

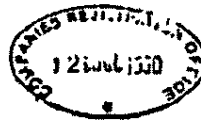
**LLOYDS TSB BANK PLC**

**Registered no. 2065**

**MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION**



Certificate of the Incorporation of a Company.



I hereby Certify that

LLOYDS BANK LIMITED

previously  
(originally called) LLOYDS BARNETTS AND BOSANQUETS BANK LIMITED

which name was changed by  
Special Resolution and with the Authority of the Board of Trade on the fifth day  
of April One thousand Eight Hundred and eighty-nine  
was Incorporated under the Companies Act, 1862,

as a Limited Company, on the twentieth day of April  
One Thousand Eight Hundred and sixty-five.

Given under my hand at London, this twelfth day of March  
One thousand nine hundred and thirty

*Registrar of Companies.*



**CERTIFICATE OF INCORPORATION  
ON RE-REGISTRATION AS A PUBLIC COMPANY**

No. 2065

I hereby certify that

**LLOYDS BANK Plc**

has this day been re-registered under the Companies Acts 1948 to  
1980 as a public company, and that the company is limited.

Dated at Cardiff the 1ST FEBRUARY 1982

A handwritten signature in black ink, appearing to read 'P. J. Jones'.

Assistant Registrar of Companies

C 455



**CERTIFICATE OF INCORPORATION  
ON CHANGE OF NAME**

**Company No. 2065**

The Registrar of Companies for England and Wales hereby certifies that  
**LLOYDS BANK Plc**

having by special resolution changed its name, is now incorporated  
under the name of  
**LLOYDS TSB BANK plc**

Given at Companies House, Cardiff, the 28th June 1999



**C O M P A N I E S   H O U S E**

# MEMORANDUM OF ASSOCIATION

of

## LLOYDS TSB BANK plc

as altered by special resolution passed on 26 June 1911, confirmed by an order of the court made 21 July 1911, amended pursuant to the Companies Act 1980 and altered by special resolutions passed on 21 April 1983 and 24 April 1991

Adopted by special resolution passed on 21 April 1983 in complete substitution for the previous objects clause, and altered by special resolution passed on 24 April 1991

- 1st The name of the company is "LLOYDS TSB BANK plc"
- 2nd The company is a public company.
- 3rd The registered office of the company will be situated in England and Wales
- 4th The objects for which the company is established are:
  - (A) To carry on the business of banking in all its aspects including (but without limitation) the transaction of all financial monetary and other businesses which are now or may be at any time during the existence of the company usually or commonly carried on in any part of the world by banks merchant banks discount houses or financiers and in particular (without prejudice to the generality of the foregoing)
    - (a) to receive money on current deposit or other account on any terms whatsoever and to employ and use such money,
    - (b) to borrow raise or take up money on any terms whatsoever whether with or without security and whether on a subordinated basis or otherwise and to employ and use such money,
    - (c) to deposit lend or advance money securities and other property of every kind with or without security and generally to give credit of any nature with or without security and to make or negotiate loans and advances of every kind in any currency on any terms whatsoever including (but without limitation) arrangements for and participating in currency exchanges,
    - (d) to buy sell issue discount draw make accept grant endorse acquire tender for subscribe guarantee the subscription of execute negotiate guarantee hold transfer invest and deal in pay honour retire secure or otherwise dispose of obligations securities and instruments of every kind (whether or not transferable or negotiable),

- (e) to issue grant negotiate and deal in any way with or in letters of credit circular notes bills drafts promissory notes and all other forms of credits securities and instruments of every kind,
  - (f) to buy sell and deal in bullion specie foreign exchange precious and other metals and commodities of every kind,
  - (g) to receive on deposit or for safe custody or otherwise cash documents securities and valuables of every kind,
  - (h) to collect hold and transmit money and securities and to act as agents for the receipt or delivery of securities and documents of every kind and for the receipt or payment of money,
  - (i) to issue and transact all kinds of business in respect of bankers' cards credit and debit cards and any other types of card issued by the company or by any other company or person and generally to transact business in relation to all kinds of bankers' payment systems, and
  - (j) to act as agents consultants or advisers relating to or in connection with the management of property and insurance of every kind all aspects of taxation and pension matters and the management and investment of money and generally to transact every kind of agency consultancy and advisory business
- (B) To carry on any business of any nature whatsoever which may seem to the directors of the company to be capable of being conveniently carried on in connection or in conjunction with or as ancillary to any business of the company hereinbefore or hereinafter authorised or to be expedient with a view to rendering profitable or more profitable or enhancing directly or indirectly the value of any of the company's property or assets or its undertaking or utilising its know-how or expertise
- (C) To finance or assist in financing the acquisition sale hire or lease of real and personal property of every kind and the provision of services in connection with or ancillary to the same (whether by means of hire purchase personal loan or otherwise) and to import export buy sell barter hire out lease charter let on hire exchange pledge and make advances upon or otherwise deal in and generally to act as factors traders or merchants of or in any other capacity in relation to real and personal property as aforesaid
- (D) To act as registrars and transfer agents for any company or person to keep for any company or person any register relating to any funds or any securities to maintain any other records and accounts for any company or person and to undertake any other duties for any company or person whether in relation to the registration of transfers or the issue and deposit of certificates or other documents of or evidencing title or any other matter whatsoever

- (E) To undertake and execute the office of executor administrator attorney judicial and custodian trustee manager committee liquidator receiver and treasurer and to establish undertake and execute trusts of all kinds (whether private or public or charitable or religious or otherwise) and generally to carry on executor and trustee business in all its aspects and on any terms whatsoever and in particular (but without limitation) to act as trustees for the holders of any securities of any company or person and as managers and trustees of unit trusts investment trusts and pension benevolent or other funds and to transact all kinds of business arising from or in connection with any of the foregoing offices and trusts and to establish and if thought fit undertake and execute any trusts with a view to the issue of any securities certificates receipts or other documents based on or representing any securities or other assets of whatsoever nature appropriated for the purposes of or comprised in or connected with such trusts
- (F) To promote negotiate effect offer for sale by tender or otherwise underwrite guarantee secure the placing of subscribe or tender for or procure the subscription of (whether conditionally or absolutely) participate in carry out manage (whether on commission or not) or perform any other function in relation to any issue (public or private) of the securities of any company or person and to lend money for the purposes of any such issue
- (G) To effect and enter into any guarantee bond recognisance or contract of indemnity or suretyship and generally to provide security for support and become responsible or liable for or in respect of the performance of any contract obligation or duty by any company or person (including but without limitation any company which is the holding company of the company or which is a subsidiary of the company or of any such holding company or which is in any way whatsoever allied to or associated with the company or any such holding company or subsidiary or in which the company or any such holding company subsidiary or allied or associated company is interested whether as shareholder or otherwise and whether directly or indirectly) and to do all of the foregoing things by personal covenant or by mortgaging or charging all or any part of the undertaking property and assets (present and future) and the uncalled capital of the company or by both of such methods or in any other manner whatsoever and in particular (but without prejudice to the generality of the foregoing) by either or both of such methods or in any other manner to guarantee provide security for support and become responsible or liable for or in respect of the validity reliability or authenticity of all kinds of titles securities instruments deeds and documents and the payment of capital principal premiums dividends interest and other monies and the performance of any obligations secured by or payable or performable under or in respect of any securities to undertake the insurance counter-insurance and reinsurance of all kinds of risks to obtain and receive all kinds of guarantees counter-guarantees indemnities and counter-indemnities to take all other kinds of security whether by way of personal covenant mortgage or charge or otherwise howsoever for or in respect of the performance or implementation of any obligations of any person or company and generally to carry on the business of a guarantee and indemnity

company in all its aspects

- (H) To create and issue any securities for any purpose including (but without limitation) by way of security or indemnity for or in respect of or by way of satisfaction of any liability whether of the company or of any other company or person
- (I) To secure or discharge any debt or obligation of or binding on the company in such manner as may be thought fit and in particular by mortgages and charges upon all or any part of the undertaking property and assets (present and future) and the uncalled capital of the company
- (J) To subscribe underwrite purchase exchange or otherwise acquire and to hold deal in sell or otherwise dispose of or turn to account any securities of any company or person whatsoever or any other kind of real or personal property including (but without limitation) financial futures of any nature and interest exchange arrangements and any options or other rights in respect of any such securities or other such kind of real or personal property as aforesaid and generally both in relation to securities and in relation to any other kind of real or personal property to carry on the business of a dealing company in all its aspects
- (K) To co-ordinate finance assist subsidise and manage all or any part of the businesses and operations of any and all companies in which the company is interested whether as a shareholder or otherwise and whether directly or indirectly and generally to carry on the business of a holding company in all its aspects
- (L) To invest any monies of the company on any terms whatsoever in such securities of such company or person such financial futures and such other kinds of property (whether real or personal) as the directors of the company may deem expedient to hold sell or otherwise deal with such securities financial futures and other kinds of property as aforesaid and generally both in relation to securities and in relation to all other kinds of property (both real and personal) to carry on the business of an investment company in all its aspects
- (M) To promote or join in the promotion of any company whether or not having objects similar (wholly or in part) to those of the company including (but without limitation) the promotion of any company for the purpose of acquiring all or any of the property rights and liabilities of the company or any subsidiary of the company
- (N) To purchase take options over take on lease or in exchange hire or otherwise acquire (for any estate or interest and on any terms whatsoever) develop or turn to account real and personal property of every kind and in particular (but without limitation) to build construct equip execute carry out improve work develop administer maintain manage or control works plants factories wharves jetties roads railways warehouses depots offices shops mines canals reservoirs marinas and other buildings structures or facilities of all kinds



- (O) To act as forwarding agents travel and shipping agents commission agents surveyors architects valuers auditors property consultants and managers land and estate agents insurance brokers and average adjusters and generally to undertake and carry on every kind of professional and agency business in all its aspects
- (P) To carry on the businesses of providing secretarial managerial consultancy accountancy statistical legal and any executive supervisory or advisory services of any kind whatsoever for or in relation to any company person property or business
- (Q) To carry on the businesses of selling installing operating renting and providing data processing storage and retrieval equipment and systems computers computer bureaux services and communication systems of every kind.
- (R) To enter into partnership or into any arrangement for sharing profits amalgamation union of interests co-operation joint venture reciprocal concession or otherwise with any company or person
- (S) To purchase or otherwise acquire and undertake all or any part of the business property and liabilities of any company or person as the directors of the company may deem expedient
- (T) To sell improve manage develop turn to account exchange lease grant licences easements and other rights over and in any other manner deal with or dispose of all or any part of the undertaking property rights assets and effects of the company or any part thereof for such consideration (if any) as may be thought fit and in particular for any securities (whether fully or partly paid) of any other company or person and to hold deal with or dispose of such consideration
- (U) To purchase or otherwise acquire for any estate or interest any property or assets or any concessions licences grants patents trade marks copyrights or other exclusive or non-exclusive rights of any kind and to develop and turn to account and deal with the same in such manner as may be thought fit and to make experiments and tests and to carry on all kinds of research work
- (V) To seek for and secure and to utilise and develop any openings for the employment of capital and if thought fit to engage and employ specialists to investigate explore and examine whether specifically or generally the prospects character situation conditions and circumstances of any businesses undertakings and concerns and any concessions rights properties or assets of any nature whatsoever
- (W) To enter into any arrangements with any governments or authorities international supreme municipal local or otherwise and to obtain from any such government or authority any rights privileges or concessions which the directors of the company may think it desirable to obtain and to carry out exercise and comply with any such arrangements rights privileges and concessions

- (X) To take all such actions in parliament or with any government or authority international supreme municipal local or otherwise as may seem desirable for the purpose of advancing the company's interests and to oppose any proceedings or applications which may seem likely directly or indirectly to prejudice the company's interests
- (Y) To take or concur in taking all such steps and proceedings including (but without limitation) the undertaking of any obligation monetary or otherwise as may seem best calculated to uphold and support the credit of the company or to obtain maintain restore or justify public confidence in the company or to avert or minimise financial disturbances which might detrimentally affect the company
- (Z) To subscribe donate or guarantee money for any international national charitable benevolent or other object or for any purpose which may be considered likely directly or indirectly to further the interests of the company or of its members
- (AA) To establish and maintain or contribute to or otherwise subsidise or support any pension or superannuation funds for the benefit of and to give or procure the giving of donations gratuities pensions allowances or emoluments to any individuals who are or were at any time directors officers employees servants or agents of the company or of any other company which is or was at any time its holding company or which is or was at any time a subsidiary of the company or of any such holding company or which is or was at any time in any way whatsoever allied to or associated with the company or any such holding company or subsidiary or in which the company or any such holding company subsidiary or allied or associated company is or was at any time interested whether as a shareholder or otherwise and whether directly or indirectly or of any predecessor in business of the company or of any such other company and the wives widows families dependants and personal representatives of any such individuals as aforesaid and to establish and maintain or contribute to or otherwise subsidise or support any institutions associations clubs trusts or funds which may be considered likely to benefit any such persons as aforesaid or to further the interests of the company or of any such other company or of any such predecessor in business
- (BB) (i) To purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the company, or of any other company which is its holding company or in which the company or such holding company or any of the predecessors of the company or of such holding company has any interest, whether direct or indirect, or which is in any way allied to or associated with the company, or of any subsidiary undertaking of or any other body, whether or not incorporated ("body"), owned by or in which an interest is owned by the company or any such other company, or who are or were at any time trustees of any pension fund in which employees of the company or any such other company or subsidiary undertaking or

body are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the company or any such other company, subsidiary undertaking, body or pension fund, and

- (ii) to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from any such liability

For the purposes of this paragraph "holding company" and "subsidiary undertaking" shall have the same meanings as in the Companies Act 1989

