

ELIZABETH II



1970 CHAPTER iii

An Act to confirm a Provisional Order under the Private Legislation Procedure (Scotland) Act, 1936, relating to the Royal Bank of Scotland. [15th May 1970]

WHEREAS the Provisional Order set forth in the schedule hereunto annexed has been made by the Secretary of State under the provisions of the Private Legislation Procedure (Scotland) Act, 1936, and it is requisite that the said 1936 c. 52. Order should be confirmed by Parliament:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1. The Provisional Order contained in the schedule hereunto annexed is hereby confirmed. Confirmation
of Order in
schedule.

2. This Act may be cited as the Royal Bank of Scotland Order Short title.
Confirmation Act 1970.

SCHEDULE

ROYAL BANK OF SCOTLAND

Provisional Order to repeal certain provisions of the Royal Charters granted to The Royal Bank of Scotland; to repeal the Royal Bank of Scotland Acts 1873 to 1968; to confer powers on The Royal Bank of Scotland Limited with respect to the carrying on of its business and the regulation of its affairs; and to confirm certain parts of an Interlocutor of the Court of Session dated 21st March, 1969; and for other purposes.

Whereas by a Royal Charter granted by His Majesty King George the First dated 31st May, 1727, the Royal Bank of Scotland (hereinafter called "the Bank") was incorporated with full power and liberty to exercise the rights and powers of banking in that part of the United Kingdom called Scotland only and with other powers, rights and privileges of a corporate body and by seven subsequent Charters further powers were conferred on the Bank (said Royal Charter and seven subsequent Charters being hereinafter referred to as "the Charters"):

And whereas by the Royal Bank of Scotland Acts 1873 to 1968 (hereinafter referred to as "the existing Acts") further powers were conferred on the Bank and the Bank was authorised to carry on the business of banking in any part of the United Kingdom and the Charters were altered and amended:

1948 c. 38.

And whereas the Bank was on 18th March, 1969, registered under Part VIII of the Companies Act 1948 as a company limited by shares under the name "The Royal Bank of Scotland Limited":

And whereas it is expedient in order to enable the Bank to carry on its business to the best advantage in accordance with modern requirements that the provisions of the Charters, other than the incorporation of the Bank by the said Royal Charter of 1727, and the existing Acts should be repealed and that such of the provisions of the Charters and of the existing Acts as are suitable to the present day requirements of the Bank be re-enacted with such amendments as are appropriate and that the further powers contained in this Order should be conferred on the Bank and on the directors thereof:

And whereas it is expedient to make further provision for the regulation and administration of the Bank's affairs and the conduct of its business:

And whereas by Interlocutor of the Court of Session in Scotland dated 21st March, 1969, the whole undertaking and property of

National Commercial Bank of Scotland Limited was, as at 1st April, 1969, transferred to and vested in the Bank, including (inter alia) all rights in security and all assets, rights and estate, heritable or movable, real or personal vested in the said National Commercial Bank of Scotland Limited as trustee whether or not along with other trustees:

And whereas for the avoidance of doubt it is desirable that the said Interlocutor should be confirmed in these respects:

And whereas the purposes aforesaid cannot be effected without an Order confirmed by Parliament under the provisions of the Private Legislation Procedure (Scotland) Act 1936:

1936 c. 52.

Now therefore in pursuance of the powers contained in the last-mentioned Act the Secretary of State orders as follows:—

1. This Order may be cited as the Royal Bank of Scotland Order 1970. Short title and citation.

2. In this Order unless there be something in the subject or context repugnant to such construction the following words and expressions have the meanings hereby respectively assigned to them, that is to say:— Interpretation.

“ auditor ” means the person or persons continued in office in pursuance of this Order or appointed and for the time being holding the office of auditor of the Bank;

“ Bank ” means The Royal Bank of Scotland Limited;

“ board ” means the directors for the time being as a body or a quorum of the directors present at a duly convened meeting of directors;

“ Charters ” means the Royal Charter granted by His Majesty King George the First dated 31st May, 1727, the Royal Charter granted by His Majesty King George the Second dated 1st November, 1738, the Royal Charters granted by His Majesty King George the Third dated respectively 16th May, 1770, 10th June, 1783, 5th June, 1788, 7th August, 1793, and 31st January, 1804, and the Royal Charter granted by His Majesty King George the Fourth dated 30th December, 1829;

“ director ” means a director for the time being of the Bank;

“ executive director ” means a director designated in pursuance of section 14 (Bank may appoint executive directors) of this Order;

“ existing ” means existing immediately previous to the commencement of this Order;

“ existing Acts ” means the Royal Bank of Scotland Acts 1873 to 1968;

*Royal Bank of Scotland Order
Confirmation Act 1970*

“ liabilities ” includes duties and obligations of every description;

“ member ” means a stockholder or shareholder from time to time of the Bank;

“ registered office ” means the office of which, at the time, the situation is notified to the Registrar of Companies in Scotland as the registered office of the Bank;

“ Regulations ” means the Regulations of the Bank set out in the Schedule to this Order as so set out or as altered or added to from time to time in pursuance of this Order;

“ securities ” means bonds of cash credit, personal bonds, bills, notes, assignments of contract and retention monies, assignments of policies of assurance, assignments of trust interests and reversions and any other rights or interests, undertakings, mandates, guarantees, liens, impledgments, bonds and dispositions in security, bonds of cash credit and dispositions in security, bonds of cash credit and assignments in security, ex facie absolute dispositions and assignments, conveyances, transfers, mortgages, equitable mortgages, debentures, fixed securities, floating charges and any other deeds or instruments of any kind whatsoever constituting a right in security;

“ share ” shall include stock.

Repeal of
Charters and
existing Acts.

3. Save as provided by section 4 (Saving for incorporation of Bank, etc.) of this Order, the provisions of the Charters and the existing Acts are hereby repealed.

Saving for
incorporation
of Bank, etc.

4. Notwithstanding the provisions of the foregoing section of this Order—

(a) the Bank shall remain incorporated by the said Royal Charter of 1727;

(b) the Bank shall retain all existing assets and rights vested in it and shall be subject to all liabilities to which it was subject immediately before the commencement of this Order save in so far as such rights or liabilities are inconsistent with the provisions of this Order.

Saving rights
of holders of
existing stock.

5. Notwithstanding the repeal of the Charters and the existing Acts the holders of the existing stock of the Bank shall on and from the commencement of this Order continue to have the same rights and be subject to the same liabilities and obligations as they would have had and been subject to if this Order had not been enacted.

Authority for
amendments
to this
Order

6.—(1) Subject to the provisions of the next subsection and of section 11 (Regulations of the Bank) of this Order nothing in this Order shall enable the Bank to amend, modify, extend or repeal the provisions of this Order except as authorised by Parliament.

(2) The provisions of section 10 (Business and objects of the Bank) of this Order may be altered to the same extent and subject to the same limitations and in accordance with the same procedure (including provisions limiting the right to question the validity of an alteration) as the provisions of a memorandum of association with respect to the objects of a company may be altered under section 5 of the Companies Act 1948 or any modification or re-enactment thereof.

1948 c. 38.

7. The directors who shall be in office at the commencement of this Order shall continue in office until they retire by rotation as provided by the Regulations unless they sooner die, vacate office or be removed from office.

Present directors to continue in office.

8. The auditor who shall be in office at the commencement of this Order shall continue in office until the first annual general meeting to be held thereafter unless he sooner die, resign, cease to be qualified or be removed from office.

Present auditor to continue in office.

9. The officers and servants of the Bank who shall be in office at the commencement of this Order shall continue to hold and enjoy their respective offices and employments and shall have the like rights and be subject and liable to the like conditions, obligations and penalties and to the like powers of removal, and to the like rules, restrictions and regulations in all respects as if they had been appointed under this Order.

Present officers to continue in office.

10. The business and objects of the Bank shall be:—

Business and objects of the Bank.

To carry on the business of banking in all or any of its branches in Scotland or in any part of the world, conformably with the laws relating to banking whether passed before or after the commencement of this Order, in any of the territories in which the powers hereby conferred are exercised, and generally in carrying on its said business and as ancillary thereto to do all acts and things usual to be done in the prosecution of banking or dealing in money and securities for money or which may conduce or be calculated directly or indirectly to facilitate or render profitable the prosecution of such business or may be calculated to promote the profitable employment or use of the assets of the Bank, and in particular but without prejudice to such generality the Bank shall have the following objects:—

- (1) To issue notes of all denominations or amounts payable to bearer subject to compliance with any legal requirements from time to time applicable thereto and to any special liability which may attach by law thereto and to perform the obligations thereby undertaken, and under the express declaration that nothing in this Order contained shall authorise the Bank to issue its own bank notes elsewhere than in Scotland:
- (2) To receive money on loan, deposit, current account or otherwise (whether expressed in sterling or other currencies), with or without security, and whether at interest or otherwise,

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and to obtain the use and control of money and securities and to employ and use the same in any manner usual among bankers:

- (3) To advance or lend money whether without security or with security of any nature or kind whatsoever, heritable or movable, real or personal or otherwise, and to negotiate loans and advances by the Bank, by the Bank and others or by others to any government, corporation, association, local or other public authority, company, partnership or any other body or person whatsoever, all upon such terms as to interest or otherwise as may be thought fit:
- (4) To draw, accept, endorse, grant, discount, acquire, buy, sell, issue, negotiate, transfer, hold, invest or deal in and borrow against, retire, pay or secure bills of exchange, promissory notes, certificates of deposit, treasury bills or warrants, cheques, coupons, drafts, bills of lading, warrants, debentures, debenture stock, debts, charges, mortgages, mortgage debentures, mortgage debenture stock, bonds, obligations, stocks, shares, stock and share certificates, scrip, funds, and generally all other obligations, instruments, investments, certificates and securities made, issued or granted by any government, corporation, association, local or other public authority, company, partnership or any other body or person or otherwise:
- (5) To grant, issue, negotiate, honour, retire and pay bankers' cards, cheque cards, credit cards, letters of credit, circular notes, travel and travellers cheques, drafts and other instruments, certificates and securities, whether to bearer or otherwise, and whether providing for the payment of money or the delivery of bullion or otherwise; to make the same or any of them assignable absolutely or otherwise; and to hold, buy, sell and deal in foreign exchange, currency, bullion, specie and precious metals:
- (6) To receive money, valuables, securities, deeds and documents on deposit or for safe custody or otherwise, and with or without undertaking liability for any loss thereof or injury thereto and with or without remuneration:
- (7) To collect, receive and transmit money and securities:
- (8) To subscribe or tender for, purchase or otherwise acquire, and to hold, dispose of and deal with the shares, stock, securities and evidence of indebtedness or of the right to participate in profits or assets or other similar documents issued by any government, local or other public authority, corporation or body, or by any company or body of persons, and to promote, effect, insure, guarantee, underwrite, secure the subscription or placing of, subscribe or tender for or procure subscription of, participate in, manage or carry out any issue of the same and generally of investments of every kind, however constituted and wherever issued, and any options or rights in respect thereof:

- (9) To guarantee or otherwise be responsible for the performance of obligations or contracts of every kind by any government, corporation, association, local or other public authority, company, partnership or any other body or person whatsoever and the payment and repayment of any sums of money including the capital and principal of, and dividends, interest or premiums payable on, any stock, shares and securities of any government, corporation, association, local or other public authority or company, whether having objects similar to those of the Bank or not, and to give all kinds of indemnities, guarantees, bonds and warranties:
- (10) To guarantee or otherwise accept responsibility for the genuineness and validity of obligations, instruments, deeds and documents of all kinds:
- (11) To finance or assist in financing the purchase or sale of any heritable or movable, real or personal property of all and every kind or description by way of hire purchase, instalment finance, rental finance, deferred payment, factoring or leasing or otherwise, and to institute, enter into, carry on, subsidise, finance or assist in subsidising or financing the purchase or sale or maintenance of any heritable or movable, real or personal property of all and every kind and description upon any terms whatsoever, to acquire and discount agreements or any rights thereunder, by way of hire purchase, instalment finance, rental finance, deferred payment or otherwise, whether proprietary or contractual, and to acquire by assignation or otherwise debts due and owing to any person, partnership or company, and to collect such debts:
- (12) To undertake and carry on business as promoters, financiers, managers, traders, importers, exporters, concessionaires, brokers, including commodity and mortgage brokers, merchants, factors, mercantile agents, underwriters, warehousemen, surveyors, auctioneers, valuers, land agents, contractors, travel agents and aircraft, ship, hovercraft, and road and rail transport owners, hirers, charterers and operators; to act as agent or broker for the placing of life, marine, fire, accident, fidelity and other insurance; to act as agent or representative of owners or other persons, partnerships, companies or corporations having, or claiming to have, any interest in vessels, aircraft, hovercraft, cargoes, freights, motor or railway vehicles or other machinery or other general merchandise, and any other subjects of insurance:
- (13) To grant indemnities and guarantees against loss and risks of all kinds:
- (14) To undertake the duties and exercise the rights of a trust corporation as defined by section 68 of the Trustee Act 1925 1925 c. 19 or any modification or re-enactment thereof, and to act as and to undertake and execute the duties of executor, administrator, trustee or custodian trustee, and to undertake and execute trusts of all kinds, whether private or public, and whether inter vivos, contractual or mortis causa, including religious, educational or charitable

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trusts, and generally to carry on what is usually known as trustee and executor business, and in particular and without prejudice to the foregoing generality to undertake and execute the office of trustee or executor or administrator of wills or settlements, trustee of deeds or documents securing debentures, debenture stock or other issues of joint stock or other companies, or of pension or superannuation funds or unit trusts, to establish, promote, continue and manage unit trusts, investment trusts, mutual funds and corporations, associations and partnerships of all types and to act as agent, factor, attorney, tutor, curator, judicial factor, receiver, liquidator, guardian, manager, member of committee or any other office of trust or responsibility with or without remuneration; with power to the Bank to charge interest at such rates as the Bank may from time to time fix on all or any advances made or debts incurred by the Bank while acting in any of such capacities; but nothing herein contained shall authorise the Bank (except by agreement with the persons interested in the trust estate) to make any charge for acting as a trustee unless authorised so to do by the will, settlement or other instrument creating the trust:

