

**THE COMPANIES ACTS 1985-1989**

**ARTICLES OF ASSOCIATION**

**OF**

**SHOPACHECK FINANCIAL SERVICES LIMITED**



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COMPANIES HOUSE		02/05/01
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**THE COMPANIES ACT 1985**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**SHOPACHECK FINANCIAL SERVICES LIMITED**  
**ARTICLES OF ASSOCIATION**

Adopted on 19 June 1995 and amended by special resolution on 6 March 2001

**1 PRELIMINARY**

- 1.1 The regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (S1 1985 No. 805) as amended by the Companies (Tables A to F) (Amendments) Regulations 1985 (S1 1985 No. 1052) (such Table being hereinafter called **Table A**) shall apply to the Company save in so far as they are excluded or varied hereby and such regulations (save as so excluded or varied) and the provisions set out below shall be the articles of association of the Company.
- 1.2 In these articles the expression the **Act** means the Companies Act 1985, but so that any reference in these articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

**2 SHARE CAPITAL**

- 2.1 The share capital of the Company as at the date of the latest amendment to these articles is £173,111,500 divided into:
- 2.1.1 111,500 Ordinary Shares of £1 each; and
- 2.1.2 173,000,000 Preference Shares of £1 each.

The Preference Shares shall confer upon the holders thereof as a separate class the following rights:

## Income

- 2.1.1 As to income, the Preference Shares shall confer upon the holders thereof the right in priority to any payment by way of dividend of the Company to receive (exclusive of any imputed tax credit available to shareholders) a cumulative preferential dividend (the **Preferential Dividend**).
- 2.1.2 The Preferential Dividend shall in respect of each Preference Share from time to time in issue be at the Specified Gilt Rate plus 2.583% per annum in respect of each year or part year ending on an anniversary of the date of the first issue by the Company of any Preference Shares (a **Dividend Year**) increased by the percentage increase in the index of retail prices published by the Office for National Statistics (the **Retail Price Index**) from the date 30 days prior to the date of the first issue by the Company of any Preference Shares to the date 30 days prior to the last day of the relevant Dividend Year, and proportionately for any part of a year from the date of issue of the relevant Preference Share. For the purposes of this article 2.1.2, the Specified Gilt Rate shall be the prospective real redemption rate, based on a projected inflation rate of 3%, of 2.5% index linked 2016 UK gilts, based on an RPI base for indexing of 81.6, as quoted in the Financial Times on the day 30 days prior to the relevant anniversary of the first issue by the Company of any Preference Shares (or if the Financial Times is not published on such day, on the first day prior to that day on which it is published, and if the Financial Times does not contain the relevant information, as determined by the Company's auditors for the time being).
- 2.1.3 Subject to Part VIII of the Act the Preferential Dividend shall be:
- (a) paid (exclusive of any imputed tax credit available to shareholders) on each anniversary of the first issue by the Company of any Preference Shares; and
  - (b) without any resolution of the directors of the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 108 (inclusive) of Table A) accrue from day to day and on each such anniversary become a debt due from and immediately payable by the Company to the holders of the Preference Shares pro rata according to the number of Preference Shares held by each such shareholder, as the case may be.

## Redemption

- 2.1.4 Subject to the Act, the Preference Shares shall be redeemed by the Company without notice, on 6 March 2016.
- 2.1.5 Where any Preference Shares are to be redeemed in accordance with article 2.1.4 above, the Company shall be obliged, prior to making any payment to any other shareholder or shareholders of the Company, subject to having sufficient available profits or other monies which may be lawfully applied for such redemption, to redeem in full the relevant number of Preference Shares on the date fixed for their redemption and to pay to the relevant holder of the relevant Preference Shares an amount (the **Redemption Monies**) equal to £1.8697 increased by the percentage increase in the Retail Prices Index from the date 30 days prior to the date of the first issue by the Company of any Preference Shares to the date 30 days prior to 6 March 2016 for each such Preference Share, and such amounts shall, subject to the Company having available profits or other monies which may be lawfully applied for such redemption, at that time become a debt due from and immediately payable by the Company to the holders of such Preference Shares. If and to the extent that the debt so constituted is not paid in full on the due date, the unpaid amount shall carry interest at an annual rate of 2% above the base rate from time to time of Barclays Bank Plc in respect of the period from and including the due date down to and including the date of actual payment.
- 2.1.6 If the Company is unable, because of having insufficient available profits or other monies which may be lawfully applied for such redemption, to redeem in full the relevant number of Preference Shares on the date fixed for their redemption, the Company shall redeem as many of such Preference Shares as can lawfully and properly be redeemed and shall redeem the balance as soon as it is lawfully and properly able to do so.
- 2.1.7 On the date fixed for redemption, each of the holders of Preference Shares falling to be redeemed shall be bound to deliver to the Company, at the Company's registered office, the certificate(s) for such Preference Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate(s)) in order that the same may be cancelled. Upon such delivery, the Company shall pay to the holder (or, in the case of any joint holders, to the holder whose name stands first in the Company's register of

members in respect of such Preference Shares) the amount due to it in respect of such redemption against delivery of a proper receipt for the Redemption Monies.

### **Capital**

- 2.1.8 On a return of capital on winding-up or capital or otherwise (a **Return of Capital**), the holders of the Preference Shares shall be entitled, in priority to any payment to the holders of any other class of shares, to the repayment of a sum calculated in accordance with the following formula:

$$\text{RPI} * \pounds(1.8697^{N/15})$$

where N is equal to the number of years (including fractions of a year) which have elapsed between the date of issue of the relevant Preference Share and the date of the Return of Capital; and

RPI is equal to the Retail Prices Index on the date of the Return of Capital divided by the Retail Prices Index on the date of issue of the relevant Preference Share.