- (CC) To establish maintain operate contribute to subsidise and support any scheme arrangement fund or trust under or pursuant to which individuals who are or were at any time directors officers employees servants or agents of the company or of any other company which is or was at any time its holding company or which is or was at any time a subsidiary of the company or of any such holding company or which is or was at any time in any way whatsoever allied to or associated with the company or any such holding company or subsidiary or in which the company or any such holding company or subsidiary or allied or associated company is or was at any time interested whether as a shareholder or otherwise howsoever and whether directly or indirectly or of any predecessor in business of the company or of any such other company and the wives widows families dependants and personal representatives of any such individuals as aforesaid may share or participate in the profits of the company or of any such other company or may in any other manner whatsoever acquire rights or benefits which are referable to or dependent upon or otherwise connected with the success or prosperity of the company or of any such other company and (without prejudice to the generality of the foregoing) to such extent and in such manner as shall be legally permissible to lend or otherwise provide or procure or subsidise the lending or other provision of money to or directly or indirectly for the benefit of any such persons as aforesaid with a view to shares in or any other securities of the company or of any such other company being acquired or held by or directly or indirectly for the benefit of any such persons as aforesaid
- (DD) To distribute among members of the company in specie or otherwise by way of dividend or bonus or by way of reduction of capital all or any of the property or assets of the company or any proceeds of sale or other disposal of any property or assets of the company
- (EE) To procure the registration or incorporation of the company in or under the laws of any territory outside England

- (FF) To do all other things which the directors of the company may from time to time deem to be incidental or conducive to the effecting of any of its objects
- (GG) To do all or any of the things and matters aforesaid in any part of the world either as principals agents nominees contractors trustees or otherwise and by or through trustees agents subsidiary companies nominees or otherwise and either alone or in conjunction with others

It is hereby declared that:

- (i) the expression "company" (except where used to refer to the company) shall be deemed to include any government or any authority or body (whether statutory municipal public or otherwise) association partnership syndicate or other body of persons whether incorporated or unincorporated and whether domiciled in England or any territory outside England,
- (ii) the expression "securities" shall be deemed to include stocks shares bonds notes debentures debenture stocks loans loan stocks mortgages documents or other certificates of title certificates of deposit depositary receipts funds or other obligations interests or participatory rights of every kind, and
- (iii) the objects of the company as specified in each of the paragraphs of this clause (except only if and so far as otherwise expressly provided in any paragraph) shall be separate and distinct objects of the company and shall not be in any way limited by reference to any other paragraph or the order in which the paragraphs occur or by reference to the name of the company

5th The liability of the members is limited

Amended to  
reflect capital  
changes up to  
29 July 2008

6th The nominal share capital of the company is one thousand six hundred and ninety three million, seven hundred and fifty thousand, one hundred and one pounds, forty million US dollars, forty million euro and one thousand two hundred and fifty million Japanese yen divided into one thousand six hundred and fifty million ordinary shares of one pound each, one cumulative floating rate preference share of one pound, one hundred 6% non-cumulative redeemable preference shares of one pound each, one hundred and seventy five million preference shares of 25 pence each, one hundred and sixty million preference shares of US 25 cents each, one hundred and sixty million preference shares of euro 25 cents each and fifty million preference shares of Japanese yen 25 each

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, and we respectively agree to take the number of shares in the capital of the company set opposite to our respective names

Names, addresses and descriptions of subscribers	Number of shares taken by each subscriber
George Dixon, 47 Broad Street, Birmingham, Warwickshire Merchant	Two hundred and fifty (250)
Edward Gem, Belle Vue House, Halesowen, Worcestershire Merchant	Two hundred and fifty (250)
Joseph Chamberlain, 14 Broad Street, Birmingham, Warwickshire Screw Manufacturer	Two hundred and fifty (250)
Henry Ambrose Fry, 6 Temple Row West, Birmingham, Warwickshire Merchant	One hundred (100)
Brooke Smith, 65 Hill Street, Birmingham, Warwickshire Merchant	Twenty (20)
Howard Lloyd, Kingsdown House, Stratford Road, Birmingham, Warwickshire. Gentleman	Fifty (50)
Robert Francis Martineau, 65 Hill Street, Birmingham, Warwickshire Merchant	Twenty five (25)
Total shares taken - 945	

Dated this nineteenth day of April 1865

Witness to the above signatures

Arthur Ryland,  
Solicitor,  
7 Cannon Street,  
Birmingham,  
Warwickshire

THE COMPANIES ACT 1985

**ARTICLES OF ASSOCIATION  
OF**

**LLOYDS TSB BANK plc**

**Registered no. 2065**

Adopted on 1 October 2008 pursuant to a special resolution  
passed on 29 July 2008

## PART I

### PRELIMINARY

- 1 The regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 (as at 20 November 1997) shall, except as provided in these articles and so far as not inconsistent with the provisions of these articles, apply to the company to the exclusion of all other regulations or articles of association. References in these articles to regulations are to regulations in Table A unless otherwise stated.

### THE HOLDING COMPANY

- 2 In these articles, the "holding company" means Lloyds TSB Group plc (registered in Scotland under number 95000) or any of its successors or any person (including a company) to whom it assigns rights to exercise powers reserved in these articles to the holding company.

### SHARES

3. The share capital of the company at the date of adoption of these articles is £1,693,750,101, US\$40,000,000, €40,000,000 and ¥1,250,000,000 divided into 1,650,000,000 ordinary shares of £1 each, one cumulative floating rate preference share of £1 (the "preference share"), 100 6% non-cumulative redeemable preference shares of £1 each (the "series II preference shares"), and 175,000,000 preference shares of 25 pence each, 160,000,000 preference shares of US 25 cents each, 160,000,000 preference shares of € 25 cents each, and 50,000,000 preference shares of ¥25 each (together the "series III preference shares").
- 4 (1) Subject to section 80 of the Companies Act 1985 (the "Act") and the consent of the holding company, all unissued shares shall be at the disposal of the directors and they may allot, grant options over or otherwise dispose of them to the persons, at the times, and on the terms which they think fit.
  - (2) (a) Pursuant to and in accordance with section 80 of the Act, the directors shall be generally and unconditionally authorised to exercise during the period of 5 years (or such other maximum statutory period from time to time) from the date of adoption of these articles all the powers of the company to allot relevant securities up to an aggregate nominal amount of the authorised capital of the company for the time being created and unissued, and
    - (b) by that authority the directors may make offers or agreements which would or might require the allotment of relevant securities after the expiry of that period.
  - (3) Section 89(1) of the Act shall not apply to the allotment by the company of equity securities.
  - (4) Words and expressions defined in or for the purposes of section 80 or section 89 shall bear the same meanings in this article.

## TRANSFER OF SHARES

- 5 Any share may at any time be transferred to Lloyds TSB Group plc or to any subsidiary of Lloyds TSB Group plc. Otherwise, the directors may in their absolute discretion and without assigning any reason refuse to register any transfer of shares (whether fully paid or not)

## PROCEEDINGS AT GENERAL MEETINGS

- 6 At a general meeting, but subject to any rights or restrictions attached to any shares, on a show of hands every member present in person or by proxy (or being a corporation present by a duly authorised representative) shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. Regulation 54 shall not apply.
- 7 An instrument appointing a proxy (and, where it is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof) must either be delivered at the place or one of the places (if any) which may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is specified, at the registered office) at least one hour before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used or be delivered to the secretary (or the chairman of the meeting) on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or poll. The instrument may be in the form of a facsimile or other machine-made version and shall, unless the contrary is stated on it, be valid as well for any adjournment of the meeting as for the meeting to which it relates. An instrument of proxy relating to more than one meeting (including any adjournment of it) having once been delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates. Regulation 62 shall not apply.
- 8 In the case of a member which is a corporation, the signature of a director or a secretary of it or its attorney or authorised representative, and in the case of joint holders of a share the signature of any one of the joint holders, shall be sufficient for the purposes of signing a written resolution on behalf of the member or joint holders and regulation 53 shall be modified accordingly.

## DIRECTORS

- 9 Subject as later provided in these articles, the directors shall not be less than two in number. The company may by ordinary resolution from time to time vary the minimum number and from time to time vary and/or fix the maximum number of directors. Regulation 64 shall be modified accordingly.
- 10 (1) The ordinary remuneration of the directors shall from time to time be determined by an ordinary resolution of the company and shall (unless the resolution otherwise provides) be divisible among the directors as they may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which the remuneration is payable shall be entitled only to rank in the division for a proportion of remuneration related to the period during which he has held office. The directors may repay to any director all reasonable expenses which he may incur in attending and returning from meetings of the directors or of any



committee of the directors or general meetings or otherwise in or about the business of the company Regulations 82 and 83 shall not apply

- (2) Any director who holds any executive office, or who serves on any committee of the directors, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid extra remuneration by way of salary, commission or otherwise or may receive other benefits which the directors may determine

## DIRECTORS' INTERESTS

### 11 (1)

- (a) For the purposes of section 175 of the Companies Act 2006, the directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under that section to avoid a situation in which he has, or can have, a direct or indirect interest<sup>1</sup> that conflicts, or possibly may conflict, with the interests of the company
- (b) Authorisation of a matter under this article shall be effective only if
- (i) the matter in question shall have been proposed in writing for consideration at a meeting of the directors, in accordance with the board's normal procedures or in such other manner as the directors may determine,
  - (ii) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director (together the "**interested directors**"), and
  - (iii) the matter was agreed to without the interested directors voting or would have been agreed to if the votes of the interested directors had not been counted
- (c) Any authorisation of a matter under this article shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised
- (d) Any authorisation of a matter under this article shall be subject to such conditions or limitations as the directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the directors at any time. A director shall comply with any obligations imposed on him by the directors pursuant to any such authorisation
- (e) A director shall not, save as otherwise agreed by him, be accountable to the company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under this article and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit

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<sup>1</sup> Neither the duty in s 175(1), nor the authorisation procedure under s 175(5) applies to a conflict of interest arising in relation to a transaction or arrangement with the company. The disclosure and approval provisions of articles 11(2) and 11(3) are intended to deal with such conflicts

11.(2)

- (a) Subject to compliance with Article 11 (2)(b), a director, notwithstanding his office, may have an interest of the following kind
- (i) where a director (or a person connected with him) is a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any relevant company,
  - (ii) where a director (or a person connected with him) is a party to, or otherwise interested in, any contract, transaction or arrangement with a relevant company, or in which the company is otherwise interested,
  - (iii) where the director (or a person connected with him) acts (or any firm of which he is a partner, employee or member acts) in a professional capacity for any relevant company (other than as auditor) whether or not he or it is remunerated therefor,
  - (iv) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest,
  - (v) an interest, or a transaction or arrangement giving rise to an interest, of which the director is not aware,
  - (vi) any matter authorised under article 11.(1)(a), or
  - (vii) any other interest authorised by shareholder resolution

No authorisation under article 11 (1) shall be necessary in respect of any such interest

- (b) The director shall declare the nature and extent of any interest permitted under article 11 (2)(a), and not falling within Article 11 (2)(c), at a meeting of the directors or in the manner set out in section 184 or 185 of the Companies Act 2006
- (c) No declaration of an interest shall be required by a director in relation to an interest.
- (i) falling within articles 11 (2)(a)(iv), (v) or (vi),
  - (ii) if, or to the extent that, the other directors are already aware of such interest (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware), or
  - (iii) if, or to the extent that, it concerns the terms of his service contract (as defined in section 227 of the Companies Act 2006) that have been or are to be considered by a meeting of the directors, or by a committee of directors appointed for the purpose under these articles
- (d) A director shall not, save as otherwise agreed by him, be accountable to the company for any benefit which he (or a person connected with him) derives from any such contract transaction or arrangement or from any such office or

employment or from any interest in any relevant company or for such remuneration, each as referred to in article 11.(2)(a), and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit

- (e) For the purposes of this article, “**relevant company**” shall mean
  - (i) the company;
  - (ii) a subsidiary undertaking of the company,
  - (iii) any holding company of the company or a subsidiary undertaking of any such holding company,
  - (iv) any body corporate promoted by the company. or
  - (v) any body corporate in which the company is otherwise interested

11 (3)

- (a) Save as provided in this article, and whether or not the interest is one which is authorised pursuant to article 11 (1) or permitted under article 11.(2), a director shall not be entitled to vote on any resolution in respect of any contract, transaction or arrangement, or any other proposal, in which he (or a person connected with him) is interested. Any vote of a director in respect of a matter where he is not entitled to vote shall be disregarded
- (b) A director shall not be counted in the quorum for a meeting of the directors in relation to any resolution on which he is not entitled to vote
- (c) Subject to the provisions of the statutes, a director shall be entitled to vote, and be counted in the quorum, in respect of any resolution concerning any contract, transaction or arrangement, or any other proposal
  - (i) in which he has an interest of which he is not aware,
  - (ii) in which he has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest,
  - (iii) in which he has an interest only by virtue of interests in shares, debentures or other securities of the company, or by reason of any other interest in or through the company,
  - (iv) which involves the giving of any security, guarantee or indemnity to the director or any other person in respect of (I) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the company or any of its subsidiary undertakings, or (II) a debt or other obligation of the company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security,
  - (v) concerning an offer of shares or debentures or other securities of or by the company or any of its subsidiary undertakings (I) in which offer he

is or may be entitled to participate as a holder of securities; or (II) in the underwriting or sub-underwriting of which he is to participate;

- (vi) concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor, employee or otherwise, provided that he (together with persons connected with him) is not the holder of, or beneficially interested in, one per cent or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of the relevant body corporate,
  - (vii) relating to an arrangement for the benefit of the employees or former employees of the company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees or former employees to whom such arrangement relates,
  - (viii) concerning the purchase or maintenance by the company of insurance for any liability for the benefit of directors or for the benefit of persons who include directors,
  - (ix) concerning the giving of indemnities in favour of directors,
  - (x) concerning the funding of expenditure by any director or directors on (I) defending criminal, civil or regulatory proceedings or actions against him or them, (II) in connection with an application to the court for relief, or (III) defending him or them in any regulatory investigations,
  - (xi) doing anything to enable any director or directors to avoid incurring expenditure as described in article 11 (3)(c)(x), and
  - (xii) in respect of which his interest, or the interest of directors generally, has been authorised by ordinary resolution
- (d) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or employments with the company (or any body corporate in which the company is interested), the proposals may be divided and considered in relation to each director separately. In such case, each of the directors concerned (if not debarred from voting under article 11 (3)(c)(vi)) shall be entitled to vote, and be counted in the quorum, in respect of each resolution except that concerning his own appointment or the fixing or variation of the terms thereof

If a question arises at any time as to whether any interest of a director prevents him from voting, or being counted in the quorum, under this article, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive, except in a case where the nature or extent of the interest of such director (so far as is known to him) has not been fairly disclosed. If any such question shall arise in respect of the chairman of the meeting, the question shall be decided by resolution of the directors and the resolution shall be conclusive except in a

case where the nature or extent of the interest of the chairman of the meeting (so far as it is known to him) has not been fairly disclosed to the directors

11 (4)

- (a) Subject to article 11 (4)(b), if a director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the company, he shall not be required
  - (i) to disclose such information to the company or to the directors, or to any director, officer or employee of the company, or
  - (ii) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director
- (b) Where such duty of confidentiality arises out of a situation in which the director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company, article 11 (4)(a) shall apply only if the conflict arises out of a matter which has been authorised under article 11 (1) above or falls within article 11 (2) above
- (c) This article is without prejudice to any equitable principle or rule of law which may excuse or release the director from disclosing information, in circumstances where disclosure may otherwise be required under this article

11 (5)

- (a) For the purposes of articles 11 (1) to 11 (5):
  - (i) an interest of a person who is connected with a director shall be treated as an interest of the director, and
  - (ii) section 252 of the Companies Act 2006 shall determine whether a person is connected with a director
- (b) Where a director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the director may, and shall if so requested by the directors, take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the directors for the purpose of or in connection with the situation or matter in question, including without limitation
  - (i) absenting himself from any meetings of the directors at which the relevant situation or matter falls to be considered; and
  - (ii) not reviewing documents or information made available to the directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information

- (c) The company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of articles 11 (1) to 11 (5)

11 6 Regulations 85, 86 and 94 to 98 shall not apply

12 The directors shall not be subject to retirement by rotation and references to that in regulations 73 to 80 and elsewhere in Table A shall be disregarded

13 The directors may delegate any of their powers to Lloyds TSB Group plc, or to any of its wholly owned subsidiaries, or to any one or more of their respective directors, employees or agents identified either by name, job title or function (any one of whom an "authorised person") or to any committee of one or more authorised persons. Any such authorised person(s) or committee shall have the power to sub-delegate to one or more authorised persons, or to a committee of one or more authorised persons, any of the powers delegated to him, them or it, provided that any authorised person(s) or committee to whom powers have been delegated or sub-delegated shall conform to any conditions which may from time to time be imposed by the person(s) or committee exercising the power of delegation or sub-delegation

Any reference in Table A to a committee of directors shall be construed as including a committee empowered as above

Any delegation or sub-delegation of powers may be revoked or varied at any time by the person(s) or committee exercising the power of delegation or sub-delegation. Regulation 72 shall not apply

14 (1) The directors, and any committee of authorised persons, as defined in article 13, may meet by way of video conference or conference telephone or similar equipment designed to allow everybody to take part in the meeting, or by way of a series of video conferences or telephone calls from the chairman of the meeting. Participation in this way shall be treated as being present at the meeting

(2) A meeting which takes place by a series of video conference calls or telephone calls from the chairman shall be treated as taking place where the chairman is. In other cases, meetings shall be treated as taking place where the largest group of the participants are or, if there is no such group, where the chairman is

15 A resolution in writing signed or approved by fax or by any electronic communication or by telephone and subsequently confirmed in writing or by fax or by electronic communication by not less than 90% of the directors or 90% of those constituting a committee of authorised persons, as defined in article 13 as appropriate for the time being in the United Kingdom and entitled to vote thereon shall be as valid and effectual as a resolution duly passed at a meeting of the directors or committee of authorised persons and may consist of several documents or other such forms of approval in the like form each signed or so approved by one or more directors or authorised persons as appropriate. Regulation 93 shall be amended accordingly

16 No director shall cease to be a director by reason of his being aged 70 or more, and any person who is aged 70 or more may be appointed as a director. No special notice need be given of any resolution for the appointment as a director of a person aged 70 or more, nor shall it be necessary to give to the members notice of the age of any director or of any person proposed to be appointed as a director

## THE SEAL

- 17 Every instrument to which the seal is affixed shall be signed by one director or some other person appointed by the directors for that purpose and countersigned by the secretary, deputy secretary, senior assistant secretary, assistant secretary or some other person appointed by the directors for the purpose

Subject to the foregoing provisions, the directors shall make such regulations as they think fit governing the custody, use and affixing of the seal

## SECRETARY

- 18 The directors shall from time to time appoint and may remove a secretary or joint secretaries, and may appoint and remove one or more deputy secretary, senior assistant secretary or assistant secretary Regulation 99 shall be modified accordingly

## INDEMNITY

- 19 (1) Subject to the provisions of and so far as may be permitted by the Act, every director, secretary or other officer of the company shall be indemnified by the company against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office Regulation 118 shall be extended accordingly

(2) Without prejudice to article 19 (1), the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of any relevant company (as defined in this article) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any relevant company are or were interested, including (without prejudice to the generality of this) insurance against any liability incurred by persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any relevant company, or any pension fund or employees' share scheme

(3) For the purpose of this article, "relevant company" shall mean the company, any holding company of the company or any other body, whether or not incorporated, in which the company or the holding company or any of the predecessors of the company or of the holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the company, or any subsidiary undertaking of the company or of the other body

## POWERS OF THE HOLDING COMPANY

- 20 The following provisions shall apply, and to the extent of any inconsistency shall have over-riding effect as against all other provisions of these articles or of the regulations -

- (a) the holding company may at any time and from time to time appoint any person to be a director or remove from office any director however appointed, but so that the removal from office 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 the relevant director and the company, and

- (b) any or all powers of the directors shall be restricted in the way and to the extent that the holding company may by notice to the company from time to time prescribe

Any appointment, removal or consent shall be in writing served on the company and signed on behalf of the holding company. 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 or as to whether any requisite consent of the holding company 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 ineffective unless the third party had at the time express notice that the incurring of the obligation or the giving of the security or the effecting of the transaction was in excess of the powers of the directors.

## PART II

### PREFERENCE AND ORDINARY SHARES

21 (1) The rights attaching to the preference share and the ordinary shares shall be as follows.

- (a) the holder of a preference share shall be entitled (in priority to any payment of dividend on the ordinary shares) to a floating rate cumulative preferential dividend (a "preference dividend") to be paid, if and insofar as there are profits of the company available for such payment, on each interest payment date [such term, together with the terms "interest period", "rate of interest" (including, for this purpose, any "substituted rate"), "compulsory interest payment date" and "arrears of interest" having the respective meanings ascribed thereto in the conditions (the "conditions") relating to the United States \$750,000,000 primary capital undated floating rate notes of the company (the "notes") which are constituted by a trust deed dated 14 May 1985 between the company and The Law Debenture Corporation plc in respect of the interest period ending on the day immediately preceding such interest payment date, but no preference dividend shall be payable on such date unless such interest payment date is a compulsory interest payment date; the amount of any preference dividend which is not so payable shall accumulate and shall be payable (if and insofar as there are profits of the company available for the purpose) as though the same were arrears of interest in respect of the notes in accordance with the conditions and (in the event of the winding up of the company) shall in any event be paid in priority to the making of any payment to the holders of the ordinary shares. Subject thereto and to any special rights which may be attached to any other class of shares, the profits of the company available for dividend and resolved to be distributed shall be distributed by way of dividend among the holders of the ordinary shares,
- (b) the amount of the preference dividend in respect of a preference share shall, in respect of any interest period, be the sterling equivalent (computed as of the date for payment) of the amount in United States dollars equal to the interest



accrued on a daily basis from and including the interest payment date on which such interest period commenced (or, if later, the day on which such share is allotted) to but excluding the next interest payment date calculated at the rate of interest on the aggregate United States dollar principal amount of the notes outstanding on the former interest payment date divided by the number of preference shares allotted on or before such date. The preference dividend shall be calculated on the basis of the number of days in the interest period concerned divided by 360. In the event of a winding up of the company, the amount of the preference dividend shall be calculated as provided in the conditions by the trustee or the liquidator as if the provisions therein contained continued after the commencement of such winding up,

- (c) on a return of assets on a winding up, the assets of the company available for distribution among the members shall be applied first in repaying to the holder of a preference share in lieu of the amounts paid up (or credited as paid up) on such share the sterling equivalent (computed as of the date for payment) of the amount in United States dollars equal to the principal amount of the notes outstanding at the date of the commencement of the winding up and arrears of interest and interest accrued on such principal amount up to and including the day prior to the date of commencement of the winding up of the company together with a sum equal to the amount of any arrears or deficiency of the preference dividend thereon, to be calculated down to the actual day of payment and to be payable irrespective of whether or not such preference dividend has been earned, divided by the number of preference shares allotted on or before such day. The balance of such assets, subject to any other class of shares, shall be applied in repaying to the holders of the ordinary shares the amounts paid up on such ordinary shares and subject thereto shall belong to and be distributed among such holders rateably according to the number of such ordinary shares held by them respectively, and
  - (d) for the purposes of this article, references to amounts paid up (or credited as paid up) on a preference share or to a preference share having been allotted shall include references to amounts deemed to be paid up (or credited as paid up) or, as the case may be, to preference shares deemed to have been allotted (on deemed conversion of the notes) by virtue of the conditions
- (2) The company may from time to time create and issue further preference shares ranking as regards participation in the profits and assets of the company *pari passu* and rateably with (but not in priority to) the preference share (notwithstanding that the dividend rights, the currency by reference to which payments are calculated or any other rights pertaining to such further preference shares may be different from those attached to the preference share) and the issue of such further preference shares shall not constitute a variation of the rights attaching to a preference share
  - (3) Any subdivision of a preference share into shares of a smaller amount or any subsequent consolidation and division thereof into shares of some other amount or cancellation of any unissued preference share or conversion of any preference share into stock shall constitute a variation of the rights attaching to a preference share
  - (4) A preference share shall not confer on the holder thereof any right to receive notice of, attend or vote at general meetings of the company and references in these articles to "member", "shareholder" and "holder" in relation to receiving notice of, attending or voting at general meetings of the company shall be construed accordingly

(5) The rights attaching to the series II preference shares shall be as follows

- (a) the holder of a series II preference share shall be entitled (in priority to any payment of dividend on the ordinary shares) to a fixed rate non-cumulative preferential dividend at a rate of 6% per annum to be paid, if and insofar as there are profits of the company available for such payment, in equal instalments on 1 March, 1 June, 1 September and 1 December, or if such day is not a business day, the first available business day thereafter, such a day being one where the banks in London are open for business. No preference dividend shall be payable on such date if the directors have determined that prudent capital ratios would not be maintained if payment of the dividend were made,
  - (b) on a return of assets on a winding up, the assets of the company available for distribution among the members shall be applied first in repaying the holder of the preference share, the series II preference shares and any other preference shares from time to time issued by the company ranking equally therewith in the amounts paid up plus any accrued but unpaid dividend thereon (or credited as paid up) on such share (or as otherwise provided in the terms of such shares), and
  - (c) the series II preference shares shall be redeemable at the option of the company at such time and date as the directors may determine
- (6) The rights attaching to the series III preference shares (including the rights of redemption) shall be as the directors may determine from time to time

*The regulations of Table A to the Companies Act 1985 apply to the Company save in so far as they are not excluded or varied by its Articles of Association*

**Table A as prescribed by the Companies (Tables A to F) Regulations 1985 (S.I. 1985 No. 805), amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (S.I. 1985 No. 1052), is reprinted below.**

**Table A The Companies Act 1985  
Regulations for Management of a Company Limited by Shares**

**INTERPRETATION**

1 In these regulations -

'the Act' means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force

'the articles' means the articles of the company

'clear days' in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

'executed' includes any mode of execution

'office' means the registered office of the company

'the holder' in relation to shares means the member whose name is entered in the register of members as the holder of the shares

'the seal' means the common seal of the company

'secretary' means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary.

'the United Kingdom' means Great Britain and Northern Ireland

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the company

**SHARE CAPITAL**

2 Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the company may by ordinary resolution determine

3 Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the company or the holder on such terms and in such manner as may be provided by the articles

4 The company may exercise the powers of paying commissions conferred by the Act Subject to the provisions of the Act any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other

5 Except as required by law, no person shall be recognised by the company as holding any share upon any trust and (except as otherwise provided by the articles or by law) the company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder

## **SHARE CERTIFICATES**

6 Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

7 If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

## **LIEN**

8 The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The company's lien on a share shall extend to any amount payable in respect of it.

9 The company may sell in such manner as the directors determine any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

10 To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

11 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

## **CALLS ON SHARES AND FORFEITURE**

12 Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be required to be paid by instalment. A call may, before receipt by the company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

13 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed

14 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof

15 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call, or if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part

16 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call.

17 Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares

18 If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited

19 If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture

20 Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person

21 A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for the shares forfeited but shall remain liable to the company for all moneys which at the date of forfeiture were presently payable by him to the company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

22 A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share

## **TRANSFER OF SHARES**

23 The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee

24 The directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the company has a lien. They may also refuse to register a transfer unless -

- (a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer,
- (b) it is in respect of only one class of shares, and
- (c) it is in favour of not more than four transferees

25 If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal

26 The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine

27 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share

28 The company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given

## **TRANSMISSION OF SHARES**

29 If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his interest, but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.

30 A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred

31 A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the company or at any separate meeting of the holders of any class of shares in the company

## **ALTERATION OF SHARE CAPITAL**

32 The company may by ordinary resolution -

- (a) increase its share capital by new shares of such amount as the resolution prescribes,
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares,
- (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others, and
- (d) cancel 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 share capital by the amount of the shares so cancelled

33 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the direction of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

34 Subject to the provisions of the Act, the company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way

## **PURCHASE OF OWN SHARES**

35 Subject to the provisions of the Act, the company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares

## **GENERAL MEETINGS**

36 All general meetings other than annual general meetings shall be called extraordinary general meetings.

37 The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the company may call a general meeting.

## **NOTICE OF GENERAL MEETINGS**

38 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least twenty-one clear days' notice. All other extraordinary 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) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such. Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors

39 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting

### **PROCEEDINGS AT GENERAL MEETINGS**

40 No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum

41 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 shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine

42 The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.

43 If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman

44 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the company

45 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 fourteen days or more, 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 such notice

46 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded -

- (a) by the chairman, or
- (b) by at least two members having the right to vote at the meeting; or
- (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the



total sum paid up on all the shares conferring that right, and a demand by a person as proxy for a member shall be the same as a demand by the member

47 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

48 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

49 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.

50 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

51 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

52 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

53 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members

## **VOTES OF MEMBERS**

54 Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder

55 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members

56 A member in respect of whom an order has been made by any court 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, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors 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 the 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

57 No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid

58 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive

59 On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion

60 An instrument appointing a proxy shall be in writing, 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 directors may approve) -

" . . . . . PLC/Limited  
I/We, . . . . . of . . . . .  
being a member/members of the above-named company, 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 company to be held  
on 19 . . . . . and at any  
adjournment thereof

Signed on . . . . . 19 . . . . . "

61 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 directors may approve) -

" . . . . . PLC/Limited  
I/We, . . . . . of . . . . .  
being a member/members of the above-named company, 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 company, to be  
held on 19 . . . . .  
and at any adjournment thereof

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 this . . . . . day . . . . . of 19 . . . . . "

62 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notari ally or in some other way approved by the directors may -

(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 company in relation to the meeting not less than 48 hours before the time 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 director.

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

63 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 company 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 DIRECTORS**

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

#### **ALTERNATE DIRECTORS**

65 Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

66 An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom

67 An alternate director shall cease to be an alternate director if his appointor ceases to be a director, but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment

68 Any appointment or removal of an alternate director shall be by notice to the company signed by the director making or revoking the appointment or in any other manner approved by the directors

69 Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him

## **POWERS OF DIRECTORS**

70 Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

71 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

## **DELEGATION OF DIRECTORS' POWERS**

72 The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and maybe revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

## **APPOINTMENT AND RETIREMENT OF DIRECTORS**

73 At the first annual general meeting all the directors shall retire from office, and at every subsequent annual general meeting one-third of the directors 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 director who is subject to retirement by rotation, he shall retire.

74 Subject to the provisions of the Act, the directors 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 directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

75 If the company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, 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 director is put to the meeting and lost.

76 No person other than a director retiring by rotation shall be appointed or reappointed a director at any general meeting unless -

- (a) he is recommended by the directors, or
- (b) 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 company 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 company's register of directors together with notice executed by that person of his willingness to be appointed or reappointed.

77 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 who are entitled to receive notice of the meeting of any person (other than a director retiring by rotation at the meeting) who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment or reappointment as a director. 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 company's register of directors.

78 Subject as aforesaid, 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 and may also determine the rotation in which any additional directors are to retire.

79 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors. A director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors 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.

80 Subject as aforesaid, a director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

#### **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

81 The office of a director shall be vacated if:-

- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director, or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally, or
- (c) 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
- (d) he resigns his office by notice to the company; or
- (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

#### **REMUNERATION OF DIRECTORS**

82 The directors shall be entitled to such remuneration as the company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

#### **DIRECTORS' EXPENSES**

83 The directors may be paid all travelling, hotel, and other expenses properly incurred by them

in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the company or otherwise in connection with the discharge of their duties

#### **DIRECTORS' APPOINTMENTS AND INTERESTS**

84 Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the company and may enter into an agreement or arrangement with any director for his employment by the company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the company. A managing director and a director holding any other executive office shall not be subject to retirement by rotation.

85 Subject to the provisions of the Act, 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,
- (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 body corporate promoted by the company 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.

86 For the purposes of regulation 85 -

- (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.

#### **DIRECTORS' GRATUITIES AND PENSIONS**

87 The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or a predecessor in business of the company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

## **PROCEEDINGS OF DIRECTORS**

88 Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. 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. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

89 The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

90 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

91 The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

92 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director 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 director and had been entitled to vote.

93 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors, but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

94 Save as otherwise provided by the articles, a director shall not vote at a meeting of directors or of a committee of directors 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 company unless his interest or duty arises only because the case falls within one or more of the following paragraphs -

- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of the company or any of its subsidiaries,
- (b) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security,
- (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any

shares, debentures or other securities of the company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the company or any of its subsidiaries for subscription, purchase or exchange,

- (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes

For the purposes of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the company), connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise

95 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote

96 The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a director from voting at a meeting of directors or of a committee of directors

97 Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the company or any body corporate in which the company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

98 If a question arises at a meeting of directors or of a committee of directors as to the right of a director 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 director other than himself shall be final and conclusive

#### **SECRETARY**

99 Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them

#### **MINUTES**

100 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 in the company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting

#### **THE SEAL**

101 The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director



## **DIVIDENDS**

102 Subject to the provisions of the Act, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors

103 Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights

104 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly

105 A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees

106 Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share

107 No dividend or other moneys payable in respect of a share shall bear interest against the company unless otherwise provided by the rights attached to the share.

108 Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the company

## **ACCOUNTS**

109 No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorised by the directors or by ordinary resolution of the company

## **CAPITALISATION OF PROFITS**

110 The directors may with the authority of an ordinary resolution of the company -

- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the company's share premium account or capital redemption reserve,
- (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid,
- (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this regulation in fractions; and
- (d) authorise any person to enter on behalf of all the members concerned into an agreement with the company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members

## **NOTICES**

111 Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.

112 The company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the company 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 no such member shall be entitled to receive any notice from the company.

113 A member present, either in person or by proxy, at any meeting of the company or of the holders of any class of shares in the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

114 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.

115 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

116 A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

#### **WINDING UP**

117 If the company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

#### **INDEMNITY**

118 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or 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.

IN THE HIGH COURT OF JUSTICE No.: 00762 of 1956  
CHANCERY DIVISION

Re: LLOYDS BANK LIMITED

and

Re: THE COMPANIES ACT, 1948

MINUTE

approved by the court by order  
dated 12 November 1956

The capital of Lloyds Bank Limited was by virtue of a special resolution and with the sanction of an order of the High Court of Justice dated 12 November 1956 reduced from £74,000,000 consisting of 14,500,000 "A" shares of £5 each £1,437,296 "B" stock and 62,704 "B" shares of £1 each to £18,565,070 consisting of 14,372,956 "A" shares of £1 5s. 0d. each and £598,875 "B" stock. At the date of the registration of this minute all the said 14,372,956 "A" shares have been issued and are deemed to be fully paid up. The said special resolution contains provisions to take effect upon the said reduction of capital taking effect (a) sub-dividing and consolidating the said 14,372,956 "A" shares of £1 5s. 0d. each into 17,966,195 "A" shares of £1 each (b) re-converting the said £598,875 "B" stock into 598,875 "B" shares of £1 each (c) amalgamating the said 17,966,195 "A" shares and the said 598,875 "B" shares into a single class of 18,565,070 shares of £1 each and (d) increasing the capital of the company to its former amount of £74,000,000 by the creation of 55,434,930 shares of £1 each.