- (15) To undertake on behalf of customers investment, realisation and re-investment of moneys, securities, investments and heritable and real property upon terms thought fit, to provide investment management services, to accept and hold either in the name of the Bank or in any of its subsidiary or nominee companies, moneys, securities, investments and heritable and real property paid, transferred, assigned or conveyed for investment management by the Bank and to undertake investment and financial advisory services:
- (16) To continue or promote any company or companies for the holding as nominees of the Bank of all manner of marketable securities and other property, heritable or movable, real or personal pledged as security for overdrafts or other obligations of the customers of the Bank or which the Bank may for its own convenience or for the convenience of its customers or otherwise desire to be so held:
- (17) To provide managerial, advisory, consultancy and data processing services of all descriptions and generally undertake the transaction of every kind of mercantile, property or agency business:
- (18) To undertake the office of treasurer, factor, registrar, secretary and transfer agent and to keep for any government, corporation, association, local or other public authority, company or any other body, any register relating to any stocks, funds, shares, or securities, and to undertake any duties in relation to the registration of transfers, the issue of certificates or otherwise:
- (19) To establish and maintain branches, agencies and representative offices in any part of the world and to act as agents,

and to act for and represent and to employ as agents any company, partnership or person resident in the United Kingdom or elsewhere:

- (20) To procure the Bank to be registered, licensed or otherwise legally recognised in or under the laws of any place outside Scotland:
- (21) To take or concur in any steps or proceedings (including the undertaking of any obligation, monetary or otherwise) calculated to uphold or support the credit of the Bank, or to obtain, maintain or restore public confidence, or to avert or minimise financial disturbances directly or indirectly affecting or likely to affect the business of the Bank:
- (22) To borrow or raise money in such manner as the Bank shall think fit and in particular by the issue of bonds payable to bearer or otherwise, debentures or mortgage debentures or debenture or mortgage debenture stock, perpetual, redeemable or otherwise, and to secure the repayment of any money borrowed, raised or owing or the performance of any obligation or guarantee by granting floating charges, bonds and dispositions in security or bonds and assignments in security, ex facie absolute dispositions, assignments or other conveyances or by mortgage or pledge of or charge over or lien upon, the whole or any part of the Bank's property or assets (present and future) and any uncalled capital of the Bank:
- (23) To purchase or acquire (whether for cash or shares) or otherwise undertake the whole or any part of, or any interest in, the business, property, assets and liabilities of any person, partnership or company carrying on any business which the Bank is empowered to carry on, and to continue or participate in the continuance of any such whole, part or interest so purchased, acquired or undertaken:
- (24) To invest or lend or employ the funds of the Bank in or upon such investments, securities or property or in such manner as the board in its discretion may deem fit, and at the like discretion from time to time to vary such investments:
- (25) To enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint adventure, reciprocal concession or otherwise with any person, partnership, body or company carrying on or engaged in or about to carry on or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit the Bank and to lend money to, guarantee the contracts and obligations of, or otherwise assist any such person, partnership, body or company, and to take or otherwise acquire shares and securities of any such person, partnership, body or company, and to sell, hold, re-issue with or without guarantee or otherwise deal with the same:
- (26) To amalgamate the Bank with or to make arrangements for securing reciprocity of interests between the Bank and any other company or person having objects similar to the objects

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of the Bank or any of them, and that by the issue or sale to such other company or person of any of the shares or stock or debentures of the Bank or by purchase of all or any of the shares or stock or debentures or other interest in the business of any such other company or person or by an arrangement of the nature of partnership or by an exchange of such stock, shares, debentures or interests or by the sale of the whole or any part of the assets of the Bank for the time being, or by the purchase or acquisition of the whole or any part of the assets of such other company or person, and to exchange any of the assets of the Bank for the time being for any other assets which the Bank is entitled to hold; and to promote and facilitate any arrangement by way of sale or otherwise of shares of the Bank by the holders thereof having for its eventual object all or any of these purposes:

- (27) To promote any company or companies for the purpose of acquiring or taking over any part of the property and assets and liabilities of the Bank or of any person, partnership or company or for any other purpose which the Bank is authorised to undertake or carry on in terms of this section or which may be deemed directly or indirectly calculated to benefit the Bank:
- (28) To purchase, take on lease, hire, take options over, exchange or otherwise acquire and to hold, administer, sell, feu, excamb, lease, pledge, burden, charge, realise, invest, improve, manage, develop and otherwise dispose of and deal with assets, moneys, lands, buildings, estates, rights, concessions, licences, grants, patents, trade marks, property, heritable and movable, real and personal wherever situated, and all or any part of the properties, assets and rights of the Bank or any properties, assets and rights in which the Bank may be interested with others:
- (29) To carry on, manage, sell, realise, dispose of and deal with any business comprised or included in any trust or estate of which the Bank is trustee, executor, administrator, agent, factor, attorney, tutor, curator, judicial factor, guardian, receiver, manager, member of committee or otherwise; and to make deposits, enter into recognisances and bonds of caution or security and otherwise give security for the due execution of the offices and performance of the duties of any of the said offices:
- (30) To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any exhibition, trade association or for any purpose which may be considered likely directly or indirectly to further the objects of the Bank or the interests of its members:
- (31) To establish, maintain and subsidise non-contributory and contributory pension, insurance, death or other benefit schemes and funds and grant pensions, annuities, gratuities, donations, allowances, bonuses or any other benefits to any employees or ex-employees, and to officers and ex-officers

(including directors and ex-directors) of the Bank or ex-employees and ex-officers of National Commercial Bank of Scotland Limited or The National Bank of Scotland Limited or of any company which is or was a subsidiary of the Bank, or the relations, connections, dependants or personal representatives of any such persons, and to establish, subsidise or support associations, companies, institutions, clubs, funds, housing schemes and trusts, and to contribute to any companies, trusts, associations or other bodies to secure medical or other benefits which may be considered calculated to benefit any such persons or otherwise advance the interests of the Bank or of its members, and to establish and contribute to any scheme for the purchase by trustees of shares in the Bank or any other company or any heritable or real property to be held for the benefit of the Bank's employees and its officers and ex-officers (including directors and ex-directors), or ex-employees and ex-officers of National Commercial Bank of Scotland Limited or The National Bank of Scotland Limited, and to lend money to such persons to enable them to purchase shares of the Bank or any other company and to formulate and carry into effect any scheme for sharing the profits of the Bank or any other company with such persons or any of them:

- (32) To take over, acquire, carry on or procure the carrying on of any business or undertaking in which any customers or debtors of the Bank may be engaged or interested or the carrying on of which may be beneficial to the Bank, and to enter into and perform any obligations in connection therewith:
- (33) To distribute among the members in specie any property of the Bank whether by way of dividend, bonus or otherwise provided that no such distribution shall be made amounting to a reduction of capital, except with the sanction, if any, for the time being required by law:
- (34) To accept all charters, dispositions, charges, securities and conveyances of heritable and real property, mortgages, assignations or other deeds or instruments affecting heritable or movable, real or personal property to be granted to the Bank, and to execute and subscribe all charters, dispositions, charges, conveyances, mortgages, assignations or other deeds or instruments to be granted by the Bank:
- (35) To take, make, execute, enter into, commence, carry on, prosecute and defend all steps, contracts, agreements, negotiations, legal and other proceedings, compromises, arrangements and schemes and to obtain any Acts of Parliament or Provisional Orders or any acts, enactments, decrees, licences, concessions, orders or authorities of any government or authority, supreme, municipal, local or otherwise which may seem to the Bank to be conducive to the Bank's objects or any of them, or for effecting any modification of the Bank's constitution or extension or variation of its objects or for any other purpose which may seem expedient:

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- (36) To carry on any other business which may seem to the Bank to be capable of being conveniently carried on in connection with or ancillary to any of the businesses mentioned herein or calculated directly or indirectly to enhance the value of or render profitable any of the Bank's property or rights:
- (37) To do all or any of such things in any part of the world as principals, agents, attorneys, contractors, trustees or otherwise and by or through agents, attorneys, contractors, trustees or otherwise and either alone or in conjunction with others:
- (38) To do all such other things as may be considered by the Bank to be incidental or conducive to the attainment of the business and objects of the Bank.

Regulations
of the Bank.
1948 c. 38.

11. The Regulations of the Bank shall be as set forth in the Schedule to this Order and the Bank may at any time by special resolution as defined by section 141 (2) of the Companies Act 1948 or any modification or re-enactment thereof alter or add to any of such Regulations, and any alteration or addition so made shall be as valid as if originally contained in such Regulations and be subject in like manner to alteration by special resolution.

Registered
office of the
Bank.

12. The registered office shall be in Scotland.

Capital of the
Bank.

13. Unless and until the capital of the Bank is altered in any manner authorised by the Companies Act 1948 or any modification or re-enactment thereof, the authorised capital of the Bank shall be £15,000,000.

Bank may
appoint
executive
directors.

14. A person who holds any office or place of profit under the Bank (other than the office of auditor) shall be eligible for office as a director of the Bank and a director of the Bank may hold any other office or place of profit under the Bank (other than the office of auditor) in conjunction with or in addition to his office of director and such person shall be designated an executive director or by such other title as the board may from time to time determine.

Preservation of
pension rights
and other
benefits of
executive
directors.

15.—(1) For the purposes of subsection (31) of section 10 (Business and objects of the Bank) of this Order, the expressions "employee" and "ex-employee" where used in the said subsection shall respectively include executive directors and former executive directors and any director of the Bank who has held any office or place of profit under National Commercial Bank of Scotland Limited or The National Bank of Scotland Limited.

1949 c. xiii.

(2) For the purposes of the Royal Bank of Scotland Officers' Widows' Fund Order 1949, an executive director whose separate office is remunerated by salary shall be deemed to be an officer on the permanent staff of the Bank.

Securities of
National
Commercial
Bank of
Scotland
Limited.

16.—(1) Any securities held on 1st April, 1969, by National Commercial Bank of Scotland Limited as security for the payment of debts or liabilities (whether present or future, actual or contingent) of

any person, partnership, company, corporation, association or other body shall be deemed to have been transferred to and vested in the Bank on the said day and to have been and to be held by and be available to the Bank as security for the payment of such debts and liabilities to the Bank, and where the moneys secured by such securities include future advances to or liabilities of such person, partnership, company, corporation, association or other body the said securities shall as from that day be held by and be available to the Bank as security for future advances by the Bank to the said person, partnership, company, corporation, association or other body and as security for future liabilities to the Bank of the said person, partnership, company, corporation, association or other body, to the same extent to which future advances by, or liabilities to, National Commercial Bank of Scotland Limited were secured immediately before that day.

(2) The Bank shall, in relation to any securities deemed to have been transferred to it as mentioned in subsection (1) of this section and the monies thereby secured, be deemed since 1st April, 1969 to have been entitled and shall be entitled to the same rights and priorities and subject to the same obligations and incidents as National Commercial Bank of Scotland Limited would have been entitled and subject to if the same had continued to be held by National Commercial Bank of Scotland Limited from and after the said day.

17. Where, by any order of court or by any trust deed, settlement, covenant or agreement or where, by any trust disposition and settlement, will, codicil or other testamentary writing, whether made or executed before, on or after 1st April, 1969, National Commercial Bank of Scotland Limited (whether alone or with any other person, partnership or company) was or is granted letters of administration or appointed trustee, executor, tutor, curator, guardian, judicial factor, custodian or in any other fiduciary capacity, such order, trust deed, settlement, covenant, agreement, trust disposition and settlement, will, codicil or other testamentary writing shall not fail by reason of the transfer of the whole undertaking and property of National Commercial Bank of Scotland Limited to the Bank, but shall, as from 1st April, 1969, be read and construed and have effect as if for any reference therein to National Commercial Bank of Scotland Limited there was substituted a reference to the Bank.

Trusteeships,
etc., of
National
Commercial
Bank of
Scotland
Limited.

18. Nothing in this Order contained shall exempt the Bank from the provisions of any general Act relating to banks passed before or after the commencement of this Order.

Saving for
general Acts
relating to
banks.

19. All costs, charges and expenses of and incidental to the preparing for, obtaining and passing of this Order or otherwise in relation thereto shall be paid by the Bank.

Costs of
Order.

SCHEDULE

Section 11.

REGULATIONS

OF

THE ROYAL BANK OF SCOTLAND LIMITED

I. CONSTITUTION

1. The Royal Bank of Scotland Limited is a Corporation constituted under the name "The Royal Bank of Scotland" by Royal Charter dated 31st May, 1727, and was subsequently granted further powers by seven successive Charters dated respectively 1st November, 1738, 16th May, 1770, 10th June, 1783, 5th June, 1788, 7th August, 1793, 31st January, 1804, and 30th December, 1829, and by the Royal Bank of Scotland Acts 1873 to 1968. The Royal Bank of Scotland Limited is registered under the Companies Act 1948 conform to Certificate of Incorporation dated 18th March, 1969.

1948 c. 38.