### **Further participation**

- 2.1.9 The holders of the Preference Shares shall not be entitled to any further right of participation in the profits or other assets of the Company.

### **General Meeting**

- 2.1.10 The holders of the Preference Shares shall, by virtue of and in respect of their holdings of the Preference Shares, have the right to receive notice of, attend, speak and vote at a general meeting of the Company only if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Preference Shares (in which case they shall only be entitled to vote on such resolution).
- 2.1.11 Except in the circumstances set out above, the holders of the Preference Shares shall not have the right to receive notice of, attend, speak or vote at any general meeting of the Company.

## **Voting**

2.1.12 Whenever the holders of the Preference Shares are entitled to vote on a resolution at a general meeting of the Company, on a show of hands, every such holder who is present in person or (being a corporation) by a representative shall have one vote and, on a poll, every such holder who is present in person or by proxy shall have one vote in respect of each fully-paid Preference Share registered in the name of such holder.

## **3 ALLOTMENT OF SHARES**

3.1 All shares in the capital of the Company from time to time shall be under the control of the directors who may (subject to section 80 of the Act) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.

3.2 In accordance with section 91(1) of the Act, sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

## **4 GENERAL MEETINGS AND RESOLUTIONS**

4.1 Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditors for the time being of the Company.

4.2 A proxy shall be entitled to vote on a show of hands and regulation 54 of Table A shall be modified accordingly.

4.3

4.3.1 if a quorum is not present within half an hour from the time appointed for a general meeting the general meeting 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 directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved.

4.3.2 Regulation 41 of Table A shall not apply to the Company.

- 4.4 A resolution in writing in accordance with regulation 53 of Table A shall be deemed to have been executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders the signature of any one of them shall be sufficient for the purposes of that regulation.

## **5 APPOINTMENT OF DIRECTORS**

- 5.1 Regulation 64 of Table A shall not apply to the Company.
- 5.2 The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution in general meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be one. Whensoever the number of directors holding office shall be one, the sole director shall have authority to exercise all the powers and discretions by Table A and by these articles expressed to be vested in the directors generally, and regulation 89 of Table A shall be modified accordingly.
- 5.3 The directors shall not be required to retire by rotation and regulations 73 to 80 (inclusive) of Table A shall not apply to the Company.
- 5.4 Without prejudice to the powers of the Company under section 303 of the Act to remove a director by ordinary resolution, the holder or holders for the time being of more than 50 per cent. of the issued ordinary shares of the Company shall have the power from time to time and at any time to appoint any person or persons as a director or directors and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by notice in writing signed by the member or members making the same or in the case of a member being a corporation signed on its behalf by one of the directors or its secretary and shall take effect upon being lodged at the registered office of the Company.
- 5.5 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with paragraph 5.2 above as the maximum number of directors for the time being in force.

- 5.6 Unless and until otherwise determined by the Company by ordinary resolution either generally or in any particular case no director shall vacate or be required to vacate his office as a director on or by reason of his attaining or having attained the age of seventy and any person proposed to be appointed a director shall be capable of begin appointed as a director notwithstanding that he has attained the age of seventy and no special notice need be give of any resolution for the appointment as a director of a person who shall have attained the age of seventy and it shall not be necessary to give to the members notice of the age of any director or person proposed to be appointed as such.

## **6 BORROWING POWERS**

The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## **7 ALTERNATE DIRECTORS**

- 7.1 An alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of regulation 66 of Table A shall be modified accordingly.
- 7.2 A director may appoint any person willing to act as his alternate and regulation 65 of Table A shall be modified accordingly and such person may represent more than one director. An alternate director shall be entitled at any meeting of the directors or of any committee to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.
- 7.3 If the appointor of an alternate director is not available the signature of the alternate director to any resolution in writing of the directors shall be as effective as the signature of the appointor. An alternate director shall be deemed to be a director for the purpose of signing instruments to which the seal is affixed and article 11.1 shall be read accordingly.



## **8 GRATUITIES AND PENSIONS**

- 8.1 The directors may exercise the power of the Company conferred by clause 3.15 of the memorandum of association of the Company and shall be entitled to retain any benefit received by them or any of them by reason of the exercise of any such powers.
- 8.2 Regulation 87 of Table A shall not apply to the Company.

## **9 PROCEEDINGS OF DIRECTORS**

- 9.1 A director may vote at any meeting of the directors or of any committee of the directors on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.
- 9.2 Regulations 94 to 97 (inclusive) of Table A shall not apply to the Company.
- 9.3 Any director or member of a committee of the board of directors may participate in a meeting of the directors or such committee by means of conference telephone or other means of electronic communication whereby all the persons participating in a meeting can hear each other and any director so participating shall be deemed to be present in person at such meeting and may vote and be counted in the quorum therefor.

## **10 NOTICE**

Any notice required by these articles to be given by or to the Company may be given by any visible form on paper including telex and facsimile transmission and a notice communicated by such forms of immediate transmission shall be deemed to be given at the time it is transmitted to the person or company to whom it is addressed. Regulations 111 and 112 of Table A shall be amended accordingly.

## **11 THE SEAL**

- 11.1 If the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or a second director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 of Table A shall not apply to the Company.
- 11.2 The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the directors.

## **12 INDEMNITY**

- 12.1 Every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this article shall only have effect in so far as its provisions are not avoided by section 310 of the Act.
- 12.2 The directors shall have power to purchase and maintain for any director, officer or auditor of the Company insurance against any such liability as is referred to in section 310(1) of the Act.
- 12.3 Regulation 118 of Table A shall not apply to the Company.