Note - The above minute together with a copy of the order referred to therein was filed with the Registrar of Companies on 28 November 1956.

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## LLOYDS BANK LIMITED

At an extraordinary general meeting of the members of the company, duly convened and held at the head office, 71 Lombard Street, London on Thursday 18 December 1980, the following resolution was duly proposed and passed as a special resolution.

### RESOLUTION

That the bill as proposed to be introduced into parliament and intituled "A bill to provide for the transfer to Lloyds Bank Limited of the undertaking of Lewis's Bank Limited; and for other purposes incidental thereto and consequential thereon" now submitted to this meeting be and the same is hereby approved subject to such additions, alterations and variations as parliament may think fit to make therein and as the directors of the company may approve

Jeremy Morse  
Chairman

## **LLOYDS BANK Plc**

At an extraordinary general meeting of the members of the company, duly convened and held at the head office, 71 Lombard Street, London on Thursday 24 January 1985, the following resolution was duly proposed and passed as a special resolution:

### **RESOLUTION**

That a bill entitled "A bill to provide for the vesting in Lloyds Bank Plc of the undertaking of Lloyds Bank International Limited; and for other purposes", a copy of which has been produced to this meeting and for the purpose of identification signed by the chairman thereof, be and the same is hereby approved subject to such additions, alterations and variations as parliament may think fit to make therein and as the directors may approve.

**Jeremy Morse**  
Chairman

## LLOYDS BANK Plc

At an extraordinary general meeting of the members of the company, held at The Dorchester, Park Lane, London, on Monday, 27th November, 1995, the following resolution was passed as a special resolution.

### RESOLUTION

THAT for the purpose of giving effect to the scheme of arrangement (the "scheme") dated 3rd November, 1995 (a print of which has been produced to the meeting and for the purpose of identification signed by the chairman)

- (a) the share capital of the company be reduced by cancelling all the scheme shares (as defined in the scheme);
- (b) forthwith and contingent on such reduction of capital taking effect.
  - (i) the share capital of the company be increased to its former amount by the creation of such number of new ordinary shares of £1 each as shall be equal to the number of scheme shares, and
  - (ii) the credit arising in the books of account of the company as a result of the cancellation of the scheme shares be applied in paying up in full at par the new ordinary shares of £1 each referred to in paragraph (b)(i), such new ordinary shares to be allotted and issued credited as fully paid to TSB Group plc and/or its nominees; and
- (c) the directors be authorised pursuant to and in accordance with section 80 of the Companies Act 1985 to give effect to this resolution and accordingly to effect the allotment of new ordinary shares referred to in paragraph (b) above, provided that (i) this authority shall expire on 30th June, 1996 and (ii) the maximum number of shares which may be allotted hereunder shall be 1,400,000,000

A J. Michie  
Secretary.

November 1995

lbm&a/resolutions

**IN THE HIGH COURT OF JUSTICE No.. 006530 of 1995  
CHANCERY DIVISION**

**Re: LLOYDS BANK PLC**

**and**

**Re: THE COMPANIES ACT, 1985**

**MINUTE**

**approved by the court by order  
dated 18 December 1995**

"The authorised capital of Lloyds Bank Plc was by virtue of a special resolution and with the sanction of an Order of the High Court of Justice dated 18 December 1995 reduced from £1,850,000,001 divided into one cumulative floating rate preference share of £1 and 1,850,000,000 ordinary shares of £1 each to £337,968,052 divided into one cumulative floating rate preference share of £1 and 337,968,051 ordinary shares of £1 each. By virtue of a scheme of arrangement sanctioned by the same order and the same special resolution the authorised capital of the company upon the registration of this Minute is £1,850,000,001 divided into one cumulative floating rate preference share of £1 and 1,850,000,000 ordinary shares of £1 each of which 538,286 have been issued and are deemed to be fully paid up and the remaining shares have not been issued."



**Note. -** The above minute together with a copy of the order referred to therein was filed with the Registrar of Companies on 28 December 1995.



LLOYDS BANK Plc

At an extraordinary general meeting of the members of the company, held at 71 Lombard Street, London on Tuesday, 6th May, 1997, the following resolution was passed as a special resolution:

RESOLUTION

"That a bill entitled "A bill to provide for the transfer to and vesting in Lloyds Bank Plc of the undertakings of TSB Bank plc and Hill Samuel Bank Limited; and for connected purposes", a copy of which has been produced to this meeting and for the purpose of identification signed by the Chairman thereof, be approved subject to such additions, alterations and variations as may be made by parliament".

M R Hatcher  
Secretary

**COMPANY NUMBER 2065**

**LLOYDS TSB BANK plc**

At the annual general meeting of the members of the company held at 25 Gresham Street, London, EC2V 7HN, on 29th July, 2008, the following resolutions, as set out in the notice of meeting, were passed:

**ORDINARY RESOLUTION 5**

- (5) "That, subject to the passing of resolution (3) in the notice of this meeting:

The directors be generally and unconditionally authorised pursuant to and in accordance with section 80 of the Companies Act 1985 (the "Act") to exercise for a period ending five years from the date of this resolution all the powers of the company to allot relevant securities, as defined in the Act, up to an aggregate nominal amount equal to the authorised capital of the company for the time being created and unissued (£152,069,069, US\$40,000,000, €40,000,000 and ¥1,250,000,000); and by that authority the directors may make offers or agreements which would or might require securities to be allotted after the expiry of that period."

**SPECIAL RESOLUTION 6**

- (6) "That, subject to the passing of resolution (5) in the notice of this meeting:

- (a) the directors be empowered to allot equity securities, as defined in the Companies Act 1985 (the "Act"), wholly for cash pursuant to and within the terms of the authority in resolution (5), as if section 89(1) of the Act did not apply to the allotment of equity securities, up to an aggregate nominal amount equal to the authorised ordinary share capital of the company for the time being created and unissued (£108,319,068),
- (b) the power conferred by this resolution shall cease to have effect when the authority in resolution (5) is revoked or expires, and
- (c) by the power conferred by this resolution, the directors may, during the period mentioned in resolution (5), make any offer or agreement which would or might require securities to be allotted after the expiry of the period and the directors may allot securities in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired "

**SPECIAL RESOLUTION 7**

- (7) "That, with effect from 1 October 2008, the articles of association contained in the document produced to the meeting and signed by the chairman for the purposes of identification be approved and adopted as the new articles of association of the company in substitution for, and to the exclusion of, the existing articles of association "

M A. Coltman  
Company Secretary  
30th July, 2008