

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

THE ROYAL BANK OF SCOTLAND PUBLIC LIMITED COMPANY

Passed on 31 October 2001

At the EXTRAORDINARY GENERAL MEETING of the members of THE ROYAL BANK OF SCOTLAND PUBLIC LIMITED COMPANY duly convened and held at 42 St Andrew Square, Edinburgh on 31 October 2001 the following Resolution was duly passed as an SPECIAL RESOLUTION of the Company:-

SPECIAL RESOLUTION

"THAT:

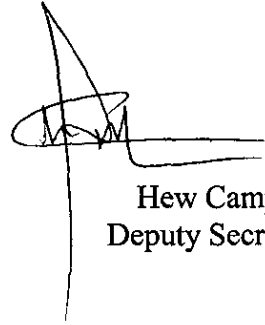
- (A) the capital of the Company be increased to £5,280,000,000, US\$2,985,000 and €660,000 by the creation of:
 - (a) 1,250,000,000 Ordinary Shares of £1 each, ranking *pari passu* for all purposes with the existing Ordinary Shares of £1 each; and
 - (b) 60,000,000 Category II Non-cumulative Dollar Preference Shares of US\$ 0.01 each ranking *pari passu* with the existing Category II Non-cumulative Dollar Preference Shares of US\$0.01 each.
- (B) the Directors be and they are hereby unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (in place of any such/



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such authority previously conferred and currently subsisting) to allot
(i) all of the shares created pursuant to paragraph (A) of this resolution,
and (ii) all of the shares comprised in the authorised but unissued share
capital of the Company immediately prior to the passing of this
resolution at any time or times during the period of five years from the
date of this resolution; and

- (C) the Directors be and they are hereby empowered pursuant to section
95 of the Companies Act 1985 to allot equity securities (within the
meaning of section 94 of the said Act) for cash pursuant to the
authority conferred by paragraph (B) of this resolution as if subsection
(1) of section 89 of the said Act did not apply to any such allotment.

A handwritten signature in black ink, appearing to read 'Hew Campbell', with a long horizontal line extending to the right.

Hew Campbell
Deputy Secretary