



DRIVING CHANGE IN UK PAYMENTS

Memorandum of Association

of

Payments Council Limited

Company number: 6124842

Date of incorporation: 22nd February 2007

The Companies Act 1985
Company limited by guarantee and not having a share capital
Memorandum of Association
of
Payments Council Limited

1. *Company name*

The name of the company is Payments Council Limited ("**the Company**").

2. *Registered office*

The registered office of the Company is to be situated in England and Wales.

3. *Objects*

3.1 The Company's objects are:

(a) to lead the future development of co-operative payment services in the UK in order to ensure that the payment system as a whole meets the needs of payment service providers, users and the wider economy, including through:

(i) facilitating competition, development and innovation within the payments sector; and

(ii) the identification and sponsorship of innovative solutions, including, where appropriate, new clearing schemes, to meet the current and future needs of consumers, business and other users promptly and efficiently;

(b) to ensure that the payment system is open, accountable and transparent and that:

(i) any restrictions on access to payment schemes are fair, reasonable and non-discriminatory;

(ii) the governance of payment schemes is transparent and open to public scrutiny; and

(iii) any proposals for material innovation and major changes in the conduct of payment schemes are subject to rigorous and transparent evaluation, weighing up the costs and benefits to the banking industry and to society as a whole;

(c) to ensure the operational efficiency, effectiveness and integrity of payment services in the UK, through a primary focus on issues which cross schemes;

(d) to open and operate bank accounts and other banking facilities and to draw, make, accept, endorse, discount, execute and issue cheques, promissory notes, bills and other instruments;

(e) to raise funds in support of the objects of the Company through annual subscriptions or otherwise and to receive and accept them;

(f) to participate, assist in, organise and carry on, whether as principal or as agent, the business of, or any business connected with, incidental, ancillary or in any way relating to or capable of use in the business of financial services;

(g) to undertake responsibility for the operation, development and financing of, and for liaising with all interested parties on matters in any way concerned with, any business carried on by the Company, including, without limitation, the formulation and enforcement of rules, standards, innovations and initiatives for the payment system;

(h) to consult with any payment scheme, member, or any other body or person with respect to any proposal or initiative of whatever nature;

(i) to provide management, administrative, advisory, professional and technical services of any kind and in any manner;

(j) to enter into all forms of distributorship, franchise, licensing and agency transactions;

(k) to promote and undertake scientific or technical research and development into any aspect of the objects of the Company and its work and to disseminate the results of any such research and development and acquire, develop, register, protect and renew patents, trademarks, copyrights, designs, inventions, processes and intellectual, technical and similar rights and all forms of know-how;

(l) to hold exhibitions, seminars, conferences, courses and lectures and to disseminate the proceedings and papers given at such events;

(m) to affiliate, co-operate with or become a member of any association, company, or trust and to purchase or otherwise acquire and take over all or any part of the property, assets, liabilities and engagements of any such association, company or trust;

(n) to enter into any partnership, joint venture, co-operation and similar transactions, to carry out any form of takeover, acquisition, merger, amalgamation, de-merger or reorganisation, to acquire or assume all or any part of the undertaking, assets, liabilities and

obligations of any person, and to dispose of all or any part of the undertaking, assets, liabilities and obligations of the Company;

(o) to enter into any arrangements with any governmental, local authority, or other body or person;

(p) to support or subscribe to any institution or association which may be for the benefit of the Company or its Directors or employees or connected with any town or place where the Company carries on business, to support and subscribe to any charitable or public object whatsoever and to make donations to bodies or associations;

(q) to invest the funds of the Company not immediately required for its purposes in shares, stocks, funds, securities or property;

(r) to acquire, alter, improve, let, dispose of and enter into every other kind of transaction in relation to land, buildings, equipment, goods and other assets;

(s) to borrow or raise money for the objects of the Company on such terms as may be thought fit and to secure the repayment of any money borrowed by mortgage, charge or other security upon the whole or any part of the property or assets of the Company and to secure and guarantee the performance by the Company of any obligation or liability it may undertake;

