever nature and in any form, including, but not limited to, shares in the capital of and covenant from Northern Rock plc
 - b To purchase, take on lease or exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the Foundation may think necessary for the promotion of the Objects, and to construct maintain and alter any buildings or erections necessary for the work of the Foundation
 - c To sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Foundation as may be thought necessary with a view to the promotion of the Objects
 - d To undertake and execute any charitable trusts which may lawfully be undertaken by the Foundation
 - e Subject to such consents as are required by law to borrow or raise money for the purposes of the Foundation on such terms and on such security as may be thought fit
 - f To invest any monies of the Foundation not immediately required for its purpose in such investments, securities or property as may be thought fit and to lend money and give, whether gratuitously or otherwise, guarantees or indemnities and whether in respect of its own obligations or those of any

other charitable organisation if such action is in the furtherance of the Objects

- g to delegate the management of investments to a financial expert, but only on terms that
- (i) the investment policy is set down in writing for the financial expert by the Trustees,
 - (ii) timely reports of all transactions are provided to the Trustees,
 - (iii) the performance of the investments is reviewed regularly with the Trustees,
 - (iv) the Trustees are entitled to cancel the delegation arrangement at any time,
 - (v) the investment policy and the delegation arrangement are reviewed at least once a year,
 - (vi) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt, and
 - (vii) the financial expert must not do anything outside the powers of the Charity
- h To establish and support or aid in the establishment and support of any charitable associations or institutions and to subscribe and guarantee money for charitable purposes in any way connected with the Objects of the Foundation or calculated to further the Objects
- i To draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, to operate bank accounts in the name of the Foundation
- j To co-operate with other charities, voluntary bodies and statutory authorities operating in furtherance of the Objects or similar charitable purposes and to exchange information and advice with them
- k To co-operate with manufacturers, dealers and other traders and with the press and other media and sources of publicity and with governmental local and other authorities in any way connected with the Objects of the Foundation or calculated to further the Objects
- l Subject to clause 5 below, to employ such staff and professional or technical advisers as are necessary for the proper pursuit of the Objects and to make all reasonable and necessary provision for the payment of pensions and superannuation to staff and their dependants
- m To make any charitable donation either in cash or assets which the Foundation may deem expedient for the furtherance of the Objects
- n To pay out of the funds of the Foundation the costs, charges and expenses of and incidental to its incorporation

- o To do all such other lawful things as are necessary or convenient to the attainment of the Objects or any of them including the exercise of any power vested in the Foundation by the Memorandum or Articles of Association of Northern Rock plc

Provided that

- i In case the Foundation shall take or hold any property which may be subject to any trusts the Foundation shall only deal with or invest the same in such matter as is allowed by law having regard to such trusts
- ii In case the Foundation shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales the Foundation shall not sell, mortgage, charge or lease the same without such authority approval or consent as may be required by law and as regards any property the Board of Directors of the Foundation (the Trustees) shall be chargeable for any property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglects and defaults and for the due administration of any property in the same manner and to the same extent as they would have been if no incorporation had been effected and the incorporation of the Foundation shall not diminish or impair any control or authority exercisable by the Chancery Division or the Charity Commissioners over the Trustees but they shall as regards any property be subject jointly and severally to such control or authority as if the Foundation were not incorporated

- 5 The income and property of the Foundation shall be applied solely towards the promotion of the Objects as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit to the members of the Foundation and no trustee shall be appointed to any office of the Foundation paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Foundation, Provided that nothing in this document shall prevent any payment in good faith by the Foundation

- a of the usual professional charges for business done by any Trustee who is a solicitor, accountant or another person engaged in a profession, or by any partner of his or hers, when instructed by the Foundation to act in a professional capacity on its behalf Provided that at no time shall a majority of the Trustees benefit under this provision and that a Trustee shall withdraw from any meeting at which his or her appointment or remuneration, or that of his or her partner, is under discussion,
- b of reasonable and proper remuneration for any services rendered to the Foundation by any member, officer or servant of the Foundation who is not a Trustee,
- c of fees, remuneration or other benefit in money or money's worth to any company of which a Trustee may also be a member holding not more than 1/100th part of the issued capital of that company,

d of reasonable and proper rent for premises demised or let by any member of the Foundation or a Trustee,

e to any Trustee of reasonable out-of-pocket expenses

6 The liability of members is limited

7 Every member of the Foundation undertakes to contribute to the assets of the Foundation in the event of the same being wound up while he is a member or within one year after he ceases to be a member for payment of the debts and liabilities of the Foundation contracted before he ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding £1

8 If upon the winding-up or dissolution of the Foundation there remains after the satisfaction of all of its debts and liabilities any property whatsoever the same shall not be paid to or distributed among the members of the Foundation but shall be given or transferred to some other charitable institution or institutions having objects similar to the Objects and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Foundation under or by virtue of Clause 5 hereof such institution or institutions to be determined by members of the Foundation at or before the time of dissolution and if and so far as effect cannot be given to such provision then to some other charitable objects

We, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association

Names and Addresses of Subscribers

1

Dated the day of

Witness to the above signature

Name

Address

Occupation

2

Dated the day of

Witness to the above signature

Name

Address

Occupation