II. INTERPRETATION

2. For the construction of these Regulations the following words shall have the respective meanings hereby assigned to them unless there be something in the context inconsistent therewith:—

"Act" means the Companies Act 1948;

"auditor" means the person or persons continued in office in pursuance of the Royal Bank of Scotland Order 1970 or appointed and for the time being holding the office of auditor of the Bank;

"Bank" means The Royal Bank of Scotland Limited;

"board" means the directors for the time being as a body or a quorum of the directors present at a duly convened meeting of directors;

"capital" means the capital for the time being of the Bank;

"director" means a director for the time being of the Bank;

"dividend" includes bonus;

"executive director" means a director designated in pursuance of section 14 (Bank may appoint executive directors) of the Royal Bank of Scotland Order 1970;

"general meeting" means a meeting of the members duly convened in accordance with these Regulations or of so many of them as shall be assembled at such a meeting;

"in writing" means written, printed, lithographed or typewritten or partly written, partly printed, partly lithographed or partly typewritten or otherwise reproduced in visible form;

"member" means a stockholder or shareholder from time to time of the Bank;

"month" means a calendar month;

- “ register of members ” means the register of members kept by the Bank in pursuance of section 110 (1) of the Act;
- “ registered office ” means the office of which, at the time, the situation is notified to the Registrar of Companies in Scotland as the registered office of the Bank;
- “ Regulations ” means the Regulations of the Bank for the time being in force;
- “ secretary ” means the person or persons continued in office in pursuance of the Royal Bank of Scotland Order 1970 or appointed for the time being holding the office of secretary of the Bank as the case may be and includes joint secretary, assistant secretary and any person or persons appointed by the directors to perform the duties of the secretary;
- “ share ” and “ shareholder ” shall include stock and stockholder and such of the provisions of these Regulations as are applicable to paid-up shares shall apply to stock;
- “ special resolution ” and “ extraordinary resolution ” have the meaning and effect assigned to them in the Statutes;
- “ Statutes ” means the Act and the Companies Act 1967 and every 1967 c. 81. other Act for the time being in force concerning companies and affecting the Bank;
- “ United Kingdom ” means Great Britain and Northern Ireland;
- “ year ” means a calendar year;

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Words denoting the singular number only shall include the plural number and vice versa;

Words denoting the masculine gender only shall include the feminine gender;

Words denoting persons shall include partnerships, companies and corporations.

Save as aforesaid any words or expressions defined in the Statutes shall (if not inconsistent with the subject or context) bear the same meaning in these Regulations.

III. CAPITAL

3. The capital at the date of these Regulations becoming effective is £15,000,000 stock all of which is issued and fully paid.

4. If at any time the capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue) may whether or not the Bank is being wound up be varied or altered with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a meeting of the holders of the shares of the class; to every such meeting the provisions of these Regulations relating to general meetings shall apply but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll; provided always that if within half an hour from the time

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appointed for any such meeting a quorum is not present the meeting shall stand adjourned until the same day in the next week at the same time and place, or to such other day and at such other time or place as the board may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the holders of shares of the class present in person or by proxy shall be a quorum.

5. The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Bank in some or all respects *pari passu* therewith but in no respect in priority thereto.

6. Without prejudice to any special rights previously conferred on the holders of any existing shares, any shares in the capital may be issued with such preferred, deferred or other special rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Bank in general meeting may from time to time determine.

7. Any unissued shares in the capital shall be at the disposal of the board which may allot, grant options over, or otherwise dispose of such shares to such persons on such terms and conditions, and at such times as the board thinks fit.

8. Except as required by law, the Bank shall not be bound to recognise any person as holding any shares upon any trust, and the Bank shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any shares or (except only as by these Regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

IV. CERTIFICATES

9. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive within one month after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares of any one class or several certificates each for one or more shares of such class upon payment of one shilling or five new pence for every certificate after the first or such less sum as the board shall from time to time determine, except that where a holder of shares sells or otherwise disposes of part only of his holding he shall be entitled to receive a certificate for the balance of his holding without payment of any fee. Every certificate shall specify the shares to which it relates and the amount paid up thereon and shall be under the Common Seal: Provided that in respect of any holding of any class of shares held jointly by several persons the Bank shall not be bound to issue more than one certificate, and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

10. If a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee of one shilling or five new pence or such less sum and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Bank of investigating evidence as the board thinks fit.

V. CALLS ON SHARES

11. The board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of each share or be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Bank at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the board may determine.

12. A call shall be deemed to have been made at the time when the resolution of the board authorising the call was passed and may be required to be paid by instalments.

13. The joint holders of shares shall be jointly and severally liable to pay all calls in respect thereof.

14. If a sum called in respect of shares is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment thereof to the time of the actual payment at such rate per annum as the board may determine, but the board shall be at liberty to waive payment of such interest wholly or in part.

15. Any sum which by the terms of issue of shares becomes payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium, shall for the purposes of these Regulations be deemed to be a call duly made and payable on the date on which by the terms of issue the same became payable, and in case of non-payment all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

The board may on the issue of shares differentiate between the holders as to the amount of calls to be paid and in the times of payment.

16. The board may, if it thinks fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate as may be agreed upon between the board and the member paying such sum in advance.

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17. A member shall not be entitled to receive any dividend or to be present or to vote on any question, either personally or by proxy, at any general meeting or upon a poll, or to be reckoned in a quorum whilst any call or other sum shall be due and payable to the Bank in respect of any of the shares held by him, whether alone or jointly with any other person.

VI. TRANSFER OF SHARES

18. The instrument of transfer of any shares shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain a holder of the shares until the name of the transferee is entered in the register of members in respect thereof.

19. Subject to such of the restrictions of these Regulations as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common form or in any other form which the board may approve.

20. Every instrument of transfer presented to the Bank for registration shall be accompanied by the certificate of the shares to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer and shall be in respect of only one class of shares.

21. The board in its absolute discretion may decline to register a transfer of any shares (not being fully paid shares) and shall not be under any obligation to give any reason for doing so.

22. If the board refuses to register a transfer it shall within one month after the date on which the transfer was lodged with the Bank send to the transferee notice of the refusal.

23. The registration of transfers may be suspended and the register of members closed at such times and for such periods as the board may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

24. Nothing in these Regulations shall preclude the board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

VII. TRANSMISSION OF SHARES

25. In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the executors or administrators or the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Bank as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any shares which had been jointly held by him with other persons.

26. Subject to the provisions of the preceding Regulation any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon such evidence being produced as may from time to time properly be required by the board either (a) be registered as holder of the share in a representative capacity or (b) be registered himself as holder of the share or (c) transfer such share to some other person. The board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that member before his death or bankruptcy, as the case may be.

27. The intimation to the Bank, by or on behalf of any person becoming entitled to a share in accordance with the foregoing Regulation, of the evidence therein required shall be deemed to be a request by such person to be registered as holder of the share in a representative capacity unless such person shall otherwise elect as after mentioned, provided always that such registration shall not impose personal liability upon such person in respect of the share: If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Bank a notice in writing signed by him stating that he so elects and if he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of the Regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

28. Save as otherwise provided by or in accordance with these Regulations, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the Bank such evidence as the board may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share.

VIII. FORFEITURE OF SHARES

29. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the board may at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued, and all expenses that may have been incurred by the Bank by reason of such non-payment.

30. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

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31. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect.

32. Forfeited shares may be sold or otherwise disposed of on such terms and in such manner as the board thinks fit, and at any time before a sale or disposal the forfeiture may be cancelled on such terms as the board thinks fit.

33. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Bank all moneys which, at the date of forfeiture, were presently payable by him to the Bank in respect of the shares, together with interest thereon at such rate per annum as the board shall think fit from the date of forfeiture until payment, but this liability shall cease if and when the Bank shall have received payment in full of all such moneys in respect of the shares.

34. A statutory declaration in writing that the declarant is a director or secretary or other officer of the Bank, and that shares of the Bank have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

35. The Bank may receive the consideration, if any, given for the shares on any sale or disposal thereof and may execute a transfer of the shares in favour of the person to whom the shares are sold or disposed of, and he shall thereupon be registered as the holder of the shares and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the shares.

36. The provisions of these Regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of shares becomes payable at a fixed time, whether on account of the nominal value of the shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

IX. CONVERSION OF SHARES INTO STOCK

37. The Bank may by ordinary resolution convert any fully paid shares into stock, and convert or reconvert any stock into fully paid shares of any denomination.

38. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the board may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the

nominal amount of the shares from which the stock arose and until the board decides otherwise the capital stock of the Bank shall be transferable in amounts and multiples of one pound.

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39. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Bank and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Bank and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

40. Each £1 of stock constituting the capital referred to in Regulation 3 shall for the purposes of the two preceding Regulations be deemed to have arisen from a fully paid share of £1.

X. ALTERATION OF CAPITAL

41.—(1) The Bank may from time to time by ordinary resolution—

- (a) increase the capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) sub-divide its existing shares, or any of them, into shares of smaller amount subject, nevertheless, to the provisions of section 61 (1) (d) of the Act;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

(2) The Bank may by special resolution reduce the capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised and consent required by law.

XI. GENERAL MEETINGS

42. The Bank shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Bank and that of the next. The annual general meeting shall be held at such time and place as the board shall appoint.

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

44. The board may, whenever it thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by section 132 of the Act. If at any time

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there are not within the United Kingdom sufficient members of the board capable of acting to form a quorum, any director or any two members of the Bank may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the board.

XII. NOTICE OF GENERAL MEETINGS

45. An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting other than an annual general meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Bank in general meeting, to such persons as are entitled to receive such notice:

Provided that a meeting of the Bank shall, notwithstanding that it is called by shorter notice than that specified in this Regulation, be deemed to have been duly called if it is so agreed in the case of a meeting called as the annual general meeting by all the members entitled to attend and vote thereat, and in the case of any other meeting, by a majority in number of the members who have a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

XIII. PROCEEDINGS AT GENERAL MEETINGS

46. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and the auditor, the election of directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the auditor.

47. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, two members present in person shall be a quorum.

48. If within half an hour from the time appointed for the general meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the

board may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed therefor the members present in person or by proxy shall be a quorum.

49. The chairman of the board, in whose absence one of the deputy chairmen in whose absence one of the vice chairmen as they may decide among themselves if more than one is present, shall preside as chairman at a general meeting of the Bank. If none of the aforesaid persons is present or willing to act the directors present shall elect one of their own number to be chairman of the meeting. For the purpose of this Regulation a person shall be deemed to be not present at a general meeting if he shall not be present within fifteen minutes of the time appointed for the holding of the general meeting.

50. If at any general meeting 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 shall choose one of their number to be chairman of the meeting.

51. The chairman may, with the consent of any general 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 any adjourned meeting other than business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

52. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded—

- (a) by the chairman of the meeting; or
- (b) by at least three members present in person or by proxy; or
- (c) by any member or members present in person or by proxy and 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 of the Bank 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.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Bank shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

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53. Except as provided in Regulation 55 if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

54. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

55. 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 at such time as the chairman directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

XIV. VOTES OF MEMBERS

56. Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for each £1 of stock or paid up value of shares held by him.

57. 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 for this purpose seniority shall be determined by the order in which the names stand in the register of members.

58. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may, on a poll, vote by proxy provided that such evidence as the board may require of the authority of the person claiming to vote shall have been deposited at the registered office not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll at which it is desired to vote.

59. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares of the Bank have been paid.

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

61. On a poll votes may be given either personally or by proxy.

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62. The instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the board may accept and in the case of an individual under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorised in writing. A proxy need not be a member.

63. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

64. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and shall unless the contrary be stated thereon be valid as well for any adjournment of the meeting as for the meeting to which it relates.

65. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Bank at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

XV. CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

66. Any corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Bank or at any meeting of any class of members of the Bank, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Bank and such corporation shall for the purposes of these Regulations be deemed to be present in person at any such meeting if a person so authorised is present thereat.

XVI. DIRECTORS

67. A director shall not be required to hold any shares of the Bank by way of qualification. A director who is not a member of the Bank shall nevertheless be entitled to attend and speak at general meetings.

68. The remuneration of the directors shall be determined by the Bank in general meeting and shall remain as determined until altered at

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a general meeting, and it shall be in the power of the members at any general meeting to increase or reduce such remuneration as they may think proper; but unless so increased or reduced the remuneration shall continue as last determined from year to year without the necessity of any motion or resolution on the part of the members. Such remuneration, or such part thereof as the board may decide, shall be divided among those who have held office during the whole or any part of the period to which such remuneration is applicable in such proportions and manner as the board by resolution may determine. An executive director or any director who serves on any committee or otherwise performs services which in the opinion of the board are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise as the board may determine from time to time.

69. A director performing special services for the Bank shall be entitled to receive such remuneration as may be fixed by the board or such special remuneration for going abroad or for special or extraordinary service as the board shall determine. A director shall also be entitled to be reimbursed any reasonable out-of-pocket expenses incurred by him in connection with his attendance at general meetings or at meetings of the board or at meetings of committees of the board or in connection with the business of the Bank.

70. The board shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any director or ex-director and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

71. The board may from time to time appoint one or more of its number to be holder of any executive office (including, where considered appropriate, the office of chairman, deputy chairman and vice-chairman) on such terms and for such period as the board may determine.

72. A list of directors shall be kept in which shall be entered the names of the directors in the order of their respective dates of election, provided that in the case of a director who has retired and been re-elected his place on the list shall be determined according to the date of his last election. The order on the list of any directors who may have been elected on the same day shall, unless otherwise agreed among themselves, be determined by lot.

73. At the annual general meeting in each year four directors, namely, those whose names stand at the top of the list for the time, shall retire, but they shall be eligible for re-election.

74. The Bank at the meeting at which a director retires under any provision of these Regulations may by ordinary resolution fill up the office being vacated by electing thereto the retiring director or some other person eligible for appointment. In default the retiring director shall be deemed to have been re-elected except in any of the following cases:—

- (a) Where at such meeting it is expressly resolved not to fill up such office or a resolution for the re-election of such director is put to the meeting and lost.

- (b) Where such director has given notice in writing to the Bank that he is unwilling to be re-elected.
- (c) Where the default is due to the moving of a resolution in contravention of section 183 of the Act.
- (d) Where such director has attained any retiring age applicable to him as director in terms of the Statutes.

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The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring director who is re-elected or deemed to have been re-elected will continue in office without break.

75. No person other than a person retiring shall unless recommended by the board for election be eligible for appointment as director at any general meeting unless not less than seven nor more than twenty-one days before the date appointed for the meeting there shall have been left at the registered office notice in writing signed by a member duly qualified to attend and vote at the general meeting for which such notice is given (other than the person proposed) of his intention to propose such person for election and also notice in writing signed by that person of his willingness to be elected.

76. The board shall have power at any time and from time to time to appoint any person to be a director either to fill a casual vacancy or as an additional director but so that the total number of directors shall not at any time exceed the maximum number (if any) fixed in accordance with these Regulations. Any person appointed in terms of this Regulation shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.

77. The members in general meeting may by ordinary resolution of which special notice has been given in accordance with section 142 of the Act, remove any director before the expiration of his period of office notwithstanding anything in these Regulations or in any agreement between the Bank and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Bank. The members in general meeting may by ordinary resolution appoint another person in place of a director removed from office under this Regulation. A person appointed in place of a director so removed shall be subject to retirement at the same time as if he had become a director on the date on which the director in whose place he is appointed was last elected a director.

XVII. POWERS AND DUTIES OF DIRECTORS

78. The business of the Bank shall be under the direct and active charge of the board which may exercise all such powers of the Bank as are not required to be exercised by the Bank in general meeting in accordance with the provisions of these Regulations, and of the

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Statutes and the Royal Bank of Scotland Order 1970 and any Act amending or re-enacting the said Order, and to such Regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by special resolution of the Bank; but no Regulation made by the Bank in general meeting shall invalidate any prior act of the board which would have been valid if that Regulation had not been made. The general powers given by this Regulation shall not be limited or restricted by any special authority or power given to the board by any other Regulation.

79.—(1) The board may at any time and from time to time establish local boards, local managing or consulting committees or local agencies in the United Kingdom or elsewhere, appoint any one or more of the directors or any other person or persons to be members thereof with such powers and authorities under such regulations for such period and at such remuneration as the board may deem fit, revoke from time to time any such appointment, fix the quorum of the said local boards and committees and delegate to such local boards, committees and agencies from time to time all or such powers vested in the board as the board may deem expedient.

(2) The board may at any time and from time to time by power of attorney or factory and commission appoint any company, partnership or person or body of persons, whether nominated directly or indirectly by the board to be the attorney or attorneys or commissioner or commissioners of the Bank for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the board under these Regulations) and for such period and subject to such conditions as the board may think fit, and any such powers of attorney or factories and commissions may contain such provisions for the protection and convenience of persons dealing with any such attorney or commissioner as the board may think fit and may also authorise any such attorney or commissioner to delegate all or any of the powers, authorities and discretions vested in him.

80.—(1) A member of the board who is in any way, whether directly or indirectly, interested in a contract or arrangement, or proposed contract or arrangement with the Bank shall declare the nature of his interest at a meeting of the board.

(2) A member of the board shall not vote in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting of the board but neither of these prohibitions shall apply to—

- (a) any arrangement for giving any member of the board any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Bank; or
- (b) any arrangement for the giving by the Bank of any security to a third party in respect of a debt or obligation of the Bank for which the member of the board himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or

- (c) any contract by a member of the board to subscribe for or underwrite shares or debentures of the Bank; or
- (d) any contract or arrangement with any other company in which he is interested only as an officer of the company or as holder of shares or other securities; or
- (e) any such scheme or fund as is referred to in Regulation 70 which relates both to directors and to employees or a class of employees and does not accord to any director as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates.

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These prohibitions may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract, arrangement or transaction, by the Bank in general meeting.

(3) A member of the board may hold any other office or place of profit under the Bank (other than the office of auditor) in conjunction with his office as a director for such period and on such terms (as to remuneration and otherwise) as the board may determine and no member or intending member of the board shall be disqualified by his office from contracting with the Bank either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Bank in which any member of the board is in any way interested, be liable to be avoided, nor shall any member of the board so contracting or being so interested be liable to account to the Bank for any such profit realised by any such contract or arrangement by reason of such member of the board holding that office or of the fiduciary relation thereby established.

(4) A member of the board, notwithstanding his interest, may be counted in the quorum present at any meeting of the board whereat he or any other member of the board is appointed to hold any such office or place of profit under the Bank or whereat the terms of such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.

(5) Any member of the board may act by himself or by a partnership or company of which he is a member in a professional capacity for the Bank, and he or such partnership or company shall be entitled to remuneration for professional services as if he were not a member of the board, provided that nothing herein contained shall authorise a member of the board or such partnership or company to act as auditor to the Bank.

81. The board shall cause minutes to be made in books provided for the purpose of all resolutions and proceedings of all general meetings of the Bank, and of meetings of the board, and of meetings of committees of the board.

XVIII. DISQUALIFICATIONS OF DIRECTORS

82. The office of director shall be vacated if the person holding it—

- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally; or

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- (b) becomes of unsound mind or otherwise incapax; or
- (c) resigns his office by notice in writing to the Bank; or
- (d) shall for more than six months have been absent without permission of the board from meetings of the board held during that period; or
- (e) is removed from office in accordance with Regulation 77; or
- (f) shall be removed from office by notice in writing served upon him signed by all his co-directors; but so that in the case of a director holding an executive office subject to termination if he cease to be a director such removal shall be deemed an act of the Bank and shall have effect as such without prejudice to any claim for damages in respect of the consequent termination of his executive office.

XIX. PROCEEDINGS OF DIRECTORS

83. The board may meet together for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit. Questions arising at any meeting of the board 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 member of the board may, and the secretary on the requisition of a member of the board shall, at any time summon a meeting of the board. It shall not be necessary to give notice of a meeting of the board to any member of the board for the time being absent from the United Kingdom.

84. The quorum necessary for the transaction of the business of the board shall be fixed by the Bank in general meeting and until otherwise so determined shall be four.

85. The board shall elect from among the directors a chairman and may elect one or more deputy chairmen and one or more vice chairmen, and determine the periods for which they are respectively to hold office.

86. The chairman of the board, in whose absence one of the deputy chairmen in whose absence one of the vice chairmen as they may decide among themselves if more than one is present, shall preside at meetings of the board. If none of the aforesaid persons is present at a meeting of the board, the directors present shall choose one of their number to be chairman of the meeting. For the purpose of this Regulation a person shall be deemed to be not present at a meeting of the board if he shall not be present within five minutes after the time appointed for the holding of the meeting.

87. The board may delegate any of its powers to committees consisting of such member or members of its body or other person or persons as it thinks fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the board. Save as aforesaid the meetings and

proceedings of a committee consisting of more than one member shall be governed by the provisions of these Regulations regulating the proceedings and meetings of the board.

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88. All acts done by any meeting of the board or of a committee of the board or by any person acting as a director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

89. A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of the board shall be as valid and effectual as if it had been passed at a meeting of the board duly convened and held and may consist of several documents in the like form, each signed by one or more of the directors.

XX. THE COMMON SEAL

90. The board shall provide for the safe custody of the Common Seal which shall only be used by the authority of the directors or a committee of the directors authorised by the directors in that behalf; and every instrument to which the Common Seal shall be affixed shall be signed by a director and countersigned by the secretary or by a second director or by some other person appointed by the board for the purpose. Such signature and counter-signature shall not require to be witnessed:

Provided that in the case of certificates for shares or debentures of the Bank no signature or counter-signature shall be necessary.

XXI. EXECUTION OF DOCUMENTS

91. All deeds, contracts, documents, instruments or other writings not executed under the Common Seal may be signed by an officer of the Bank duly authorised by the board for that purpose and that whether or not relating to heritable or real property.

XXII. AUTHENTICATION OF DOCUMENTS

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

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XXIII. DIVIDENDS

93.—(1) The Bank in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the board.

(2) With the sanction of the Bank in general meeting any dividend may be paid wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of any other company or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the board may settle the same as it thinks expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of all members, and may vest any such specific assets in trustees upon trust for the members entitled to the dividend as may seem expedient to the board.

94. The board may from time to time pay to the members such interim dividends as appear to the board to be justified by the profits of the Bank.

95. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but no amount paid or credited as paid on shares in advance of calls shall be treated for the purposes of this Regulation as paid on the shares. All dividends shall be apportioned and paid proportionally to the amounts paid or credited as paid on shares during any portion or portions of the period in respect of which the dividend is paid; but if any shares are issued on terms providing that they shall rank for dividend as from a particular date such shares shall rank for dividend accordingly.

96. The board may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Bank.

97. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons), or to such person and such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Bank. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

98. No dividend shall bear interest against the Bank.

XXIV. CAPITALISATION OF RESERVES

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99. The Bank in general meeting may upon the recommendation of the board by ordinary resolution resolve to capitalise any sum standing to the credit of any of the Bank's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution, provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend, and authorise the board to appropriate the sum resolved to be capitalised to the members, in the same proportions in which such sum would have been divisible among them if distributed by way of dividend, and to 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 Bank of a nominal amount equal to such sum, such shares or debentures to be allotted and distributed credited as fully paid up to and amongst them in the proportion aforesaid or partly in one way and partly in the other: Provided that share premium account and capital redemption reserve fund may only be applied hereunder in the paying up of unissued shares to be issued as fully paid.

100. Whenever such a resolution as aforesaid shall have been passed the board shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto, with full power to the board to make such provisions as it thinks fit for the case of shares or debentures becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Bank rather than to the members concerned) and also to authorise any person to enter on behalf of all the members interested into an agreement with the Bank providing for the allotment credited as fully paid up of any shares or debentures to be issued upon such capitalisation and for matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

XXV. ACCOUNTS

101. The books of account shall be kept at the registered office, or at such other place within Great Britain as the board thinks fit, and shall always be open to the inspection of the directors. No member (other than a director) shall have any right of inspecting any account or book or document of the Bank except as conferred by statute or authorised by the board.

102. The board shall from time to time in accordance with the provisions of the Statutes cause to be prepared and to be laid before a general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.

103. A copy of every balance sheet and profit and loss account which is to be laid before a general meeting (including every document required by law to be attached or annexed thereto) shall not less than

SCH.
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twenty-one days before the date of the meeting be sent to every member and every holder of debentures of the Bank and to every other person who is entitled to receive notices of meetings from the Bank under the provisions of the Statutes or of these Regulations:

Provided that this Regulation shall not require a copy of these documents to be sent to more than one of joint holders or to any person who is not entitled to receive notices of meetings and of whose address the Bank is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the registered office.

104. Whenever quotation on any stock exchange in the United Kingdom for all or any of the shares or debentures of the Bank shall for the time being be in force, there shall be forwarded to the appropriate officer of such stock exchange such number of copies of such documents as may for the time being be required under its regulations or practice.

XXVI. AUDIT

105. An auditor shall be appointed and his duties regulated in accordance with the relevant provisions of the Statutes.

XXVII. NOTICES

106. A notice may be given by the Bank to any member either personally or by sending it by post to him or to his registered address or to any agent to whom he has authorised the Bank in writing to send notices or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Bank for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of twenty-four hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post, and in proving such service it shall be sufficient to prove under the hand of the secretary or other officer of the Bank that the notice was properly addressed and posted.

107. A notice may be given by the Bank to the joint holders of shares by giving the notice to the joint holder first named in the register of members in respect of the shares or to any agent to whom all such joint holders have authorised the Bank in writing to send notices.

108. A notice may be given by the Bank to the persons entitled to shares in consequence of the death or bankruptcy of a member by sending it through the post in a pre-paid letter 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 the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

109. Notice of every general meeting shall be given in any manner hereinbefore authorised to—

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- (a) every member entitled to attend and vote at the general meeting except such of those members as (having no registered address within the United Kingdom) have not supplied to the Bank an address within the United Kingdom for the giving of notices to them;
- (b) every director who is not a member;
- (c) every person upon whom the ownership of shares devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the general meeting; and
- (d) the auditor for the time being of the Bank.

No other person shall be entitled to receive notices of general meetings.

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

XXVIII. WINDING UP

111. If the Bank shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the liquidator may, with the sanction of an extraordinary resolution of the Bank, divide among the members in specie or kind the whole or any part of the assets of the Bank and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Bank may be closed and the Bank dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

XXIX. INDEMNITY

112. Subject to the provisions of and so far as may be permitted by the Statutes, every director, auditor, secretary or other officer of the Bank shall be entitled to be indemnified by the Bank against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.

Royal Bank of Scotland Order Confirmation Act 1970

CHAPTER iii

ARRANGEMENT OF SECTIONS

Section

1. Confirmation of Order in schedule.
2. Short title.

SCHEDULE

ROYAL BANK OF SCOTLAND

1. Short title and citation.
2. Interpretation.
3. Repeal of Charters and existing Acts.
4. Saving for incorporation of Bank, etc.
5. Saving rights of holders of existing stock.
6. Authority for amendments to this Order.
7. Present directors to continue in office.
8. Present auditor to continue in office.
9. Present officers to continue in office.
10. Business and objects of the Bank.
11. Regulations of the Bank.
12. Registered office of the Bank.
13. Capital of the Bank.

*Royal Bank of Scotland Order
Confirmation Act 1970*

Section

14. Bank may appoint executive directors.
15. Preservation of pension rights and other benefits of executive directors.
16. Securities of National Commercial Bank of Scotland Limited.
17. Trusteeships, etc., of National Commercial Bank of Scotland Limited.
18. Saving for general Acts relating to banks.
19. Costs of Order.

SCHEDULE—Regulations of The Royal Bank of Scotland Limited.