(t) to pay and discharge any rent, rates, taxes, costs or insurance, or other outgoings payable from time to time in respect of any property of the Company and any legal or other administrative expenses payable from time to time in connection with it;

(u) to pay all costs, charges and expenses of and incidental to the formation and registration of the Company;

(v) to insure the property of the Company and arrange insurance cover for its employees, servants and voluntary workers from and against all such risks incurred in the course of the performance of their duties as may be thought fit;

(w) to provide indemnity insurance to cover the liability of any of the Directors of the Company which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Company provided that any such insurance shall not extend to any claim arising from criminal neglect or deliberate default on their part;

(x) to provide and arrange for pensions, lump sum payments, gratuities, life, health, accident and other insurances and other benefits (pecuniary or otherwise) of every kind to or for the benefit of any individuals who are or have been Directors of, or employed by, or who

provide or have provided services to or for, the Company or any body corporate which is or has been a subsidiary, holding company or fellow subsidiary of the Company or otherwise connected with the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary or connected company and to or for the benefit of the present or former spouses, children and other relatives and dependants of such individuals and others who have formerly had with any such individuals any relationship of such a kind as the Directors may approve, and for those purposes to establish or participate in any fund or scheme, to effect or contribute to any form of insurance and to enter into any other arrangements of any kind which the Directors may approve;

(y) to establish, maintain and participate in any shareholding, share option, incentive or similar schemes for the benefit of any of the Directors or employees of the Company or of any subsidiary, holding or fellow subsidiary or connected company and of any other person falling within any category approved by the Directors, and to lend money to any such Directors, employees or persons or to trustees on their behalf to enable any such schemes to be established or maintained;

(z) to employ and pay any person or persons whether as consultant or employee to supervise, organise, carry on the work of and advise the Company;

(aa) to exercise any power of the Company for any consideration of any kind or for no consideration;

(bb) to do all such things as the Directors consider to be desirable or for the benefit of the Company or that are, in the opinion of the Directors, incidental or conducive to the carrying on of any trade or business by it; and

(cc) to do all such other lawful things as shall further the Company's objects or any of them.

4. Application of income and property

4.1 Subject to sub-clause 4.2, the income and property of the Company shall be applied solely towards the promotion of the Company's objects and shall not be paid or distributed directly or indirectly howsoever by way of profit to any member of the Company.

4.2 Nothing in sub-clause 4.1 shall prevent any payment in good faith by the Company:

(a) of reasonable and proper remuneration to any officer, employee, or member of the Company in return for services provided to the Company, except any payment to any Director other than the payment

to any Independent Director approved by the Board in accordance with Article 9.1(a) of the Company's articles of association;

(b) of interest on money lent by any member of the Company or by any of its Directors at a reasonable and proper rate;

(c) of reasonable and proper rent for premises demised or let by any member of the Company or any Director;

(d) of reasonable out-of-pocket expenses;

(e) of premiums in respect of any indemnity insurance.

5. Limited liability

The liability of the members is limited.

6. Contribution to assets of the Company

Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it shall be wound up while it is a member within 1 year after it ceases to be a member, for payment of the Company's debts and liabilities contracted before it ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves.

7. Application of assets on a winding-up

If upon the winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, it shall not be paid to or distributed among the members of the Company, but shall be given or transferred to some other body or bodies having objects similar to the objects of the Company, and which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Company under or by virtue of clause 4, such body or bodies to be determined by the members of the Company at or before the time of dissolution, and if and so far as effect cannot be given to this provision, then to some charitable object.

9. Interpretation

Words and expressions defined in the Company's articles of association shall, unless the context otherwise requires, have the same meanings as in this Memorandum.

We, the subscriber to this memorandum of association, wish to be formed into a company pursuant to this memorandum.

Director for
Oval Nominees Limited
2 Temple Back East
Temple Quay
Bristol BS1 6EG

Dated

Witness to the above signature:

Signature of witness:

Name:

Address:

Occupation: